

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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P	A	S	E	O		(F	O	R	M	E	R	L	Y	:		C	I	T	I	B	A	N	K		C	E	N	T	E	R)
8	7	4	1		P	A	S	E	O		D	E		R	O	X	A	S		M	A	K	A	T	I		C	I	T	Y		

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

ROLANDO S. SANTOS

(Contract Person)

(02) 8831-4479

(Company Telephone Number)

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Month Day
(Fiscal Year)

2	0	-	I	S
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(Form Type)

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Month Day
(Annual Meeting)

2024 DEFINITIVE INFORMATION STATEMENT
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Secondary License Type, If Applicable)

Corporation Finance Department

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

2,176

Total No. of Stockholders

Total Amount of Borrowings	
	N/A

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document ID

Cashier

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement

2. **MARCVENTURES HOLDINGS, INC.**
Name of the Registrant as specified in its charter

3. **METRO MANILA, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **12942**

5. BIR Tax Identification Code **000-104-320-000**

6. **4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City**
Address of principal office Postal Code **1227**

7. **(02) 8831-4479 or 8856-7976**
Registrant's telephone numbers, including area code

8. **July 26, 2024 at 2:00 pm, McKinley B & C Room of Manila Polo Club, McKinley Road, Forbes Park, Makati City**
Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders – **July 4, 2024**

10. In case of Proxy Solicitations:
Name of Person Filing the Statement/Solicitor: **MARCVENTURES HOLDINGS, INC.**
Address and Telephone No.: **4th Floor BDO Towers Paseo, (Formerly Citibank Center)**
8741 Paseo de Roxas, Makati City
Metro Manila, Philippines 1227
Tel. (632) 8831-4479
Attn: Atty. Ana Maria A. Katigbak

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock	3,014,820,305*
* As of 31 May 2024	

Are any or all of registrant's securities listed in a Stock Exchange?
YES [X] NO []

If yes, disclose the name of such Stock Exchange and the class of securities therein:
Philippine Stock Exchange - Common Stock



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Please be advised that the annual meeting of stockholders of **MARCVENTURES HOLDINGS, INC.** (the "Corporation") will be held on **July 26, 2024 (Friday), 2:00 p.m.** at the McKinley B & C Room, Manila Polo Club, 35 McKinley Road, Forbes Park, Makati City, with the following agenda:

AGENDA

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting Held on 25 July 2023
4. Approval of the Management Report and Audited Financial Statements for the Year Ended 31 December 2023
5. Ratification of Acts of the Board of Directors and Management
6. Election of Directors
7. Appointment of the External Auditor
8. Other Matters
9. Adjournment

For purposes of the meeting, stockholders of record as of **June 28, 2024** are entitled to receive notice of and to vote at the said meeting. Registration for the meeting begins at 1:00 p.m. For convenience in registering your attendance, present your valid identification such as driver's license, voter's ID, TIN card, SSS card, or passport.

If you will not be able to attend the meeting but would like to be represented thereat, you are requested to submit a duly signed and accomplished proxy form to the Office of the Corporate Secretary of Marcventures Holdings, Inc. located at the 4th Floor BDO Towers Paseo, 8741 Paseo de Roxas, Makati City on or before 6:00 p.m., July 16, 2024. Beneficial owners whose shares are lodged with PDTC or registered under the name of a broker, bank, or other fiduciary allowed by law, must likewise present a notarized certification from the owner of record (i.e. the broker, bank, or other fiduciary) that he is the beneficial owner indicating thereon the number of shares. Corporate shareholders shall likewise be required to present a notarized Secretary's Certificate attesting to the authority of its representative to attend and vote at the stockholder's meeting.

The deadline for submission of proxies is on July 16, 2024. Validation of proxies will take place on July 19, 2024.

Pursuant to the Securities and Exchange Commission's Notice dated February 22, 2024, an electronic copy of the Information Statement, Management Report, SEC Form 17A, and other pertinent documents related to the meeting may be accessed through the Corporation's website at <https://www.marcventuresholdings.com.ph/> and on the Philippine Stock Exchange Edge website.

For any question about the meeting, you may send an email to:
inquiries@marcventures.com.ph

Makati City, July 1, 2024.


ANA MARIA A. KATIGBAK
Assistant Corporate Secretary

*All proxies which have been previously submitted for the meeting shall remain valid for a period not exceeding five (5) years unless sooner revoked.

**MARCVENTURES HOLDINGS, INC.
ANNUAL STOCKHOLDERS' MEETING**

July 26, 2024

PROXY FORM

This proxy is being solicited on behalf of the Board of Directors and Management of Marcventures Holdings, Inc. (the "Company") for voting at the Annual Stockholders' Meeting to be held on July 26, 2024 at McKinley B & C Room, Manila Polo Club, 35 McKinley Road, Forbes Park, Makati City

I, the undersigned stockholder of the Company, do hereby appoint, name and constitute the Company's Chairman, Cesar C. Zalamea or Chief Operating Officer and Executive Vice-President, Rolando S. Santos.

Or

as my attorney-in-fact and proxy, to represent me at the Annual Stockholders' Meeting of the Company to be held on July 26, 2024 at 2:00 p.m. and any postponement(s) and adjournment(s) thereof, as fully and to all intents and purposes as I might or could do if present and voting in person, hereby ratifying and confirming any and all actions taken on matters which may properly come before such meeting or adjournment(s) thereof. In particular, I hereby direct my said proxy to vote on the agenda items set forth below as I have expressly indicated by marking the same with an "X".

AGENDA ITEMS	ACTION		
Item 1. Call to Order	No action necessary.		
Item 2: Proof of Notice and Certification of Quorum	No action necessary.		
	FOR	AGAINST	ABSTAIN
Item 3: Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 25 July 2023			
Item 4: Approval of the Management Report and Audited Financial Statements for the year ended 31 December 2023			
Item 5: Ratification of All Acts of the Board of Directors and Management			
Item 6: Election of Directors			
For Regular Directors:			
1. Cesar C. Zalamea			
2. Marianne Regina T. Dy			
3. Michael L. Escaler			
4. Andrew Julian K. Romualdez			
5. Augusto C. Serafica, Jr.			
6. Ruby K. Sy			
7. Anthony M. Te			
For Independent Directors:			
1. Kwok Yam Ian Chan			
2. Carlos Alfonso T. Ocampo			
Item 7: Approval of Appointment of Reyes Tacandong & Co. as the Company's External Auditor			
Item 8: Other Matters	According to Proxy's Discretion		
Item 9: Adjournment			

IN CASE A PROXY FORM IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous Annual Meeting of the Stockholders;
- FOR the approval of the Management Report and Audited Financial Statements for year ended December 31, 2023;
- FOR the confirmation and ratification of all acts and resolutions of the Board of Directors and Management from the date of the last stockholders' meeting to date as reflected in the books and records of the Company;

- FOR the election of the following directors:

For Regular Directors:

1. Cesar C. Zalamea
2. Marianne Regina T. Dy
3. Michael L. Escaler
4. Andrew Julian K. Romualdez
5. Augusto C. Serafica, Jr.
6. Ruby K. Sy
7. Anthony M. Te

For Independent Directors:

1. Kwok Yam Ian Chan
2. Carlos Alfonso T. Ocampo

- FOR the approval of the appointment of Reyes Tacandong & Co. as the Company's external auditor; and to authorize the Proxy to vote according to discretion of the Company's Chairman of the Meeting or SVP for Finance and Administration/Treasurer on any matter that may be discussed under "Other Matters".

A Proxy Form that is returned without a signature shall not be valid.

VALIDATION OF PROXIES

If you will not be able to attend the meeting but would like to be represented thereat, you must submit a duly signed and accomplished proxy form to the Office of the Corporate Secretary of Marcventures Holdings, Inc., at the 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City, on or before 6:00 p.m. of July 16, 2024. Beneficial owners whose shares are lodged with Philippine Depository and Trust Corporation (PDTC) or registered under the name of a broker, bank, or other fiduciary allowed by law, must likewise present a notarized certification from the owner of record (i.e. the broker, bank, or other fiduciary) that he is the beneficial owner indicating thereon the number of shares. Corporate shareholders shall likewise be required to present a notarized Secretary's Certificate attesting to the authority of its representative to attend and vote at the stockholder's meeting. Validation of proxies shall be made on July 19, 2024 at the principal office of Marcventures Holdings, Inc.

REVOCAION OF PROXIES:

A stockholder giving a proxy has the power to revoke it any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

Signed this _____ 2024 at _____.
(DATE) (PLACE)

Printed Name of Stockholder

Signature of Stockholder
or Authorized Signatory

PLEASE DATE AND SIGN YOUR PROXY

PLEASE MARK, SIGN, AND RETURN YOUR PROXY BY HAND OR MAIL (IN TIME FOR IT TO REACH THE COMPANY) ON OR BEFORE 6:00 P.M. OF JULY 16, 2024.

REPUBLIC OF THE PHILIPPINES)
CITY OF) S.S

SECRETARY'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

I, _____, of legal age, Filipino and with business address at the _____, under oath, depose and state that:

I am the Corporate Secretary of _____, the ("Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal office and place of business at _____.

I hereby certify that at a meeting of the Board of Directors of the said Corporation held at its principal office on _____ at which a quorum was present and acting throughout, the following resolution was unanimously approved:

"RESOLVED, as it is hereby resolved, that _____ be appointed by the Corporation to represent it at the meeting of the stockholders of MARCVENTURES HOLDINGS, INC. scheduled on July 26, 2024 or any postponement thereof, and in connection therewith, to vote all shares registered in the name of the Corporation or to execute or give any proxies as she/he may deem proper."

IN WITNESS WHEREOF, I have hereunto set my hand on this ____ day of _____ at _____.

Corporate Secretary

SUBSCRIBED AND SWORN TO before me this _____ day of _____, affiant exhibiting to me his _____ issued at _____ on _____ showing his photograph and signature.

Doc No. _____;
Page No.: _____;
Book No. _____;
Series of 2024.

**MARCVENTURES HOLDINGS, INC.
INFORMATION STATEMENT
(SEC FORM 20-IS)**

PART 1: GENERAL INFORMATION

Item 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

Date of meeting: July 26, 2024 (Friday)
Time of meeting: 2:00 p.m.
Place of meeting: McKinley B & C Room of Manila Polo Club, McKinley Road,
Forbes Park, Makati City

The Chairman of the Board, Mr. Cesar C. Zalamea, shall preside over the meeting in Makati City.

Approximate mailing date
of this statement including
proxy form:

July 4, 2024 (to be compliant with the requirements of publication of Notice of Meeting under Securities and Exchange Commission (SEC) Notice dated 22 February 2024 re Alternative Mode for Distributing and Providing Copies of Notice of Meeting, Information Statement, and Other Documents in Connection with the Holding of Annual Stockholders' Meeting for 2024)

Complete mailing address of the
principal office of the registrant:

4th Floor BDO Towers Paseo (formerly Citibank Center), 8741
Paseo de Roxas, Makati City

Item 2. DISSENTERS' RIGHT OF APPRAISAL

There are no matters to be taken up during the Annual Stockholders' Meeting on July 26, 2024 that will require the exercise of appraisal right by any dissenting stockholder.

Any stockholder of the Company may exercise his appraisal right against the proposed action which qualifies as instances that give rise to the exercise of such right, pursuant to the provisions and procedures set forth under Title X of the Revised Corporation Code of the Philippines. The application of such right is limited to the following instances:

- a. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 80);
- b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 80);
- c. In case of merger or consolidation (Section 80); and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation (Section 80).

The Revised Corporation Code of the Philippines (Sec. 81) provides that the appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: and Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Item 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

No incumbent member of the Board of Directors, or nominee for election as Director, at any time since the beginning of the last fiscal year has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting other than election to office.

No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

No associate of any of the foregoing persons have any substantial interest, direct or indirect, in any matter to be acted upon, other than election to office.

B. CONTROL & COMPENSATION INFORMATION

Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

- (1) The Registrant has 3,014,820,305 outstanding common shares as of May 31, 2024. Each common share shall be entitled to one vote with respect to all matters to be taken up during the Annual Stockholders' Meeting.
- (2) The record date for determining stockholders entitled to notice and to vote during the Annual Stockholders' Meeting and to this Information Statement is on June 28, 2024.
- (3) The election of the Board of Directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 23 of the Revised Corporation Code of the Philippines. Section 23 provides that a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholders should

not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

(4) Security Ownership of Certain Record and Beneficial Owners and Management of more than 5%

Security ownership of certain record (“r”) and beneficial (“b”) owners of five percent (5%) or more of the outstanding capital stock of the Registrant as of May 31, 2024:

Title of Class	Name, address of record owner and relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based on new no. of Outstanding Shares)
Common	RYM Business Management Corp.	-	Filipino	309,999,946	10.28%
Common	Ruby Sy	-	Filipino	168,615,000	5.59%
Common	PCD Nominee Corporation (Registered owner in the books of the stock transfer agent)	Bright Kindle Resources & Investments Inc.	Filipino	600,000,000	19.90%
		Rodolfo Yu	Filipino	172,635,000	5.73%
		Dy Family	Filipino	348,500,000	11.56%
		Except those enumerated above, the Company is not aware of other persons with lodged shares who are the beneficial owners of more than 5% of its outstanding capital stock. PCD authorizes its trading participants to vote the shares registered in their name.	Filipino	1,081,188,593	35.86%
TOTAL				2,680,938,539	88.93%

The Company has not yet received the proxy form appointing the attorney-in-fact who shall represent and vote on the shares held by Bright Kindle Resources and Investments, Inc. and RYM Business Management Corporation in the 2024 Annual Stockholders’ Meeting. In the previous meeting, the authorized proxy was Atty. Remegio C. Dayandayan, Jr. and Mr. Augusto C. Serafica, Jr., respectively.

As of May 31, 2024, the foreign ownership level of Marcventures Holdings, Inc. (MARC) is 80,788,615 common shares or equivalent to 2.68%.

Security Ownership of Management – Record “r” and Beneficial “b” (direct/indirect) owners as of May 31, 2024:

Title of Class	Name of Beneficial Owner	Amount and nature of ownership (Indicate record (“r”) and/or beneficial (“b”))	Citizenship	Percent of Class
Common	Cesar C. Zalamea Chairman	1,000 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Marianne Regina T. Dy Director	1 “r” (direct) 5,999,999 “b” (indirect)	Filipino	0.00% 0.20%
Common	Carlos T. Ocampo Independent Director	1,000 “r” (direct) 0 “b”(indirect)	Filipino	0.00%
Common	Augusto C. Serafica, Jr. Director	10,000 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Ruby Sy Director	168,615,000 “r” (direct) 0 “b” (indirect)	Filipino	5.59%
Common	Anthony M. Te Director	27,000,500 “r” (direct) 55,629,100 “b” (indirect)	Filipino	0.90% 1.85%
Common	Kwok Yam Ian Chan Independent Director	1,000 “r” (direct) 0 “b” (indirect)	British	0.00%
Common	Michael L. Escaler Director	1 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Andrew Julian K. Romualdez Director	1,000 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Rolando S. Santos Chief Operating Officer and Executive Vice-President	1 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Roberto V. San Jose Corporate Secretary	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Ana Katigbak Asst. Corporate Secretary	0 “r” (direct) 150,000 “b” (indirect)	Filipino	0.00%
Common	Rommel T. Casipe Co-Asst. Corporate Secretary	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Dale A. Tongco Treasurer	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Deborra C. Ilagan VP HR/ Admin	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Ma. Theresa A. Defensor VP Corporate Communications	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
		195,629,503 - “r” 61,779,099 – “b”		

Voting trust holders of 5% or More

No person holds more than five per centum (5%) of a class under a voting trust agreement or similar arrangement.

Changes in control

Currently, the Company has no arrangement which has occurred, resulted to or may have resulted in a change in control of MHI since the beginning of the last fiscal year.

Item 5. DIRECTORS AND EXECUTIVE OFFICERS

Board of Directors and Executive Officers

The names, ages, citizenship, position and business experience of all directors and executive officers held for the past five (5) years (except those years stated otherwise) are as follows:

Name	Age	Citizenship	Position
Cesar C. Zalamea	95	Filipino	Chairman
Augusto C. Serafica, Jr.	62	Filipino	Director
Marianne Regina T. Dy	47	Filipino	Director
Carlos Alfonso T. Ocampo	58	Filipino	Independent Director
Kwok Yam Ian Chan	37	Filipino	Independent Director
Ruby K. Sy	71	Filipino	Director
Michael L. Escaler	74	Filipino	Director
Anthony M. Te	54	Filipino	Director
Andrew Julian K. Romualdez	24	Filipino	Director
Rolando S. Santos	74	Filipino	Chief Operating Officer and Executive Vice-President
Dale A. Tongco	59	Filipino	Treasurer
Roberto V. San Jose	82	Filipino	Corporate Secretary
Ana Maria A. Katigbak	55	Filipino	Asst. Corporate Secretary/Compliance Officer/Corporate Information Officer/ Data Privacy Officer
Rommel T. Casipe	37	Filipino	Co-Assistant Corporate Secretary/ Co-Compliance Officer/ Co-Corporate Information Officer
Deborra C. Ilagan	61	Filipino	Vice-President for Human Resources / Administration
Ma. Theresa A. Defensor	56	Filipino	Vice President – Corporate Communications

Mr. Cesar C. Zalamea was elected Chairman of Marcventures Holdings, Inc. (MHI) in June 2013. He served as the Company's President from June 2013 to September 2014. He serves as Chairman of Marcventures Mining and Development Corp. (MMDC) and Bright Kindle Resources Inc. (formerly Bankard Inc.). He is an independent director of Araneta Properties Inc., a company he joined as Director in December 2008. He was a member of the Advisory Board of Campbell Lutyens & Co. Ltd., an investment advisory company based in the U.K., from July 2011 until June 2015. In 1945, Mr. Zalamea joined AIG where he started as an Investment Analyst at the Philippine American Life Insurance Company (Philamlife) and, later, its President in May 1969. While with Philamlife, he was

called to serve the Program Implementation Agency (PIA) in 1964 as Deputy Director General. PIA was an economic group that reported directly to the President of the Philippines. He returned to Philamlife in 1965. In 1969, Mr. Zalamea was appointed Member of the Monetary Board of the Central Bank of the Philippines, representing the private sector. In 1981, he left Philamlife to become Chairman of the Development Bank of the Philippines, giving up his post in the Monetary Board. In 1986, he left the DBP to go back to AIG. He was then stationed in Hong Kong to be the first President of AIG Investment Corporation (Asia) Ltd. At this time, he was elected to serve as Director in many AIG affiliated companies in Asia, such as the AIA Insurance Co., Nan Shan Life Insurance Co., and Philamlife. He left AIG in 2005 to work directly with Mr. Maurice R. Greenberg at C.V. STARR Companies, where he was appointed President and CEO of Starr Investment Co. (Asia) Ltd. In 2008, he became its Chairman until he retired in 2010.

Mr. Zalamea obtained his BS in Accounting and Banking in 1951 from Colegio de San Juan de Letran, where he graduated valedictorian. In 1953, Mr. Zalamea received his MBA from New York University.

Mr. Augusto Antonio C. Serafica Jr. was elected as Director in June 2013. Mr. Serafica is currently the President and CEO of Bright Kindle Resources & Investments Corp and Armstrong Capital Holdings, Inc. He was formerly the President of Premiere Horizon Alliance Corporation and the Managing Director of Asian Alliance Investment Corporation and Asian Alliance Holdings & Development Corporation. He is currently the Treasurer of Ardent Property Development Corporation and First Ardent Development Corporation.

Mr. Serafica obtained a Bachelor of Commerce in Accountancy degree from San Beda College and master's in business management from the Asian Institute of Management. Mr. Serafica is a Certified Public Accountant.

Mr. Serafica is also a member of the Board of Trustees of the AIM Scientific Research Foundation, Inc., President of the AIM Alumni Leadership Foundation, Inc., and is a former Treasurer of the Federation of AIM Alumni Associations, Inc. and Chairman and Director of the Alumni Association of AIM – Philippines, Inc. He was also a former National Chairman of the Board of Trustees as well as a former National Treasurer of the Brotherhood of Christian Businessmen and Professionals (BCBP).

Ms. Marianne Regina T. Dy was elected Director in September 2014. She is the Vice President and Chief Operating Officer of So-Nice International Corporation and an active member of the Meat Importers and Traders Association (MITA). She is a graduate of De La Salle University with degrees in Psychology, Marketing Management, and Finance for Senior Executives from the Asian Institute of Management.

Atty. Carlos Alfonso T. Ocampo was elected as Independent Director in August 2013. He is the founder of Ocampo & Manalo Law Firm, which was established in 1997. He is a member of the Board in various corporations, including MAA General Assurance Phils. Inc., South Forbes City College Corporation, Columbian Autocar Corporation, Asian Carmakers Corp., Jam Transit Inc., Prestige Cars Inc., Autohaus Quezon City Inc., and AVK Philippines, Inc. He is the Corporate Secretary of PSI Healthcare Development Services Corp., PSI Prescription Solutions Corp., Adrianse Phils. Inc., Bluelion Motors Corp., First Charters and Tours Transport Corp., Brycl Resorts and International Inc., AVK Philippines Inc., Jam Liner Inc., and Manila Golf and Country Club. He previously served as Vice President and General Counsel of Air Philippines Corporation. Atty. Ocampo obtained his Bachelor of Laws from the University of the Philippines. Upon graduation from college, he was admitted into the honor societies of Phi Kappa Phi and Pi Gamma Mu. He also completed an Executive Management Program at the Asian Institute of Management and earned Certificates from The Harvard Kennedy School of Government for the IME program in 2017 and MN program in 2016. In 2013, he was named as a leading adviser as well as a commercial law expert by Acquisition International and Global Law Experts, respectively.

Mr. Kwok Yam Ian Chan was elected as Independent Director on 25 September 2020. He is currently a Director of Zenith System and Heavy Equipment, Seaborne Shipping Inc., and Isky Empire Realty Inc. He is likewise a Director of Megalifters Cargo Handling Corp., King Dragon Realty Corp. and DK Ventures Inc. Previous to that, he was the Managing Director of Dunfeng Philippines International Inc. from 2010 to 2017. He was also the President of Dunfeng Shipping Inc. from 2013 to 2017 and served as a Director of Mannage Resource and Trading Inc. from 2015 to 2017. He obtained his Master's Degree in Economics majoring in Finance at California Polytechnic University. Mr. Chan graduated from DLSU - College of St. Benilde with a Bachelor of Science degree in Business Administration majoring in Export Management.

Ms. Ruby Sy was elected Director in April 2018. She previously served as President and Director of Asia Pilot Mining Philippines Corp. (APMPC), Director and Treasurer of Bauxite Resources, Inc. and Director and Treasurer of Alumina Mining Philippines Inc.

Mr. Michael L. Escaler was elected Director on November 14, 2014. He is the President and CEO of All Asian Countertrade Inc. known as the largest sugar trader in the Philippines, founded in 1994 in partnership with Louis Dreyfus and Nissho-Iwai. He is also the Chairman and President of PASUDECO Development Corp.; Chairman and CEO of Sweet Crystals Integrated Mill Corporation and Okeelanta Corporation; Chairman of Balibago Waterworks System Inc., South Balibago Resources Inc., Megaworld Capital Town Inc., JSY Transport Services Inc., Aldrew and Gray Transport Inc., Silverdragon Transport Inc. and Metro Clark Waste Management Inc.; President of San Fernando Electric Light and Power Company Inc. and Stanwich Philippines Inc. He serves as an Independent Director of Lorenzo Shipping Corporation, Director of PowerSource Philippines Inc., Empire Insurance Company, Trinity Insurance Brokers Inc., Trinity Healthcare Services Inc., Omnigrains Trading Corporation and Leyte Agri Corporation.

A sugar trader in New York and London from 1974 to 1993, Mr. Escaler began his career at Nissho-Iwai of America for two years and left for ACLI International, one of the largest privately held trading company. Later on, he transferred to Philipp Brothers as Vice-President to head its white sugar trading operations. Afterwards he started his own trading company in the Philippines. He is a Hall of Fame Sprinter for Ateneo de Manila University, where he graduated Cum Laude in Bachelor of Arts in Economics. He obtained his Master's in Business Administration in International Marketing from New York University.

A Philanthropist, Mr. Escaler supports various charities including Habitat for Humanity, Coca Cola Foundation, PGH Medical Foundation, Mano Amiga Academy, Productive Internships in Dynamic Enterprise (PRIDE), American Chamber Foundation Philippines Inc. and San Lorenzo Ruiz Charity.

Mr. Anthony M. Te was elected Director in October 2017 and has been a director of Marcventures Mining & Development Corp since August 2013. He is currently Chairman of the Board of Asian Appraisal Company, Inc., Amalgamated Project Management Services, Inc., Asian Asset Insurance Brokerage Corp. and AE Proteina Industries Corp. He serves as Chairman and Chief Finance Officer of Mactel Corp., and as Director and Treasurer for Manila Standard Today Management, Inc. Mr. Te is a licensed soliciting official for Non-Life Insurance with the Philippine Insurance Commission. He previously sat as director in the following companies: AG Finance, Inc. Balabac Resources & Holdings Co., Inc., Commonwealth Savings & Loans bank, EBECOM Holdings, Inc. Equitable PCI Bank, MRC Allied Industries, Inc., Oriental Petroleum & Minerals Corp., PAL Holdings, Inc., PGA Cars, Inc., and Phoenix Energy Corp. He obtained his Bachelor of Arts in Business Management from De La Salle University.

Mr. Andrew Julian K. Romualdez was elected as Director on 28 July 2022. He is also a Director of the Company's subsidiaries, namely: Marcventures Mining and Development Corporation, Alumina Mining Phils., Inc. Bauxite Resources, Inc. and Brightgreen Resources Corporation. He is currently a director of *listed companies*, Benguet Corp. (BC) and Bright Kindle Resources & Investments, Inc. (BKR). He is also a director of the BC's subsidiaries, namely: Benguetcorp Resources Management

Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC), Benguetcorp Laboratories, Inc. (BCLI) and Benguet Management Corporation (BMC), and BKR's subsidiary, Brightstar Holdings and Development Inc. He is currently a director of Armstrong Securities, Inc. and Armstrong Capital Holdings, Inc. Mr. Romualdez graduated from Cornell University in 2022 with a Bachelor's Degree in International Agriculture and Rural Development.

Mr. Rolando S. Santos was elected Chief Operating Officer and Executive Vice-President on 29 September 2022. He was previously the Treasurer of the Company. He also serves as Treasurer for MMDC, Prime Media Holdings Inc., Southern Alluvial Minerals and Alumina Resources Inc., BrightGreen Resources Holdings Inc. and BrightGreen Resources Corp. and SVP Treasurer of Bright Kindle Resources and Investments, Inc. He previously served as Treasurer for AG Finance Inc. and was the Branch head/Cluster head of Branches for Banco De Oro from 2001 to 2013, Bank of Commerce from 1984 to 2001, Producers Bank of the Philippines from 1981 to 1984, and Far East Bank from 1972 and 1981. He obtained his degree in BS Business Administration from the University of the East.

Mr. Rolando S. Santos has been acting as President of the Company while it is in the process of selecting a qualified candidate. In the meantime, the Executive Committee has taken a more active role in managing the affairs of the Company.

Since the vacancy, the Board has undertaken an executive search to find a qualified candidate. While Section 24 of the Revised Corporation Code requires the election of a President, the Board as well as the Nominations and Compensation Committee are reposed with the responsibility to find a qualified person suited to take the role after undergoing screening. The Company shall immediately disclose the appointment of a President as soon as a qualified person is selected and approved by the Board of Directors.

Mr. Dale A. Tongco was appointed Treasurer on 29 September 2022. He was previously the Vice-President for Controllershship of the Company. He is also the Risk Management Officer of Prime Media Holdings Inc. and the VP Risk Management and Chief Risk Officer of Bright Kindle Resources & Investments Inc. He is a Certified Public Accountant with extensive experience in Public Accounting Firms as External Auditor and with Corporations as an Internal Auditor and Risk Management Officer specifically in the areas of Fraud Management; ISO 9001 and 14001 Audit and Management; Process and Control Review; Policies and Procedures Documentation; Corporate Governance; and Finance and Treasury. His professional experience over 13 years includes stints in KPMG, Deloitte, Phil-Am-AIA, CP de Guzman & Co.-CPAs and Benguet Corporation.

Atty. Roberto V. San Jose is the Corporate Secretary of the Company and has held the office since 2010. He is also a Director, Corporate Secretary, or an officer of various companies which are clients of the law firm of Castillo Laman Tan Pantaleon & San Jose, where he is a Senior Consultant. He is a member of the Integrated Bar of the Philippines.

Atty. Ana Maria A. Katigbak is the Assistant Corporate Secretary, Compliance Officer and Corporate Information Officer of the company and has held the office since 1997. She is a partner in Castillo, Laman, Tan, and Pantaleon & San Jose Law Offices. She is a member of the Integrated Bar of the Philippines.

Atty. Rommel T. Casipe was appointed Co-Assistant Corporate Secretary, Co-Compliance Officer and Co-Corporate Information Officer in July 2023. He is also the Co-Assistant Corporate Secretary of a listed company, Bright Kindle Resources & Investments, Inc. Atty. Casipe has been a member of the Integrated Bar of the Philippines since 2019. Before joining the Company, he served as the Compliance Officer of D.M. Wenceslao & Associates, Inc., a real estate company. He also worked as an associate lawyer in OPCN Law Offices specializing in Labor Law and Trademark Law. He obtained his bachelor's degree in Sport Science from the University of the Philippines and Law degree from the Far Eastern University.

Ms. Deborra C. Ilagan was appointed Vice President for Human Resource and Administration in October 2020. She has been a Human Resources practitioner for well over 20 years with solid background in various HR roles and office administration functions, as well as Finance. Her longest stint (1991-2014) was with Metro Drug, Inc. – a leading distributor of pharmaceutical and healthcare products – where she rose through the ranks from Management Services Supervisor, Treasury Supervisor, Assistant Manager, HR Manager, and Vice President for HR. She was instrumental in building the HR department’s resources, led collective bargaining agreement negotiations from 2002 to 2013, and implemented 3 rightsizing and early retirement programs of the company. She transitioned to her role as Associate Director – Human Resources and Systems in 2017 at Pacific Cross Insurance, Inc. where she led overall HR operations.

Ms. Ma. Theresa A. Defensor was promoted to Vice President – Corporate Communications of Marcventures Holdings, Inc. on September 1, 2023. She was formerly Assistant Vice President for Corporate Communications and has been with the Company for over five years. Ms. Defensor is a Communications practitioner backed up with decades of experience in public relations, content creation, and media management. Prior to Marcventures Holdings Inc., she held key positions in top agencies Fleishman Hillard, Fuentes Manila, and Agatep and Associates. As a journalist, she wrote for Business World, Philippine Tatler and The Manila Chronicle. A certified Global Crisis Counselor, she majored in Journalism at the University of the Philippines and completed her graduate studies at the University of Santo Tomas and the Asian Institute of Management.

Nominations Committee and Nominees for Election as Members of the Board of Directors

The Nominations Committee has screened the following nominees for election or re-election on 26 July 2024. The Nominations Committee determined that the candidates possess all the qualifications and none the disqualifications as director or independent director.

Nominees for Regular Directors:

1. Cesar C. Zalamea
2. Marianne Regina T. Dy
3. Michael L. Escaler
4. Andrew Julian K. Romualdez
5. Augusto C. Serafica, Jr.
6. Ruby K. Sy
7. Anthony M. Te

Nominees for Independent Director:

1. Kwok Yam Ian Chan
2. Carlos Alfonso T. Ocampo

All nominations for regular and independent directors have been reviewed and approved by the Company’s Nominations and Compensation Committee.

Independent Directors (IDs)

As of the date of this Information Statement, the Nominations and Compensation Committee has received and approved the nomination of the following individuals for independent director/s of the Company:

1. **Kwok Yam Ian Chan**
2. **Carlos Alfonso T. Ocampo**

They both possessed all the qualifications and none of the disqualifications as independent director since their election in the year 2020 and 2013, respectively.

The Independent Directors named above were nominated by Mr. Anthony M. Te, who has no relation to the nominees.

The nomination and election of independent director shall be in accordance with Section 38, as amended of Republic Act 8799 or the Securities Regulation Code.

The Nominations and Compensation Committee is composed of Mr. Cesar C. Zalamea as Chairman and Messrs. Augusto C. Serafica, Jr. and Michael L. Escaler as members.

In accordance with SEC Memorandum Circular No. 4 Series of 2017, the Independent Directors (IDs) have not exceeded the maximum cumulative terms of nine (9) years. Furthermore, the Company understands that after a term of nine (9) years, the independent director shall be perpetually barred from re-election as such in the same company but may continue to qualify for nomination and election as a non-independent director. At the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and Reckoning of the cumulative nine-year term is from 2012.

Atty. Ocampo was elected to his first term as ID on August 2, 2013 during a Special Board Meeting and has been elected to, and served, for nine consecutive years ending in 2022. The Nominations Committee received the nomination of Atty. Ocampo as ID from a shareholder, with a favorable assessment of his performance during his term. Upon the Committee's favorable endorsement, and after a discussion on the background and qualifications of Atty. Ocampo and his valuable contributions to MHI, demonstrated by his willingness to delve into the hard questions during Committee and Board deliberations and his ability to stand up for an independent even opposing point of view which is invaluable to the Corporation's decision-making process, the Board of Directors found meritorious justification to unanimously approve the nomination of Atty. Ocampo as ID beyond the nine (9)-year term. The Board has favorably endorsed the nomination of Atty. Ocampo for re-election as ID at the Annual Stockholders' Meeting.

The Certifications of Independent Directors Kwok Yam Ian Chan and Carlos Alfonso T. Ocampo are attached hereto.

Period in Which Directors and Executive Officers Should Serve

The directors and executive officers should serve for a period of one (1) year.

Term of Office of a Director

The directors shall be elected annually by the stockholder's owning majority of the outstanding capital stock for a term of one (1) year and shall serve until the election and qualification of their successors.

If any vacancy shall occur among the directors by death, resignation or otherwise, such vacancy may be filled by the remaining directors at any meeting at which a quorum shall be present. Any such vacancy may also be filled by the stockholders by ballot at any meeting or adjourned meeting held during such vacancy, provided the notice of the meeting shall have mentioned such vacancy or expected vacancy. The stockholders at any such meeting may also, in the event of like mention, accept the resignation of any director and fill the vacancy thereby caused for the unexpired term. In case of a vacancy in the Board, the remaining directors shall forthwith fill the vacancy or call a special meeting of the stockholders for that purpose.

Significant Employees

The Company is not highly dependent on any individual who is not an executive officer.

Family Relationships

There are no family relationships either by consanguinity or affinity up to the fourth civil degree among directors, executive officers and nominees for election as directors.

Involvement in Certain Legal Proceedings

To the best of the knowledge and/or information of the Company, none of its directors or its executive officers, is presently or during the last five (5) years been involved in any material legal proceeding in any court or government agency on the Philippines or elsewhere which would put to question their ability and integrity to serve Marcventures Holdings, Inc. and its stockholders.

Further, to the best of its knowledge and/or information, the Company is not aware of: (a) any bankruptcy petition filed by or against any business of which a director or executive officer or person nominated to become a director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, excluding traffic violations and other minor offenses; (c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

On the other hand, Marcventures Mining and Development Corporation (MMDC), one of MHI's subsidiaries, is a party to a number of legal proceedings that commonly arise in the course of running a fully operational business concern. To the best of the undersigned's actual and direct knowledge, the Company is involved in the following cases:

- Marcventures Mining and Development Corporation vs. Hon. Regina Paz L. Lopez, in her capacity as the Secretary of Department of Environment and Natural Resources (DENR) (OP Case No. 17-B-038);
- Cantilan Irrigation System Federation of Irrigators Association (CISFIA) vs. Ventura Timber Corporation, MMDC, and Carac-an Development Corporation (CDC) (Case No. 9296, DENR National Office);
- Jaime "Datu Dagsaan" Bat-ao, Liquisa Irrigators Association, Nakahugpong Managatay para sa Kalambuan Nan Ayoke, vs. MMDC (Special Civil Case No. 224, Regional Trial Court [RTC] Branch 41, Cantilan, Surigao del Sur) - Temporary Environmental Protection Order (TEPO) case;
- Bat-ao and Huna-Hunan Clans vs. MMDC for Damages, Annulment of Contract and Permanent Injunction (RXIII-039-14), pending before the National Commission on Indigenous Peoples (NCIP);
- In Re: Compliance Visit at Total Staffing Skills Corporation (TSS)/Ms. Maribeth S. Buenaventura (Case No. ROXIII-TSSD-CV-2017-06-198-G) and Cebu El Pueblo International Services Corporation (Case No. ROXIII-TSSD-CV-2017-06-188-G), pending before the DOLE Regional Office;
- Antonio Diaz, Deogracias Hejos, Antonio Mahinay, Eliazar Ohao, and Randy G. Siz v. MMDC (NLRC Case No. RAB 13-01-00148-2019)
- People of the Philippines v. Elbert "Tata" Alsola, Eleoterio Arreza Baay, Gerald N. Payumo, Crisnie Q. Deparene and Lester V. Milano (Criminal Case No. 2805, for Violation of Sec. 107 of RA 7942), pending before the Municipal Trial Court (MTC) of Cantilan-Carrascal;
- MMDC vs. Susan Jabutay and Marites Odtojan for Reversal of Notices of Charge Regarding Umpiring Fees (Case No. CARAGA-NGS-NC-2018), pending with the COA Regional Director;

- Correos, et. al. vs. MMDC (NLRC Case No. RAB-13-10-00656-2019, NLRC Case No. RAB-13-10-00657-2019, NLRC Case No. RAB-13-10-00658-2019, NLRC Case No. RAB-13-10-00659-2019, NLRC Case No. RAB-13-10-00660-2019, and NLRC Case No. RAB-13-10-00661-2019 Regional Arbitration Branch (RAB) No. XIII, Butuan City);
- Bat-ao, Jerald vs. MMDC / Rolando S. Santos / Lito R. Mortella (NLRC Case No. RAB-13-06-00281-2022);
- Casuyac v. Ysabelle Cargo Movers, Inc. and MMDC (RAB-13-10-00465-2017);
- Indigenous Cultural Communities / Indigenous Peoples represented by Jose Romel Agustin Murio a.k.a Datu Kasaligan vs. Lepanto Consolidated Mining Co. and Far Southeast Gold Resources, Inc. et al. (Civil Case No. R-MKT-20-02555-CV);
- In Re: Compliance Visit at Cebu El Pueblo International Services Corporation (ROXIII-TSSD-CV-2017-06-188-G), pending before the DOLE Regional Office.
- Jayson N. Rosales, et al. vs. MMDC (NLRC CASE NO. RABXIII-03-00054-23, NLRC CASE NO. RABXIII-04-00001-23, NLRC CASE NO. RABXIII-04-00014-23, NLRC CASE NO. RABXIII-04-00016-23, NLRC CASE NO. RABXIII-04-00017-23, NLRC CASE NO. RABXIII-04-00018-23, NLRC CASE NO. RABXIII-04-00019-23, NLRC CASE NO. RABXIII-04-00020-23, NLRC CASE NO. RABXIII-04-00021-23, NLRC CASE NO. RABXIII-04-00022-23), pending before the NLRC 8th Division, Cagayan de Oro City;
- Ronald Langit, et al. vs. MMDC (NLRC CASE NO. RABXIII-01-00028-24 and RABXIII-01-00002-24), pending before the Regional Arbitration Branch No. XIII, Butuan City; and
- Felix Salamanes vs. MMDC (NLRC CASE NO. RAB-XIII-01-00018-22), pending before the NLRC 8th Division, Cagayan de Oro City.

Please note, however, that these legal proceedings do not have any significant impact on the operations of MMDC.

Certain Relationships and Related Transactions

ADVANCES TO RELATED PARTY*	2023	2022	Nature**	Relationship***	Valuation****	Terms*****
Bright Kindle Resources Inc.	₱ 8,022	₱ 9,870,365	Working Fund	Associate and Common Management	Measured at Cost	Collectible in demand, unsecured, non-interest bearing
Crimson Bauxite Mining and Development Corp	-	1,353,100	Working Fund	Common Management	Measured at Cost	Collectible in demand, unsecured, non-interest bearing
Benguet Mining Corporation	-	10,506,018	Working Fund	Common Management	Measured at Cost	Collectible in demand, unsecured, non-interest bearing
Brightstar Holdings & Development Inc.	11,150	-	Working Fund	Common Management	Measured at Cost	Collectible in demand, unsecured, non-interest bearing
Brightgreen Nickel Inc	-	98,688	Working Fund	Common Management	Measured at Cost	Collectible in demand, unsecured, non-interest bearing
Others	2,364,552	4,452,504	Working Fund	Common Management	Measured at Cost	Collectible in demand, unsecured, non-interest bearing
	₱ 2,383,724	₱ 26,280,675				

*Identification of related parties
 **business purpose of the arrangement
 *** nature of relationship
 **** determination of transaction of prices by the parties
 ***** any on-going contractual commitments

ADVANCES FROM RELATED PARTY

Prime Media Holdings Inc.	₱	-	-	Working Fund	Common Management	Measured at Cost	Payable in demand, unsecured, non-interest bearing
RYM Business Management Corporation		5,000,000	4,936,715	Working Fund	Common Management	Measured at Cost	Payable in demand, unsecured, non-interest bearing
Trans Middle East Phils. Equities, Inc.		-	-	Working Fund	Common Management	Measured at Cost	Payable in demand, unsecured, non-interest bearing
Strong Mighty Steel Inc.		-	-	Working Fund	Common Management	Measured at Cost	Payable in demand, unsecured, non-interest bearing
Bright Kindle Resources Inc.		-	-	Working Fund	Common Management	Measured at Cost	Payable in demand, unsecured, non-interest bearing
	₱	5,000,000	₱ 4,936,715				

The amounts specified above do not meet the material threshold of ten percent (10%) of the Company's total consolidated assets and are not required to be disclosed as related-party transactions.

As of December 31, 2023, the advances to related parties have an outstanding balance of ₱2.38 million which represents a non-interest-bearing unsecured loan payable on demand. On the other hand, the advances from related parties as at December 31, 2023 have an outstanding balance of ₱5.0million which also represents a non-interest-bearing unsecured loan payable on demand. Please refer to Note 14 on page 26 of the 2023 Audited Consolidated Financial Statements (ACFS).

The Company retains the law firm of Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPSJ) where its Corporate Secretary, Atty. Roberto V. San Jose, is a Senior Partner. During the last fiscal year, the Company paid CLTPSJ legal fees which the Company believes to be reasonable.

The Company is involved in nickel mining operations in Surigao del Sur, through its wholly owned subsidiary, Marcventures Mining & Development Corporation (MMDC). The area covered by MMDC's Mineral Production Sharing Agreement, No. 016-93-XIII, is physiologically located in the Diwata mountain range of Surigao del Sur and covers an area of 4,799 hectares. The mine is covered by ECC NO. 0807-022-1093 issued by the Department of the Environment and Natural Resources. Please refer to Note 1 of the 2023 ACFS.

Other than the foregoing, there has been no transaction outside of the ordinary course of business during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any director or executive officer of the Company, or owner of more than 10% of the Company's voting securities or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have had transactions with other companies in which some of the foregoing persons may have an interest.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices.

Item 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The following table summarizes certain information regarding compensation paid or accrued during the last three fiscal years and to be paid in the ensuing fiscal year to the Company's President and each of the Company's three other most highly compensated executive officers:

SUMMARY OF COMPENSATION TABLE

Names	Position	SALARY	BONUS	OTHER COMPENSATION
Executive officers				
Cesar Zalamea Isidro C. Alcantara, Jr.	Chairman President (retired effective 31 October 2020)			
Roberto San Jose Maila G. De Castro Ana Maria Katigbak	Corporate Secretary Asst. Corporate Secretary Asst. Corporate Secretary			
	2021	₱8,760,000	₱730,000	₱17,445,000
	2022	₱14,960,460	₱1,246,705	₱29,792,835
	2023	₱15,804,506	₱1,317,042	₱31,473,700
	2024 estimated	₱16,594,731	₱1,382,894	₱33,047,385
All other officers and directors as group unnamed	2020	₱-	₱1,000,000	₱8,200,000
	2021	₱-	₱1,000,000	₱8,200,000
	2022	₱-	₱1,000,000	₱8,200,000
	2023	₱-	₱1,000,000	₱8,200,000
	2024 estimated	₱-	₱1,000,000	₱8,200,000

Compensation for key management personnel consists of salaries and other benefits.

The above executive officers are covered by standard employment contracts and can be terminated upon appropriate notice.

Non-executive Directors are entitled to a per diem allowance of ₱75,000 for each attendance in Regular Board meetings.

Item 7. INDEPENDENT PUBLIC ACCOUNTANTS

Independent Public Accountants, Reyes Tacandong & Co. (“RTC”), will stand for re-election as the Company’s auditor for the year 2024 which shall be subject to shareholders’ approval during the Annual Meeting. RTC is currently the Company’s Independent Public Accountant with Ms. Carolina P. Angeles as the Partner in Charge for the last 6 years. Representatives of RTC will be present during the annual meeting and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed.

In compliance with the 2011 version of the SRC Rule 68, Paragraph 3(B)(ix) which provides that the external auditor should be rotated every five (5) years or earlier or the handling partner shall be changed, the previous account partner handling the Company, Belinda B. Fernando, who has been the handling partner since December 2013, was replaced by Carolina P. Angeles last 2018. A two-year cooling-off period shall be observed in the re-engagement of the same signing partner or individual.

In the 2019 version of the Revised SRC Rule 68, Paragraph 3(B)(ix) was revised to state that the rotation of external auditors shall be compliant with the provisions on long association of personnel with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board of Accountancy and the Professional Regulation Commission and such other standards as may be adopted by the SEC.¹ In turn, the Professional Regulatory Board of Accountancy (“BOA”) has issued Resolution No. 55, Series of 2023 dated December 6, 2023 to adopt the 2021 edition of the International Ethics Standards Board for Accountants (“IESBA”) International Code of Ethics for Professional Accountants as the Code of Ethics for Professional Accountants in the Philippines.

Under paragraph R540.5 of the 2021 edition of the IESBA International Code of Ethics for Professional Accountants, a person holding a key audit partner role in respect of an audit of a public interest entity shall not act as such for a period of more than seven (7) cumulative years.² Thus, with respect to the engagement of Ms. Carolina P. Angeles, considering that she began acting as handling partner in the audit of the Company’s 2018 financial statements, she may continue to act in such capacity until the completion of the audit of the Company’s 2024 financial statements.

Please note that the IESBA has issued a 2023 edition of the IESBA International Code of Ethics for Professional Accountants which substantially replicates paragraph R540.5 of the 2021 edition. As such,

¹ Revised SRC Rule 68

3. Qualifications and Reports of Independent Auditors

...

(B)Additional Requirements for Independent Auditors of SEC-Regulated Entities and Other Entities

...

(ix) Rotation of External Auditors. The independent auditors or in case of an auditing firm, key audit partners, as defined under Section 1(B) (vii) of Part I of this Rule, of the aforementioned SEC-regulated entities under Groups A to C, except for non-stock, non-profit corporations, shall comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC an such other standards as may be adopted by the Commission.

² R540.5 of the 2021 edition of the IESBA Code of Ethics for Professional Accountants states:

Audit Clients that are Public Interest Entities

R540.5 Subject to paragraphs R540.7 to R540.9, in respect of an audit of a public interest entity, an individual shall not act in any of the following roles, or a combination of such roles, for a period of more than seven cumulative years (the “time-on” period):

- (a) The engagement partner;
- (b) The individual appointed as responsible for the engagement quality control review; or
- (c) Any other key audit partner role.

After the time-on period, the individual shall serve a “cooling-off” period in accordance with the provisions in paragraphs R540.11 to R540.19.”

Ms. Angeles remains to be compliant with the latest edition of the IESBA International Code of Ethics for Professional Accountants pending adoption of the said Code of Ethics by the BOA.

There has been no event in the past years where RTC and the Company had any disagreements with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The following are members of the Audit Committee:

Chairman:	Carlos Alfonso T. Ocampo (ID)	Members:	Augusto C. Serafica, Jr Kwok Yam Ian Chan
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Item 8. COMPENSATION PLANS

There is no action proposed to be taken during the stockholders' meeting with regard to any bonus, profit sharing, pension/retirement plan, granting of any extension of options, warrants or rights to purchase any securities.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities other than for Exchange

There are no matters or actions to be taken up with respect to authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up with respect to modification or exchange of securities.

Item 11. Financial and Other Information

Copies of the Management Report, the Audited Financial Statements for the year ended 31 December 2023, and 17Q or the Quarterly Unaudited Financial Statements as of 31 March 2024 are attached hereto.

The Management's Discussion and Analysis of Financial Condition and Result of the Operations are discussed in the attached Management Report. The notes to the Consolidated Financial Statements are incorporated hereto by reference.

The Company has not made any changes in and has not had any disagreements with its external auditor on accounting and financial disclosures.

Representatives of the Company's external auditor, Reyes Tacandong & Co., are expected to be present at the Annual Shareholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no action to be taken with respect to any merger, consolidation, or acquisition.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. ACTION WITH RESPECT TO REPORTS & OTHER PROPOSED ACTION/S

The following matters shall be submitted to the vote of stockholders of the Company during the stockholders' meeting.

1. Approval of Minutes of the Previous Annual Meeting of the Stockholders held on 25 July 2023
2. Approval of the Management Report and Audited Financial Statements for the year ended 31 December 2023
3. Ratification of All Acts of the Board of Directors and Management
4. Election of Directors
5. Appointment of the External Auditor
6. Other Matters
7. Adjournment

The Board of Directors has previously noted and approved for inclusion in the Annual Stockholders' Meeting (ASM) agenda the matters stated above. The acts of the Board and Management for ratification are covered by necessary approvals, as so warranted under the Company's internal processes (See information below on attendance of directors as also reflected in the Company's Annual Corporate Governance Report [ACGR]), while the names of nominees have been previously approved by the Nominations Committee for election so with the external auditor which was endorsed by the Audit Committee for reappointment for the taxable year 2023.

The following table summarizes the attendance of the directors of Marcventures Holdings, Inc. (the "Corporation") in board meetings held by the Corporation during the calendar year 2023.

	Name	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage
Chairman	Cesar C. Zalamea	8	8	100%
Board Member	Marianne T. Dy	8	8	100%
Board Member	Michael Escaler	8	7	88%
Board Member	Augusto C. Serafica, Jr.	8	8	100%
Board Member	Ruby Sy	8	8	100%
Board Member	Anthony M. Te	8	8	100%
Board Member	Andrew Julian K. Romualdez	8	8	100%
Independent Director	Carlos Alfonso T. Ocampo	8	8	100%
Independent Director	Kwok Yam Ian Chan	8	8	100%

The Board of Directors of the Company held its meetings in the year 2023, specifically on the following dates:

Date of Meeting	Nature of Meeting
January 24, 2023	Special Board Meeting
March 2, 2023	Regular Board Meeting
June 15, 2023	Special Board Meeting
June 30, 2023	Regular Board Meeting
July 25, 2023	Organizational Board Meeting
September 28, 2023	Regular Board Meeting
October 3, 2023	Special Board Meeting
December 7, 2023	Regular Board Meeting

The Board of Directors, in a special meeting on 14 March 2022, adopted and approved a Board Self-Assessment Policy in consideration of the size and nature of its current operations. Directors are tasked to submit assessment forms which also has a separate assessment for the Chairman, Individual Members, and Board, as well as a separate assessment for Committees and Independent Directors (IDs). This is a yearly activity for the Board.

Further, in line with the Board Self-Assessment Policy of the Company, in relation to SEC MC No. 24, Series of 2019 on the conduct of an annual Board performance assessment, a self-assessment questionnaire is submitted to the Directors annually, with a requirement to accomplish said questionnaire within ten (10) calendar days after receipt. The questionnaire highlights the achievements of the Directors, sets future goals, and assesses areas of improvement. Please see attached the Company's Board Self-Assessment and Board Committee Self-Assessment Questionnaire.

The Company adopts the provisions of the Revised Corporation Code of the Philippines on approvals of self-dealing and related-party transactions and comply with appropriate approvals and disclosure requirements. The Company currently does not have self-dealing and related party transactions directly with any of its directors.

Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED

All corporate actions to be taken up at the annual stockholders' meeting this **July 26, 2024** will be submitted to the stockholders of the Registrant for their approval in accordance with the requirements of the Revised Corporation Code of the Philippines.

Matters not required to be submitted are the Call to Order and Certification of Notice and Quorum.

ITEM 17. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

There are no matters to be taken up in relation to the Amendment of the Company's Articles of Incorporation or By-laws.

ITEM 18. OTHER PROPOSED ACTIONS

Action is to be taken on the ratification and approval of the acts of the Board of Directors and Management from the last stockholders' meeting until the date of the 2024 Annual Stockholders' Meeting. The resolution to be adopted will be the ratification and approval of the acts of the Board of Directors and Management from the last stockholders' meeting in year 2023 until the date of the 2024 Annual Stockholders' Meeting, including the following:

Highlights
<ul style="list-style-type: none"> - Approval of the 2023 Audited Financial Statements of the Corporation - Approval of the Corporation's 2023 Sustainability Report

Item 19. VOTING PROCEDURES

- (a) the vote required for approval or election

A majority of the subscribed capital present in person or represented by proxy, shall be sufficient at a stockholders' meeting to constitute a quorum for the transaction of any business whatsoever, except in those cases in which the Revised Corporation Code requires the affirmative vote of a greater portion.

During the election of directors, every stockholder entitled to vote shall have the right to vote the number of shares of stock standing, in his own name on the stock books of the Company; and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the whole number of directors to be elected.

The Chairman shall ensure that two seats or at least 20% of the number of directors to be elected, whichever is lesser, shall be allotted for the election of independent directors as required by the SRC and Corporation's Code of Corporate Governance.

- (b) Method by which Votes will be counted

At each meeting of the stockholders, every stockholder shall be entitled to vote in person or by proxy, for each share of stock held by him, which has voting power upon the matter in question.

The method and manner of counting the votes of shareholders shall be by *viva voce* and/or by ballots. The votes shall be counted by the Corporate Secretary and Assistant Corporate Secretary, who shall be assisted by the stock transfer agent.

PART II: INFORMATION REQUIRED IN A PROXY FORM

PLEASE USE THE ATTACHED PROXY FORM

Item 1. Identification

This proxy is solicited by the Board of Directors and Management of Marcventures Holdings Inc. The solicited proxy shall be exercised by the Chairman, Cesar C. Zalamea or the Chief Operating Officer and Executive Vice-President, Rolando S. Santos or the stockholder's authorized representative.

Item 2. Instruction

- a. For all agenda items other than "Call to Order", "Proof of Notice and Certification of Quorum", the proxy form shall be accomplished by marking in the appropriate box either "FOR", "AGAINST" or "ABSTAIN" according to the stockholder's/proxy's preference.

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of the previous Annual Meeting of the Stockholders;
- FOR the approval of the Management Report and Audited Financial Statements for year ended 31 December 2023;
- FOR the confirmation and ratification of all acts and resolutions of Board of Directors and Management from the date of the last stockholders' meeting to date as reflected in the books and records of the Company;
- FOR the election of the following directors:

For Regular Directors:

1. Cesar C. Zalamea
2. Marianne Regina T. Dy
3. Michael L. Escaler
4. Andrew Julian K. Romualdez
5. Augusto C. Serafica, Jr.
6. Ruby K. Sy
7. Anthony M. Te

For Independent Director:

1. Kwok Yam Ian Chan
2. Carlos Alfonso T. Ocampo

- FOR the approval of the appointment of Reyes Tacandong & Co. as the Company's external auditor; and to authorize the Proxy to vote according to discretion of the Company's Officer-in-charge or Chairman of the Meeting on any matter that may be discussed under "Other Matters".
- b. A Proxy Form that is returned without a signature shall not be valid.
- c. The matters to be taken up in the meeting are enumerated opposite the boxes on the accompanying Proxy Form. The names of the nominee directors are likewise enumerated opposite an appropriate space.
- d. If a stockholder will not be able to attend the meeting but would like to be represented thereat, he may submit his Proxy Form, duly signed and accomplished, to the Office of the Co-Assistant Corporate Secretary at the head office of Marcventures Holdings Inc., 4th Floor BDO Towers Paseo (formerly Citibank Center Bldg), 8741 Paseo de Roxas, Makati City, on or before **16 July 2024**. Beneficial owners whose shares are lodged with PDTC or registered under the name of a broker, bank or other fiduciary allowed by law must, in addition to the required I.D., present a notarized certification from the owner of record (i.e. the broker, bank or other fiduciary) that he is the beneficial owner, indicating thereon the number of shares. Corporate shareholders shall likewise be required to present a notarized secretary's certificate attesting to the authority of its representative to attend and vote at the stockholders' meeting.

Validation of proxies will take place on **19 July 2024**, at the principal office of the Company.

Item 3. Revocability of Proxy

A shareholder may revoke his proxy on or before the date of the Annual Meeting. The proxy may be revoked by the shareholder's written notice to the Corporate Secretary advising the latter of the revocation of the proxy, or by a shareholder's personal attendance during the meeting and appropriate advice to the Corporate Secretary of such revocation.

Item 4. Persons Making the Solicitation

This solicitation is made by the Company. No director has informed the Company in writing or otherwise of his intention to oppose any action intended to be taken up at the meeting.

Solicitation of proxies will be done mainly by mail. Certain regular employees of the Company will also solicit proxies in person or by telephone.

The estimated amount to be spent by the Company to solicit proxies is Philippine Pesos: PhP 20,000. The cost of solicitation will be borne by the Company.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

No member of the Board of Directors or executive officer since the beginning of the last fiscal year, or nominee for election as director, or their associates, has had any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

PART III: SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on July 3, 2024.

MARVENTURES HOLDINGS INC.

By: 
Atty. Ana Maria A. Katigbak
Assistant Corporate Secretary

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON SOLICITED, UPON HIS WRITTEN REQUEST, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. AT THE DISCRETION OF MANAGEMENT, A REASONABLE FEE MAY BE CHARGED FOR THE EXPENSE INCURRED IN PROVIDING A COPY OF THE EXHIBITS. ALL REQUESTS MAY BE SENT TO THE COMPANY'S HEAD OFFICE AND ADDRESSED TO:

Attention: **ANA MARIA A. KATIGBAK
MARVENTURES HOLDINGS INC.
4th Floor BDO Towers Paseo
(Formerly Citibank Center),
8741 Paseo de Roxas, Makati City**

Transfer Office:

JOMAR M. LUCINARIO
PROCESSOR

STOCK TRANSFER SERVICE, INC.
34-D RUFINO PACIFIC TOWER
6784 AYALA AVENUE, MAKATI CITY
TEL. NOS. 403-9853, 403-2410, 403-2412

MARVENTURES HOLDINGS INC.

MANAGEMENT REPORT

Pursuant to SRC Rule 20

For the Annual Stockholders' Meeting

On July 26, 2024

I. Consolidated Audited Financial Statements

The Consolidated Audited Financial Statements of Marcventures Holdings, Inc. (MHI or the "Company") as at and for the year ended December 31, 2023, and unaudited financial statements for the period ended May 31, 2024 and 2023 are attached to this report.

II. Disagreements with Accountants on Accounting and Financial Disclosures

There was no event in the past years where **Reyes Tacandong & Co. (RTC)**, the Company's Independent Public Accountant, and the Company had any disagreements with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

ITEM 1. BUSINESS

Background

Marcventures Holdings, Inc. (Formerly: AJO.net Holdings, Inc.), the Parent Company (or Company), was incorporated and registered with the Securities and Exchange Commission (SEC) on August 7, 1957, with primary purpose to acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise operate, manage, enjoy and dispose of, any and all properties of every kind and description and wherever situated, including land as and to the extent permitted by law, including but not limited to, buildings, tenements, warehouses, factories, edifices and structures and other improvements and bonds, debentures, promissory notes, shares of stock, or other securities or obligations, created, negotiated or issued by any corporation, association or other entity, foreign or domestic and while the owner, holder or possessors thereof, to exercise all rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom, and the right to vote on any proprietary or other interest, on any shares of the capital stock, and upon any bonds, debentures or other securities having voting power, so owned or held; and provided it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act 2629), or act as a securities broker or dealer.

On December 15, 2009, the Parent Company entered into a Memorandum of Agreement (MOA) with the shareholders of Marcventures Mining & Development Corporation (MMDC) (Investor Group) and their partners to exchange their stake in MMDC for a total value of ₱1.3 billion consisting of: (i) new Parent Company shares worth ₱100.0 million representing the full payment of the balance for the subscription to the increase in authorized capital stock; (ii) additional Parent Company shares worth ₱1.15 billion to be issued from the authorized capital stock as increased, and the new par value of the Parent Company after its corporate restructuring; and (iii) 488 membership certificates of The

Metropolitan Club, Inc. (Metroclub Certificates) with an agreed net value of ₱50.0 million together with the Parent Company's rights, obligation and interests. The consolidated financial statements assumed June 30, 2010 as the acquisition date.

In March 2010, the Company reduced the par value of its capital stock from ₱0.10 to ₱0.01, which resulted in a reduction in its issued and outstanding capital stock in the amount of ₱459 million and in a corresponding increase in its Additional Paid-in Capital account. Subsequently, the Company issued 5 billion new shares (par value of ₱0.01) at a price of ₱0.02, which resulted in additional paid-in capital of ₱50.0 million. The Company also transferred the amount of ₱441.0 million from its Additional Paid-in Capital to reduce its Deficit account.

On September 30, 2010, the Securities and Exchange Commission approved the change in the par value of its capital stock from ₱0.01 to ₱1.00.

Marcventures Mining & Development Corporation (MMDC), the wholly-owned Subsidiary of the Parent Company, is incorporated in the Philippines and is primarily engaged to carry on the business of mining, smelting, extracting, smelting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource from the earth; to operate, manage and/or engage in the business of smelting, and/or operate smelting plant, to refine and/or convert metals, ore, and other precious metals into finished products within the commerce of man.

MMDC obtained its ISO 14001:2004 + Cor. 1:2009 Certification from TÜV Rheinland Cert GmbH, an International Certification Body performing system certification and training as well as providing third-party audit/certification based on various international standards. The certificate issued in favor of MMDC dated 16 May 2016 complies with DENR Administrative Order No. 2015-07. It confirms that MMDC's Environment Management Systems implemented for Mining and Shipping of Nickel Laterite Ore and Post-Mining Activities are compliant with International Standards.

Going beyond regulatory demand, MMDC integrated 3 management systems to raise business standards and more importantly, protect the environment and people. After rigorous, simultaneous audits, MMDC's Surigao Nickel Mining project obtained International Organization for Standardization (ISO) certification for Environmental Management System (ISO 14001:2015), Quality Management System (ISO 9001:2015), and the Occupational Health and Safety Management System (ISO18001:2007). The British certifying body National Quality Assurance (NQA), which granted MMDC the ISO certification in September 2017, also certified the Company's integrated Management Systems (IMS).

On December 29, 2017, the Securities and Exchange Commission approved the merger of MHI with Asia Pilot Mining Philippines Corp. (APMPC) and BrightGreen Resources Holdings Inc. ("BHI") with MHI as the surviving entity. BHI owns 100% interest in BrightGreen Resources Corporation (BRC) and APMPC owns 100% interest in Alumina Mining Philippines, Inc. (AMPI) and Bauxite Resources, Inc. (BARI).

The merger resulted to MHI's acquisition of APMPC's subsidiaries, namely, Alumina Mining Philippines Inc. ("AMPI") and Bauxite Resources Inc. ("BARI") as well as BHI's subsidiary, BrightGreen Resources Corp. ("BRC"). Moreover, this resulted in the increase in authorized capital stock of the Parent Company to accommodate the merger from 2,000,000,000 shares at ₱1 par value to 4,000,000,000 shares at ₱1 par value a share. Out of this increase, a total of 1,125,000,000 of the Parent Company's common shares were issued to BHI and APMPC shareholders at ₱1 per share.

The merger allowed MHI to grow its business, diversify its products, and expand its source of income. Bauxite has been observed to be more stable in prices as compared to other commodities even during the slump of metal prices.

The Company is not involved in any bankruptcy, receivership, or similar proceedings.

The Company is listed in the Philippine Stock Exchange. The consolidated financial statements include the accounts of the Parent Company and its subsidiaries, MMDC, BRC, AMPI and BARI as at May 31, 2024 and 2023 and for the period ended May 31, 2024 and year ended December 31, 2023.

The Parent Company's current registered office is located at Unit 4-3 4th Flr. BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City.

On 19 July, 2017, the Board of Directors of Marcventures Holdings, Inc. ("MARC" or the "Company") approved the subscription of Mr. Isidro C. Alcantara, Jr. ("Mr. Alcantara"), President & CEO, to 22,730,000 MARC shares at ₱2.20 per share for a total subscription price of ₱50,006,000.00.

Furthermore, on 15 February 2018, the Board of Directors of the Company also approved the subscription of Mr. Alcantara to 45,731,706 MARC shares at ₱1.64 per share equivalent to ₱74,999,997.84. The subscription price was based on the average 30 day high and low prices from January 3, 2018 to February 9, 2018 as disclosed.

Simultaneously, the Company entered into a Subscription Agreement with its subsidiary, Marcventures Mining and Development Corp. (MMDC) wherein the Company subscribed to additional 7,500,000 MMDC shares with a par value of Ten Pesos (₱10.00) per share for a total amount of Seventy-Five Million Pesos (₱75,000,000.00). The subscription proceeds are to be used by MMDC for its operations and infrastructure development.

During the annual meeting held on December 19, 2018, the Stockholders of MARCVENTURES HOLDINGS, INC. (the 'Corporation') approved the amendment of the Seventh Article of the Articles of Incorporation to increase the Corporation's authorized capital stock from ₱4.0 Billion to an amount of up to ₱7.0 Billion and to create a class of up to 100,000,000 non-voting, non-participating, cumulative, and redeemable Preferred Shares with a par value of ₱10.00 per share or aggregate par value of ₱1,000,000,000, thereby amending the Seventh Article as follows:

SEVENTH. That the authorized capital stock of the corporation is SEVEN BILLION PESOS (₱7,000,000,000.00) and said capital stock is divided into:

(a) SIX BILLION (6,000,000,000) common shares with a par value of One Peso (₱1.00) each share or an aggregate par value of SIX BILLION PESOS (₱6,000,000,000.00); AND

(b) ONE HUNDRED MILLION (100,000,000) Preferred Shares with a par value of TEN PESOS (₱10.00) each share or an aggregate par value of ONE BILLION PESOS (₱1,000,000,000.00)

Furthermore, the Stockholders also authorized the Corporation to enter into Placing and Subscription Transactions. The Stockholders authorized the Board of Directors to determine the terms and conditions of the Placing and Subscription Transaction, provided that:

(i) The number of Placing Shares shall not exceed 600,000,000 listed common shares to be provided by existing shareholders of the Corporation, and the number of Subscription Shares shall be equivalent to the number of Placing Shares actually sold; and

(ii) The Placing price shall not be less than the par value of the common shares.

The Stockholders likewise approved the issuance of warrants to stockholders, directors, officers and/or third-party consultants under such terms and conditions as the Board of Directors may deem proper.

The foregoing has yet to be implemented.

On February 13, 2019, the Philippine Stock Exchange approved MHI's listing application of shares issued in connection with the merger of APMC and BHI and further approved the listing application for Mr. Alcantara's two private placements.

During the annual meeting held on July 28, 2022, the Stockholders of MARCVENTURES HOLDINGS, INC. (the 'Corporation') approved the amendment of the by-laws as follows:

Article I, Section 1 - Changed the date of the annual stockholders' meeting ("ASM") from the last Friday of May to the last Friday of July; added the authority to hold the ASM by remote communication or *in absentia*.

Article I, Section 2 - Added the authority of the chairman or an officer delegated by the Board to call special meetings of stockholders.

Article I, Section 3 - Entirely new provision; Added a hold-over provision for directors if board elections are not held during the ASM.

Article I, Section 4 (formerly Section 3) - Added the authority of stockholders entitled to vote to vote and attend the meeting through remote communication or *in absentia*.

Article 1, Section 5 (formerly Section 4) - Added date as part of notice; Added that notice may be delivered to place of residence or by publication; notice must be given at least 21 days before meeting date.

Article 1, Section 6 (formerly Section 5) – Amendment to delete provision on appointing 2 (two) persons to act as inspectors of election; Rationale: Election inspectors would typically take charge of validation of proxies and tabulation of votes which, in our current practice, is being handled by the Office of the Corporate Secretary and the transfer agent, and is subject to the rules of the Securities and Exchange Commission. It seems to be cumbersome to have the stockholders appoint the 2 election inspectors.

Article I, Section 6 - Amendments to the order of business during the ASM.

Article I, Section 7 - Amendment to correct the sentence structure.

Article II, Section 1 - Amendment to correct the sentence structure.

Article II, Section 2 - Clarified the sufficiency of the majority vote of the quorum to approve a board resolution.

Article II, Section 4 - Amendment to relax requirements for regular board meetings; Added authority to hold board meeting via remote communication or *in absentia*; Added

authority of any two directors to call special meeting; board decisions may be done by referendum.

Article II, Section 5 - Amendment to correct sentence structure and add clarity; removed the need for stockholders to accept the resignation of a director.

Article II, Section 6 - Amendment to correct typographical error.

Article III, Section 1 - Added the position of Senior Vice President; Senior Vice President given the authority to be designated as officer-in-charge in case of vacancy of presidency; Added a term of 1 year from date of election for officers.

Article III, Section 2 - Amendment to correct the sentence structure.

Article III, Section 4 - refined BOD's power and duty to fix the compensation of senior officers/executives; deleted the word "employees".

Article III, Section 5 – Amendment to clarify scope of the powers and duties of the President.

Article III, Section 6 - Amendment to include Senior Vice-President as officer; Increased requisite for officer-in-charge from Vice President to Senior Vice President.

Article III, Section 7 - Amendment to correct the sentence structure.

Article III, Section 8 - Amendment to correct the sentence structure.

Article III, Section 9 - Amendment to add grounds for Assistant Treasurer or other similar officer to be designated as treasurer.

Article III, Section 10 - Amendment to correct sentence structure; Amended the amount of capital investment expenses to require prior approval of the Board.

Article III-A, Section 1 - Amendment to reflect the Revised Corporation Code provision; added authority to hold Executive Committee meetings by remote communication or *in absentia*.

Article III-A, Section 3 - Entirely new provision; Added authority of the committee to fix the date, time, and place of its meetings; Added authority to hold meetings by remote communication or *in absentia*.

Article IV, Section 1 - Inserted in parenthesis the numerical figure "2/3";

Article IV, Section 2 - Amendment to correct sentence structure and clarify authority of the Board regarding bank depositaries, checks, and drafts.

Article V, Section 1 - Amendment to include authority of Senior Vice-President designated by the Board to sign a certificate of stock.

Article V, Section 2 - Amendment to clarify authority of Corporate Secretary in the provision.

Article V, Section 3 - Amendment to clarify that the provision also applies to lost and stolen stock certificates.

Article VI - Inserted in parenthesis the numerical figure “2/3”.

Article VII - Amendment to clarify the procedure of amending the by-laws as reflected in the Revised Corporation Code.

The amendment was approved by the Securities and Exchange Commission (SEC) on November 15, 2023.

2024 Updates and Developments

The Security Agreements of the Corporation for the loan obligations of its subsidiaries are as follows:

- a. Loan obligations of Alumina Mining Phils. Inc in Philippine Business Bank
 - Authority of the Corporation to act as surety, binding itself jointly and severally to pay the loan/ credit accommodation granted by Philippine Business Bank to Alumina Mining Phils. Inc. in the principal amount of Two Hundred Million Pesos (₱200,000,000.00) together with interests, penalties, and other charges therein; the authority of the President and the Treasurer to sign, execute, and deliver any and all documents and instruments on behalf of the Corporation; and the authority of the Corporation to mortgage the following:

Description	CCT	Area	Location
Unit 4-1	006-2018002292	178.19 sqm.	4F, BDO Towers Paseo
Unit 4-3	006-2014001598	313.76 sqm.	4F, BDO Towers Paseo
Unit 4-4	006-2014001597	469.55 sqm.	4F, BDO Towers Paseo
Parking B351	006-2014001599	36 sqm.	Basement, BDO Towers Valero
Parking B352			
Parking B353			
Parking LB70	006-2018002293	12 sqm.	Basement, BDO Towers Valero

- b. Loan obligations of Marcventures Mining and Development Corporation in United Coconut Planters Bank
 - Authority of the Corporation to act as surety to guarantee the payment of the obligations of Marcventures Mining and Development Corporation under the credit accommodation in the form of a short term loan at the aggregate principal amount of not more than One Hundred Ninety Million Two Hundred Eighty-eight Thousand One Hundred Twenty-Five Pesos (₱190,288,125.00), (“Credit Accommodation”) granted by United Coconut Planters Bank; grant of authority to the officers of the Corporation to sign, execute, and deliver any and all documents and instruments on behalf of the Corporation; and authority of the Corporation to mortgage, pledge and/or assign the following properties of the Corporation as security for the Credit Accommodation:

Issued by	Stock Certificate No.	No. of Shares
BrightGreen Resources Corporation	77	20,000,000

- c. Loan obligations of Marcventures Mining and Development Corporation in Philippine Veterans Bank
 - Authority of the Corporation to act as guarantor for the loan obligations and corporate borrowings of Marcventures Mining and Development Corporation with Philippine Veterans

Bank up to the aggregate amount of Two Hundred Million Pesos (₱200,000,000.00) and to pledge its Ten Million (10,000,000) shares of stock in Marcventures Mining and Development Corporation as added security or collateral to the obligation or corporate borrowings; grant of authority to the officers of the Corporation to sign, execute, and deliver any and all documents and instruments on behalf of the Corporation.

Information about the Subsidiaries

All of the subsidiaries of the Parent Company are wholly owned.

Subsidiaries

Below are the Parent Company ownership interests in its subsidiaries:

Subsidiaries	2024	2023
Marcventures Mining and Development Corporation (MMDC)	100%	100%
BrightGreen Resources Corporation (BRC)	100%	100%
Alumina Mining Philippines Inc. (AMPI)	100%	100%
Bauxite Resources Inc. (BARI)	100%	100%

Marcventures Mining and Development Corporation (MMDC). MMDC was incorporated and registered with the SEC on January 18, 1995 primarily to engage and/or carry on the business of extracting, mining, smelting, refining and converting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource.

MMDC has been granted by the Mineral Production Sharing Agreement (MPSA) No. 016-93-XI by the Department of Environment and Natural Resources (DENR), covering an area of approximately 4,799 hectares located in the municipalities of Carrascal, Cantilan and Madrid, Surigao Del Sur.

The MPSA was originally granted to Ventura Timber Corporation (VTC) on June 19, 1992. In January 1995, VTC executed a deed of assignment (the Deed) to transfer to MMDC all its rights and interest in and title to the MPSA. On January 15, 2008, the Deed was approved by the Mines and Geosciences Bureau (MGB).

On June 24, 2016, the DENR issued an order approving the extension of MMDC's MPSA for a period of 9 years starting from the expiration of the first 25-year term.

On February 13, 2017, MMDC received an order dated February 8, 2017 from the DENR cancelling its MPSA due to alleged violations of environment-related laws and regulations. However, the Technical Committee Report on the Company only showed a recommendation for fine and suspension.

The Management and its legal counsel assessed that the order was without basis in fact and in law. Foremost, the Company is engaged in clean and responsible mining. On February 17, 2017, the Company filed a Notice of Appeal to the Office of the President. Subsequently, on March 17, 2017, the Company filed its Appeal Memorandum. The Company asserted that the grounds for cancellation cited by the DENR was without basis because: (a) operations is allowed by law since said MPSA dated 01 July 1993 is granted with prior rights and is allowed by law as indicated specifically in Proclamation 1747 issued in 2009 by former President Gloria Macapagal Arroyo; (b)

despite operations in a watershed, the Company has not impaired farmlands, rivers or coastal areas within the MPSA area. As to the alleged non-compliance to the planting of three million seedlings, the Company was prevented from implementing the same due to circumstances beyond its control.

As at May 31, 2024 the Company has not received any decision nor any notice from the Office of the President. The Company's Legal Counsel is of a good faith position that the Company may continue its operations because the execution of the Order of the DENR Secretary is deemed automatically stayed as a matter of law on account of the pendency of the Company's appeal, as likewise confirmed by the Office of the President.

MMDC has continued to implement and adopt measures not only to rectify any shortcomings allegedly found in its operations but more importantly, it has continuously sought to improve operational efficiencies both in the area of its regulatory compliances and in maintaining its commitments to its host and neighboring communities.

The Company has continuously been granted the necessary regulatory permits and licenses to operate, including but not limited to Discharge Permits, Ore Transport Permits (OTP) and Mineral Ore Export Permits (MOEP). As proof its compliance, the Company has also secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has an approved Declaration of Mining Project Feasibility dated October 15, 2014 covering its entire contract mining area and is being developed and utilized by virtue of an approved Three-Year Development/Utilization Work Program dated 29 November 2022 covering Calendar Years 2023 to 2025. Moreover, MGB also certified that MMDC has complied with the terms and conditions of the MPSA and the pertinent provisions of the R.A.7942 or the Philippine Mining Act of 1995 and its Implementing Rules and Regulations.

Accordingly, the Company has continued its mining operations in areas covered by the MPSA.

BrightGreen Resources Corporation (BRC). BRC was incorporated and registered with the SEC on July 20, 1989 to engage in the mining business.

On July 1, 1993, the DENR approved BRC's application for MPSA No. 015-93-XI (SMR) covering an area of approximately 4,860 hectares located in the municipalities of Carrascal and Cantilan, Surigao del Sur. BRC is undertaking its continuous exploratory drilling program to block mineral resources at indicated and measured category. In a letter dated 11 April 2022, the Mines and Geosciences Bureau (MGB) of the DENR approved the company's request for extension of the third renewal of its Exploration Period due to force majeure for a period of two years effective from 2 July 2022 to 1 July 2024 to recover its unused term.

On February 17, 2017, BRC received a Show-Cause Order dated February 13, 2017. In the Show-Cause Order, it was alleged that the contract area covered by the said MPSA is within a watershed, such that if mining operations will be conducted therein, its ecological functions will be impaired.

On February 27, 2017, the Company submitted a reply to the Show-Cause Order to explain why the MPSA should not be cancelled. The Company stated in the reply that it has prior legal right considering that the MPSA of the Company with the Republic of the Philippines was approved on July 1, 1993, while Proclamation No. 1747 on the proclamation of watershed areas was only issued on March 23, 2009. Notably, Proclamation No. 1747 provides that prior rights should be respected. Thus, the Company should be allowed to continue its operations over its contract area. The management and its legal counsel believe that the alleged violation is without basis in fact and in law.

As at May 31, 2024, there are no developments regarding the Show-Cause orders. However, the Management and the Legal Counsel of the Company take the good faith position that the operations of the Company under said MPSA is granted with prior rights and is allowed by law and the alleged impairment and damage in the Company's MPSA area is not supported by any specific acts of impairment because the Company is not yet operating in the area but has only completed exploration and drilling. As a proof of compliance, the company has secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has existing Exploration Period (Third Renewal).

Alumina Mining Philippines Inc. (AMPI). AMPI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business.

On December 5, 2002, the DENR approved AMPI's application for MPSA No. 179-2002-VIII-SBMR covering 6,694 hectares in the municipalities of San Jose de Buan and Paranas Samar in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

Bauxite Resources Inc. (BARI). BARI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business.

On December 5, 2002, the DENR approved BARI's application for MPSA No. 180-2002-VIII-SBMR covering 5,519 hectares in the Municipalities of Gandara, San Jose de Buan, Matuguinao, and San Jorge, Province of Samar (formerly known as Western Samar) in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On February 17, 2017, AMPI and BARI received a Show-Cause Order dated February 13, 2017 from the DENR. In the Show-Cause Order, it was alleged that the contract area covered by their respective MPSA is within a watershed, such that if mining operations will be conducted therein, its ecological functions will be impaired. The Show-Cause Order required AMPI and BARI to submit an explanation on the alleged violation that may cause the cancellation of their respective MPSA.

As at May 31, 2024, the DENR has not issued any other Show Cause Orders for AMPI and BARI. Basing on the above letters from FMB and DENR, the Management and Legal Counsel of AMPI and BARI have rendered that Show-Cause Orders became moot and academic.

Furthermore, On May 18, 2020, the Company received a letter-approval from the DENR, through the MGB, granting the requested extension of the Exploration Period (EP) of the Company's MPSA from June 18, 2020 to June 18, 2022.

In a letter dated February 9, 2022, the Company wrote to MGB requesting for additional two (2) years extension or until June 18, 2024 of the 3rd Exploration Period (2nd Extension of the 3rd EP) on the ground that due to force majeure, factors and events that prevented the Company from fully utilizing its respective contract area to complete its activities corresponding to the exploration period were not yet addressed and are still prevailing.

On March 28, 2022, the MGB approved the extension of the Exploration Period (EP) of the Company for another two (2) years effective from June 19, 2022 to June 18, 2024 to recover its unused term. Additionally, it has completed and validated its Mineral Resource Report by Philippine Mineral Reporting Code (PMRC) during the year. The Company plans to achieve and finish its compliance with Environmental Compliance Certificate and the filing of DMPF within the extension of the EP.

On July 04, 2023, the Company requested for temporary suspension of the second (2nd) extension of the third (3rd) renewal of the Exploration Period due to the peace and order problem in the area.

This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

Products/Sales/Competition

The MMDC's main product is nickel ore. All its nickel ore productions were exported to China. The principal market for nickel ore production from the Philippines is currently China. After Indonesia implemented a ban on nickel ore exports, the Philippines has become the main source of Chinese nickel ore – Chinese imports of ores from the Philippines accounted for 90% of total imports in volume and 68% in value. Chinese companies prefer Philippine-sourced nickel ore due to savings in freight costs because of the proximity of the Philippines to China. Nickel ore is sold to Chinese customers based on FOB shipping point and customers handle the charter of vessels. China also relies heavily on imported nickel ore due to insufficient domestic supplies. While the Company does not rely heavily on a single customer, it is affected by the market price of nickel ore depending on domestic and foreign supply and demand.

Sources and availability of Raw Materials

MMDC's nickel ore is extracted from its mining property covered by MPSA No. 016-93-XI in Surigao del Sur in the municipalities of Cantilan, Carrascal and Madrid.

Equipment, spare parts, and other operating supplies are readily available both locally and abroad and as such the Company is not expected to be dependent upon one or a limited number of suppliers.

Mining Claim

MMDC was granted by Philippine National Government, through the DENR, MPSA No. 016-93-XI covering an area of approximately 4,799 hectares located in Surigao Del Sur. As the holder of the said MPSA, MMDC has the exclusive right to conduct and develop mining operations within the contract area over a period of 25 years from July 1, 1993. The MPSA is valid until 2018 and renewable for another 25 years. MMDC has identified Nickel Ore as the primary mineral that will be extracted and sold to third parties due to the abundance and favorable characteristics of nickel within the mineral property.

The MPSA was originally granted to Ventura Timber Corporation on June 19, 1992 and subsequently approved on July 1, 1993. In January 1995, a deed of assignment executed, wherein Ventura assigned to MMDC all its rights, title and interest in and to MPSA No. 016-93-XI. The Deed was duly registered with the Mines and Geosciences Bureau (MGB) Regional Office (RO) No. XIII on February 9, 1995, and was subsequently approved on January 15, 2008, making the Subsidiary the official contractor of the mineral property.

To date, the Company has done exploration work on 1,659 hectares and has performed mining operations on 282.8 hectares on the above MPSA covered area.

On June 24, 2016, the DENR issued an order approving the extension of MPSA for a period of 9 years starting from the expiration of the 25-year term.

Aside from the above discussed MPSA, the approval of the Merger of the Parent Company with Asia Pilot Mining Philippines Corp. (AMPC) and the holding company of Brightgreen Resources Corp. (BRC) gave the Company 3 additional mining tenements, particularly, under MPSA 179-2002 VIII (SBMR) with an area of 6,694 Hectares located in Motiong, San Jose De Buan and Wright, Province of Samar issued on December 5, 2002 to Alumina Mining Philippines Inc. and MPSA 180-2002 VIII (SBMR) with an area of 5,519 Hectares located in Gandara, San Jose De Buan and Wright, Province of Samar issued on December 5, 2002 in favor of Bauxite Resources Inc. and MPSA 015-93-XIII issued to BrightGreen Resources Corp. which was approved on 01 July 1993, covering approximately 4,860 hectares of Carrascal and Cantilan, Surigao del Sur.

Government Regulation and Approvals

As mentioned above, the Company's subsidiaries respectively hold MPSAs issued by the MGB which define the percentage share of the local and national government in the mining revenues. MGB also regulates the export of mineral ores with the issuance of Ore Transport/Mineral Ore permits before any shipment can be made. The DENR monitors compliance with the environmental protection and enhancement program, as well as the social development and management programs of the Company and requires a certain percentage of the Company's operating cost to be allotted to these programs. The costs of complying with the above regulatory requirements are appropriately reflected in the books either as an expense or as a capital asset under the GAAP.

Determination of the effect of probable government regulations cannot be known until specific provisions are made clear.

Compliance with Environmental Laws

The Company is strongly committed to its policy of protecting and enhancing the environment. It spent ₱64.55 million on its environmental and enhancement program (EPEP) in 2023.

Related Party Transactions

As at May 31, 2024, the total advances to related parties have an outstanding balance of ₱3.55 million which represents a non-interest bearing unsecured and payable on demand.

On the other hand, the total advances from related parties as at May 31, 2024 have an outstanding balance of ₱6.78 million which represents a non-interest bearing unsecured loan payable on demand.

Please refer to Note 14 on page 23 of the 2024 Unaudited Consolidated Financial Statements (UCFS).

Employees

- **Parent Company- Marcventures Holdings, Inc. (MHI)**
The Company currently has a total of 19 employees, consisting of 4 executive positions, 1 in Marketing, 1 in Accounting, 1 in Treasury, 2 in Internal Audit, 8 in Legal, and 2 messenger personnel. For the ensuing 12 months, the Company anticipates an increase in the number of employees, specifically transfer of Legal and Corporate Communications from MMDC to MHI.
- **Marcventures Mining & Development Corporation (MMDC)**
As of May 31, 2024, MMDC has engaged a total of 515 workers. Out of the 515 workers, 52 are employed by security agencies engaged by MMDC.

Table below show the distribution of our workforce:

	Makati Office	Mine Site	Total
Senior Management	7		7
Managers	5	9	14
Supervisors	5	71	76
Rank and File	9	357	366
Subtotal	26	437	463
Security Agency		52	52
Total	26	489	515

The table below show a breakdown of the workforce hired from the local communities:

	Makati Office	Mine Site	Total
Regular	24	212	237
Probationary	2	2	4
Service Contract	0	3	3
Regular Seasonal	0	56	56
Project Based	0	164	164
Subtotal	26	437	463
Security Agency	0	52	52
Total	26	489	515

Business and Industry Risks

Market Risk

MMDC's revenue is dependent on both volume exported and the world market price of nickel. The sales price of nickel ore is correlated with the world market price of nickel. The nickel price is subject to volatile price movements over time and is affected by numerous factors that are beyond the Company's control.

From the start of the Company's shipment operations, 100% of our revenue are derived from sale of nickel ore into China. While China has become a significant source of global demand for commodities, our exposure to the Chinese Market and our short-term supply agreements with Chinese customers have resulted in increased volatility in our business.

Operational Risk

The Mining operations are influenced by changing conditions that can affect the production levels and cost for varying periods that can diminish revenues and income. Severe weather conditions, changing prices of fuels and other supplies, increase in taxes and repair costs could have significant impact on the productivity of the Company's operating results.

Socio-Political Risk

The Mining operations can be affected by relevant changes in the rules and regulations in the mining laws of the Philippines, as well as its implementation, both local and national. Impact would include changes in the company's mining methods and processes to avoid related fines and penalties, and also on any required rehabilitation efforts by local and national government.

Foreign Exchange Risk

As all revenues are in US dollars, the Company revenues are affected by fluctuations in the US\$/PHP exchange rate. To mitigate this risk, the Company closely monitors foreign exchange rates trends and properly timed conversion of dollars into peso to attain the best rates.

Other risks

Other risks affecting the Company were discussed in Note 24 on pages 30-31 of the May 31, 2024 Unaudited Consolidated Financial Statements.

Risk Management

Risk Policy Statement

The Organization is committed to integrating risk management practices into its business strategy and performance to drive consistent, effective and accountable management in achieving the Organization's business objectives.

The Organization recognizes that risk is dynamic and is inherent in all external and internal operating environments, and that managing risks is vital in defining the organization's purpose, process and expected results, which are the foundations of its daily operations.

Risk Management activities are carried out through a systematic and disciplined process. The process starts with a Board-approved, comprehensive and Risk Management Policy Manual which encompasses the Enterprise Risk Management (ERM) framework for managing risk at enterprise-wide level. ERM framework provides the means to ensure that all risks – operational, financial, compliance, security and safety as well as reputational are identified, assessed, monitored, mitigated and controlled.

Purpose

The Enterprise Risk Management Framework Manual forms part of The Organization's compliance policies and shall:

- Establish the risk management framework – the risk philosophy, strategy, objectives, policies and procedures of the Company;
- Define the roles and responsibilities of the Board and the senior management in their oversight role, as well as the roles and responsibilities of the entire workforce;
- Communicate and provide rules or guidelines to the whole organization in the implementation of risk management practices;
- Provide baseline reference to the internal and external audit activities as they perform their function in the risk evaluation, assessment and other related audit activities;
- Sets the scope and application of risk management within the organization; and
- Details the process of risk reporting obligations to external and internal stakeholders.

To meet this commitment, risk management is every employee's business. All employees are responsible and accountable for managing risks within their area of responsibility and that the Board and senior management is responsible of its oversight. Three lines of defense are also identified within the organization to be the operational staff and associates, line supervisors and managers and lastly, the Compliance and Audit function. Through the Framework and its supporting processes, the organization formally establishes and communicates its risk appetite in managing risks.

The organization is averse to risks relating to:

1. health, safety and well-being of our employees, staff and the community
2. administration of finances and assets

3. compliance with applicable regulations – especially those in relation to environmental protection as issued by Mine and Geoscience Board (MGB) and Department of Environment and Natural Resources (DENR), among others.

There is a potentially higher appetite where benefits created by potential innovation or improvisation outweigh the risks. Benefits may include improved production, and/or increased efficiency and effectiveness of the organization's operations.

The framework follows the model of the 2017 Enterprise Risk Management – Integrating with Strategy and Performance of COSO or Committee of the Sponsoring Organizations of the Treadway Commission.

This Enterprise Risk Management Framework also demonstrates that it has incorporated the four areas of sound risk management practices, as required by the Security and Exchange Commission and Philippine Stock Exchange:

1. Adequate and active board management oversight
2. Acceptable policies and procedures
3. Appropriate monitoring and management information system
4. Comprehensive internal controls and audit

ITEM 2. DESCRIPTION OF PROPERTIES

Mineral Properties

MHI currently has four (4) mining subsidiaries, namely, Marcventures Mining and Development Corporation, ("MMDC"), BrightGreen Resources Corp. ("BRC"), Alumina Mining Philippines Inc. ("AMPI") and Bauxite Resources Inc. ("BARI").

MMDC

The Company, through its subsidiary Marcventures Mining & Development Corporation, holds Mineral Production Sharing Agreement No. 016-93-XI which covers 4,799 hectares in the province of Surigao Del Sur. It is physiologically located within the Diwata Mountain Range.

BRC

BrightGreen Resources Corp., another subsidiary of The Company holds MPSA No. 015-93-XIII approved on 01 July 1993, covering approximately 4,860 hectares of the Municipalities of Carrascal and Cantilan in the Province of Surigao del Sur.

AMPI

Alumina Mining Philippines Inc. holds MPSA No. 179-2002 VIII (SBMR), with an area of 6,694 hectares located in the Province of Samar, issued on December 5, 2002.

BARI

Bauxite Resources Inc. holds MPSA No. 180-2002 VIII (SBMR), with an area of 5,519 hectares located in the Province of Samar, issued on December 5, 2002.

Mineral Resource and Reserve Estimate As of December 31, 2023 :

RESOURCE	MMDC	BRC	AMPI	BARI
Tonnage	<p>Measured & Indicated Saprolite: 8.7 million WMT at 1.32% Nickel, 12.89% Iron</p> <p>Limonite 57.8 million WMT at 0.89% Nickel and 43.75% Iron</p> <p>Inferred Saprolite: 3.8 million WMT at 1.20% Nickel and 12.72% Iron</p> <p>Limonite: NA</p>	<p>Measured & Indicated Saprolite: 3.055 million WMT at 1.59% Nickel, 14.85% Iron</p> <p>Limonite 12.972 million WMT at 1.07% Nickel and 39.73% Iron</p> <p>Inferred Saprolite: 0.329 million WMT at 1.61% Nickel and 14.25% Iron</p> <p>Limonite: 4.698 million WMT at 0.90% Nickel and 39.61% Iron</p>	<p>Measured & Indicated Bauxite Ore: 41.713 million WMT at 40.06% Al₂O₃ and 14.50% SiO₂</p> <p>Inferred Bauxite Ore 17.275 million WMT at 38.96% Al₂O₃ and 16.59% SiO₂</p>	<p>Measured & Indicated Bauxite Ore: 31.469 million WMT At 43.78% Al₂O₃ and 7.96% SiO₂</p> <p>Inferred Bauxite Ore 28.436 million WMT at 43.75% Al₂O₃ and 8.09% SiO₂</p>

Notes:

1. The Mineral Resource Estimates (MRE) reported is based on the 10 October 2023 resource block model prepared by MMDC Resource Geologist Gisella Jane E. Dida and reviewed by PMRC-Accredited Competent Person Jayvhel T. Guzman, incorporating data from 167 drill holes drilled in Cabangahan and 159 drill holes in Sipangpang in 2023. ACP Guzman has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity that has been undertaken to qualify as an Accredited Competent Person as defined in the PMRC Code. Ms. Dida is a licensed geologist trained and supervised by ACP Guzman in the resource estimation activity.
2. The resource block model was generated using Geovia Surpac™ 2022 and the mineral resource estimation methodology used is the Nearest Neighbor interpolation.
3. The increase in the saprolite and limonite measured and indicated mineral resource tonnages in Cabangahan resulted mainly from the upgrading of inferred mineral resources and blocking of additional mineral resources through development drilling.
4. The MRE followed the terminology and guidelines set forth in the Philippine Mineral Reporting Code (PMRC).
5. The MRE are not precise calculations, being dependent on the interpretation of limited information on the location, shape, continuity of the mineralization and the availability of sampling results. Tonnages in the table have been rounded to the nearest thousands to reflect the relative uncertainty of the estimate.

6. The MRE is valid from the date of signing of the ACP. In the event that any new geological information, exploration results and ore deposit models will arise that may have direct or indirect implication on the mineral resource estimates as disclosed in this statement, the said MRE may be rendered inaccurate and should therefore be treated with caution.

For other discussions of mining properties, please refer to Note 10, pages 21 of the May 31, 2024 Unaudited Consolidated Financial Statements.

Property and Equipment

Office Space

In January 2014, the company acquired two (2) condominium units located at Citi Center Condominium Project, Citibank Center (Now: BDO Towers Paseo), 8741 Paseo de Roxas, Makati City, with an aggregate floor area of, more or less, nine hundred sixty-seven and 7/100 (967.07) square meters and amounting to Sixty-Eight million pesos (₱68,000,000). The property is covered by Condominium Certificates of Title Nos. 006-2011006557 and 006-2011006558 issued by the Register of Deeds of Makati City. The said property became the Company's new principal office address starting September 2014.

In November 2017, the company acquired another condominium unit also located at the 4th Floor Citi Center Condominium, 8741 Paseo de Roxas, Makati City, with with an approximate area of 220 square meters inclusive one (1) parking slot amounting to twenty five million (₱25,000,000.00). The property is covered by Condominium Certificates of Title No. 006-2012006781. The said condominium unit was purchased for the Makati office expansion.

MMDC Properties

The table below sets forth a summary of the properties owned and rented by MMDC.

Land and Improvements owned		
	Lot Area (sqm)	Amount
Haulage Roads	117,596	10,268,670
Stockyards	426,583	24,400,086
Causeway	38,856	4,000,000
Campsite	14,700	450,000
Butuan Lot	3,544	15,948,000
Others	85,357	4,280,130
Total Land & improvements	686,636	59,346,886

Rented		
	Lot Area (sqm)	Monthly Rental
Haulage Roads	223,644	726,639
Stockyards	128,959	203,525
Causeway	19,555	137,773
Others	94,859	203,461
Total	467,017	1,271,398

The renewals of the above leases are subject to agreement by the parties.

The above leased properties are used by MMDC for hauling roads and stockpile areas.

MMDC will acquire and/or lease additional properties to be utilized for hauling roads and stockpile areas needed for operations. The cost acquisitions will depend on negotiations with prospective owners and lessors. MMDC plans to finance acquisitions from internally generated funds and through bank loans.

The Company's equipment mostly pertains to transportation equipment. For details of the property and equipment, please refer to Note 8 on page 20 of the May 31, 2024 Unaudited Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any pending material legal proceedings and/or assessment or pending governmental investigation. It is not involved in any pending legal proceedings with respect to any of its properties. It is not involved in any claims or lawsuits involving damages, which may materially affect it or its subsidiaries.

MMDC, one of MHI's subsidiaries, is a party to a number of legal proceedings that commonly arise in the course of running a fully operational business concern.

To the knowledge and/or information of the Company, none of its directors or its executive officers, is presently or during the last five (5) years been involved in any material legal proceeding in any court or government agency on the Philippines or elsewhere which would put to question their ability and integrity to serve Marcventures Holdings, Inc. and its stockholders.

The Company is not aware of: (a) any bankruptcy petition filed by or against any business of which a director or executive officer or person nominated to become a director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, excluding traffic violations and other minor offenses; (c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company submitted the following matters to a vote of the security holders during the 2023 Annual Meeting:

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of the Minutes of Previous Stockholders' Meeting held on 28 July 2022
4. Approval of the Management Report and Audited Financial Statements for the Year Ended 31 December 2022
5. Ratification of all acts of the Board of Directors and Management
6. Election of Directors
7. Approval of Appointment of the Company's Independent External Auditor
8. Other Matters
9. Adjournment

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET PRICE AND DIVIDENDS ON REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The principal market for the registrant’s common stock is the Philippine Stock Exchange (“PSE”). The Company’s stock symbol is “MARC”.

Stock Prices – Common Shares

The following table sets forth the high and low closing sales prices per share of the Common Shares listed on the PSE during the respective periods indicated as per published financial sources.

	Price per Share (In Pesos) **	
	High	Low
	2022	
January – March	2.50	1.14
April – June	1.84	1.36
July - September	1.62	1.21
October – December	1.45	1.14
	2023	
January – March	1.36	1.01
April – June	1.12	0.88
July - September	0.99	0.66
October – December	1.15	0.84
	2024	
January – March	1.10	0.73
April – June	0.87	0.68

Latest Market Price

On the trading date of May 31, 2024, the closing market price of the Company’s common stock was ₱0.73 per share.

Stockholders

The number of shareholders of record as of May 31, 2024 was 2,176 and the outstanding shares were 3,014,820,305 common shares, 2,929,813,200 or 97.18% of which are owned by Filipinos.

**MARCVENTURES HOLDINGS, INC.
TOP 20 STOCKHOLDERS
AS OF MAY 31, 2024**

1	PCD NOMINEE CORPORATION (FILIPINO)	FILIPINO	2,600,236,717	86.25%
2	STINSON PROPERTIES INC.	FILIPINO	87,834,569	2.91%
3	SUREGUARD PROPERTIES INC.	FILIPINO	86,514,534	2.87%
4	MYOLNER PROPERTIES INC.	FILIPINO	86,514,533	2.87%
5	PCD NOMINEE CORP. (NON-FILIPINO)	NON-FILIPINO	80,701,822	2.68%
6	GLORIOUS DECADE PROPERTIES, INC	FILIPINO	30,000,000	1.00%
7	ANTHONY M. TE	FILIPINO	27,000,500	0.90%
8	GLORIOUS DECADE PROPERTIES, INC.	FILIPINO	13,013,000	0.43%
9	BENJAMIN CONSUNJI SANDOVAL	FILIPINO	1,000,000	0.03%
10	ATC SECURITIES, INC.	FILIPINO	808,023	0.03%
11	BENJAMIN S. GELI	FILIPINO	100,000	0.00%
12	JOHN C. JOVEN	FILIPINO	100,000	0.00%
13	ANSALDO GODINEZ & CO., INC.	FILIPINO	92,255	0.00%
14	PACIFICO B. TACUB	FILIPINO	50,000	0.00%
15	OTILIA D. MOLO OR ELAINE D. MOLO	FILIPINO	48,419	0.00%
16	ARNOLD JANSSEN T. BANTUGAN OR CHRISTINE ANGELI L. BANTUGAN	FILIPINO	45,000	0.00%
17	TERESITA N. LIM	FILIPINO	40,000	0.00%
18	VICENTE GOQUIOLAY & CO., INC.	FILIPINO	39,599	0.00%
19	ALBERTO MENDOZA&/OR JEANIE MENDOZA	FILIPINO	30,000	0.00%
20	PERALTA ENRIQUE B.	FILIPINO	23,000	0.00%
	TOTAL TOP 20 SHAREHOLDERS		3,014,191,971	99.98%

The Company has no other class of registered securities outstanding aside from common shares.

Dividends

Subject to the availability of unrestricted retained earnings and the funding requirements of the Company's operations, the Company's policy is to declare regular dividends, whether cash, stock or property dividends, twice a year in such amounts and at such dates to be determined by the Board. The declaration of stock dividends is subject to stockholders' approval in accordance with the requirements of the Revised Corporation Code.

Cash Dividends

Year	Date			Amount	
	Declared	Record	Payable	Dividends Per Share	Total Declared (in millions)
2023	Dec. 7, 2023	Jan. 12, 2024	Jan. 26, 2024	₱0.10	₱301.48
2022	No dividends were declared for the year 2022				
2021	Nov. 19, 2021	Dec. 7, 2021	Jan. 4, 2022	₱0.13	₱391.9
2020	No dividends were declared for the year 2020				
2019	No dividends were declared for the year 2019				
2018	No dividends were declared for the year 2018				
2017	No dividends were declared for the year 2017				
2016	No dividends were declared for the year 2016				
2015	No dividends were declared for the year 2015				
2014	Nov. 14, 2014	Dec. 19, 2014	Jan. 16, 2015	₱0.15	₱273.2
2014	Sept. 19, 2014	Oct. 31, 2014	Oct. 22, 2014	0.15	273.2

Stock Dividends

There were no stock dividends declared for years 2015 to May 31, 2024.

Sales of Securities

As of May 31, 2024, there are no sales of unregistered or exempt Securities.

ITEM 6. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes as at May 31, 2024, December 31, 2023, and 2022 prepared in conformity with PFRS hereto attached in the Exhibits.

The financial information for the five months ended May 31, 2024, and years ended December 31, 2023 and 2022, and as at May 31, 2024, December 31, 2023 and 2022 are discussed below.

A. Discussion for May 31, 2024 (with comparative Audited Consolidated Statements of Financial Position as at December 31, 2023) and for the and five-month period ended May 31, 2024 and 2023

Results of Operations

	Unaudited (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%Change
Revenue	₱ 273.55	₱ 717.14	₱ (443.59)	(61.9%)
Cost of Sales	198.47	490.85	(292.38)	(59.6%)
Operating Expenses	142.36	182.07	(32.49)	(18.6%)
Income (Loss) before Tax	₱ (67.28)	₱ 44.22	₱ (118.73)	(230.8%)
Income Tax Expense (Benefit)	(12.23)	15.68	(27.90)	(178.0%)
Net Income (Loss)	₱ (60.29)	₱ 28.56	₱ (88.84)	(311.1%)

Revenues

For the period ended May 31, 2024, MHI subsidiary MMDC sold an aggregate of 266,120 wet metric tonnes (WMT) of nickel ore, or equivalent to five (5) shipments of which all are limonite, as compared to the period ended May 31, 2023 with a total of 480,138 wet metric tonnes (WMT) of nickel ore, or equivalent to nine (9) shipments of which two (2) vessels are saprolite and seven (7) vessels are limonite, hence, registering a decrease of 214,018 WMT. The decrease was due to lower volume of sales caused by the significant decrease in the ore price.

MMDC’s total revenue as of May 31, 2024 was ₱271.04 million which is notably lower by ₱433.49 million or 61.5% as compared to ₱704.53 million in May 31, 2023. The decrease in shipment volume resulted to a decrease in gross sales, despite the higher exchange rate during the year. The result of operations was a net loss before tax of ₱72.51 million in 2024 compared to 2023 with net income before tax of ₱44.23 million. The regression of profit is caused by the weakening ore market in 2024.

Shipment details of volume are as follows:

WMT

	2024	2023	Increase (decrease)
Limonite	266,120	371,888	(214,018)
Saprolite	–	108,250	(108,250)

Average Price per wmt (in US\$)

	2024	2023	Increase (decrease)
Limonite	\$17.68	\$21.83	(\$4.15)
Saprolite	\$–	\$39.23	(\$39.23)

Cost of Sales

Due to the decrease in revenue, the Company’s cost of sales decreased by ₱292.38 million or 59.6% from ₱490.85 million in 2023 to ₱198.47 million in 2024. The decrease was mainly due to the following:

- **Contracted services** decreased by 34.3% from ₱235.58 million to ₱154.88 million in the five months period ended May 31 of 2023 and 2024, respectively, primarily due to lower production cost driven by lower number of shipments.
- **Excise Taxes** decreased by 60.2% or ₱15.68 million due to lower sales during the period.
- **Production Overhead** significantly decreased by 62.9% or ₱60.0 million due to lower ores produced.
- **Net movement in inventory** decreased by 152.2% or ₱136.70 million due to higher number of ore inventories during the period.

Operating Expenses

Operating expenses decreased by 18.6% or ₱32.49 million from ₱174.85 million of last year to ₱142.36 million this year. The decrease was mainly due to the following:

- **Royalties to indigenous people** are paid based on 1.05% of the Company’s sales. The Company’s royalty expenses decreased from ₱6.16 million in 2023 to ₱2.84 million in 2024, equivalent to 54.0% decrease.

- **Environmental expenses** for 2023 amounting to ₱20.81 million decreased by ₱5.73 million or 27.5% to ₱15.08 million in 2024 due to lesser Company environmental activities during the period.
- **Taxes and licenses** decreased by 21.8% or ₱10.83 million from ₱49.60 million in 2023 to ₱38.78 million in 2024 due to lower business tax based on the previous year's gross sales.

Financial Position

Assets

The consolidated total assets of the Company decreased from ₱6.05 billion as of December 31, 2023 to ₱5.73 billion as at May 31, 2024. The 5.3% decrease was mainly due to the net effect of the following:

- **Cash** decreased by ₱419.35 million or 69.4% from ₱603.88 million in 2023 to ₱184.53 million in 2024. Apart from lower sales collection during the period, the Company also settled its dividends payable that were declared in 2023.
- **Trade and other receivables** increased by ₱42.04 million or 188.4% from ₱22.31 million in 2023 to ₱64.35 million in 2024. This was mainly due to the advances made to suppliers and contractors.
- **Advances to related parties** increased by ₱1.16 million or 48.8% from ₱2.38 million in 2023 to ₱3.55 million in 2024. This represents non-interest bearing unsecured loan payable on demand.
- **Ore inventories** increased by ₱70.83 million or 41.9% from ₱169.12 million in 2023 to ₱239.95 million in 2024 primarily due to unsold inventories during the period.
- **Other current assets** also increased by ₱13.72 million or 13.7% from ₱100.49 million in 2023 to ₱114.21 million in 2024 attributable to the advance payment of excise taxes, deposits, prepaid taxes and other prepaid expenses.
- **Other noncurrent assets** decreased by ₱31.66 million or 5% from ₱637.16 million in 2023 to ₱605.5 million in 2024 mainly due to the vat refund and impairment during the period.

Liabilities

As at May 31, 2024, the total liabilities decreased by ₱253.79 million or 20.3% from ₱1252.41 million in 2023 to ₱998.61 million in 2024. The decrease was due to the following:

- **Dividends** payment of ₱297.06 million during the period; and
- **Income tax** payment of ₱30.44 for the 2023 filing of annual income tax returns.

Furthermore, advances from related parties increased from ₱5.0 Million in 2023 to ₱6.783 Million in 2024 which represents a non-interest bearing unsecured loan payable on demand.

Stockholders' Equity

Total stockholder's equity decreased by ₱68.23 million or 1.4% from ₱4.80 billion in 2023 to ₱4.73 billion in 2024. The decrease pertains to the consolidated net loss for the period.

Consolidated Cash Flow

	For Five-Months Ended May 31 (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%
Cash provided by (used) operating activities	(₱111.42)	(₱11.49)	(₱99.93)	(869.7%)

Cash provided by (used) in investing activities	5.52	6.23	(0.71)	(11.4%)
Cash provided by (used in) financing activities	(313.44)	(75.05)	(238.39)	(317.6%)

The cash used by operating activities decreased by 869.7% from ₱11.49 million in 2023 to ₱111.42 million in 2024 due to the significant decline of revenue and collection.

The decrease in net cash provided by investing activities are primarily due to the increase in other noncurrent asset coming from the input VAT subject for refund.

The company's net cash provided in financing activities are mainly due to the settlement of dividends and principal loans payable during the year.

B. Discussion for 2023 and 2022 Financial Results

Results of Operations

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Revenues	₱2,050.42	₱3,067.49	(₱1,017.07)	(33.2%)
Cost of Sales	1,203.10	2,043.61	(840.51)	(41.1%)
Operating and Other Expenses	508.86	684.29	(175.43)	(25.6%)
Income (Loss) Before Income Tax	338.46	339.59	(1.13)	(0.3%)
Income Tax	106.32	137.00	(30.68)	(22.4%)
Net Income (Loss)	₱232.14	₱202.58	₱29.56	14.6%

Revenues

MMDC sold an aggregate of 1,502,251 wet metric tonnes (WMT) of nickel ore, or equivalent to 28 shipments of which 2 vessels are saprolite and 26 vessels are limonite for the year ended December 31, 2023, as compared to the year 2022 with a total of 1,672,957 wet metric tonnes (WMT) of nickel ore, or equivalent to 31 shipments of which 26 vessels are saprolite and 5 vessels are limonite, hence, registering a decline of 170,706 WMT. The regression of ore sales were due to the shortfall in number of shipments coupled with the weakening ore market price in 2023.

The company's total revenue in 2023 was ₱2,050.41 million which is notably lower by ₱1,017.07 million or 33.2% as compared to ₱3,067.49 million in 2022. The result of operations was a net income after tax of ₱232.14 million in 2023 resulting to a decrease of ₱29.6 million or 14.6% compared to 2022 with net income of ₱202.58 million.

The regression of profit was due to the shortfall in number of shipments coupled with the weakening ore market in the year 2023.

Shipment details of volume and prices are as follows:

WMT

	2023	2022	Increase (decrease)
Limonite	1,394,001	263,397	1,130,604
Saprolite	108,250	1,409,560	(1,301,310)

Average Price per wmt (in US\$)

	2023	2022	Increase (decrease)
Limonite	\$22.70	\$26.42	(\$3.72)
Saprolite	\$32.24	\$33.52	(\$1.28)

Cost of Sales

Due to decrease in revenue, the Company's cost of sales decreased by ₱840.51 million or 41.1% from ₱2,043.61 million in 2022 to ₱1,203.10 million in 2023. The decline was mainly due to the lessening of contracted services and excise tax payments needed to produce and sell of ores.

Operating Expenses

The Company's total operating and other expenses in 2023 was ₱508.86 million, a decrease of ₱175.43 million or 25.6% as compared to ₱684.29 million in 2022. The decrease was due to the following:

- There is no additional Provision for ECL for the year compared to ₱75.52million last year.
- Royalties decreased by ₱10.52 million or 33.3%. These expenses were computed and paid based on the percentage of gross sales.
- Depreciation expense decreased by ₱5.92 million or 41.0% due to most of the property and equipment were already fully depreciated.
- Environmental expenses decreased by ₱48.77 million or 43.0%, total amount of ₱64.55 million is in compliance with the required minimum of 3.0% of the direct mining cost of prior year to be allocated to mitigate environmental issues.
- Representation decreased by ₱41.42 million or 71.4% due to minimal meetings and entertainment activities and contributions incurred during the year.
- Social Development Program decreased by ₱8.09 million or 23.2%, total amount of ₱26.83 million in 2023 is in compliance with implementing rules and regulation of 1995 Phil. Mining Act, which requires that 1.5% of the operating cost of prior year be allocated for the development of host and neighboring mining communities.
- Taxes and licenses decreased by ₱19.34 million or 21.3% due to lower LGU business tax assessment for 2022 gross revenue, the basis of business permit computation.

Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Assets	₱6,049.78	₱5,940.61	₱109.17	1.8%
Liabilities	1,252.41	1,068.22	184.22	17.2%
Stockholders' Equity	4,797.37	4,872.38	(75.01)	(1.5%)

Assets

The consolidated total assets of the Company increased from ₱5,940.61 million as of December 31, 2022 to ₱6,049.78 million as of December 31, 2023. The 1.8% increase was mainly due to the net effect of the following:

- Cash increased by ₱56.98 million or 10.4% from ₱546.89 million in 2022 to ₱603.88 million in 2023.
- Ore inventories increased by ₱18.01 million or 11.9% from ₱151.11 million in 2022 to ₱169.12 million in 2023.
- Other current assets increased by ₱8.75 million or 9.5% from ₱91.74 million in 2022 to ₱100.49 million in 2023, these are mostly pertains to advances to suppliers and contractors.
- Other noncurrent assets increased by ₱152.72 million or 31.5% from ₱484.48 million in 2022 to ₱637.2 million in 2023 due to additional input vat incurred for the year.
- Trade and other receivables decreased by ₱78.89 million or 78% from ₱101.2 million in 2022 to ₱22.31 million in 2023 due to write-off of long outstanding receivable.

Liabilities

As of December 31, 2023, the total liabilities of the Company increased by ₱184.22 million or 17.2% from ₱1,068.22 million in December 2022 to ₱1,252.41 million in 2023. The increase was due to the net effect of the following:

- Dividends declaration in December 7, 2023 amounting to ₱301.48 million payable in January 26, 2024.
- Income tax payable increased by ₱12.20 million or 66.9% from ₱18.25 million in 2022 to ₱30.44 million in 2023 due to higher taxable income for the current year.
- Additional ₱2.73 million for provision for mine rehabilitation and decommissioning.
- Retirement benefit liability increased by ₱3.75 million or 9.3% from ₱40.48 million in 2022 to ₱44.23 million in 2023.
- Loans payable decreased by ₱52.54 million or 65.4% from ₱80.35 million in 2022 to ₱27.8 million in 2023 due to the settlement of the loan principal.

Stockholders' Equity

The stockholders' equity decreased by ₱75.01 million from ₱4,872.38 million in 2022 to ₱4,797.37 million in 2023. The decrease pertains to the dividends declaration for the year.

Consolidated Cash Flow

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Cash provided by operating activities	₱338.63	₱714.98	(₱376.35)	(52.6%)
Cash provided by (used) in investing activities	(191.15)	(334.31)	(143.16)	(42.8%)
Cash provided by (used in) financing activities	(90.41)	(634.01)	(543.60)	(85.7%)

The cash provided by operating activities decreased by 52.60% from ₱714.98 million in 2022 to ₱338.63 million in 2023 due to the significant decline of revenue and collection.

In 2023, the decreased in net cash used in investing activities are primarily due to the additions in mine and mining properties amounting to ₱58.10 million as these were utilized in various stockyards in the form of matting and repair and maintenance of haulage road and causeway. Also, with an increased in other noncurrent asset amounting to ₱127.98 million coming from the input VAT subject for refund.

In 2023, the company's net cash provided in financing activities are mainly due to the settlement of principal loans payable during the year.

C. Discussion for 2022 and 2021 Financial Results

Results of Operations

	Audited (in million Pesos)		Increase (Decrease)	
	2022	2021	Amount	%
Revenues	₱3,067.49	₱3,891.59	(824.11)	(21.18%)
Cost of Sales	2,043.61	2,104.62	(123.05)	(5.68%)
Operating and Other Expenses	684.29	774.93	(28.60)	(4.01%)
Income (Loss) Before Income Tax	339.59	1,012.04	(672.46)	(66.45%)
Income Tax	137.00	255.60	(118.59)	(46.40%)
Net Income (Loss)	₱202.58	₱756.44	(553.86)	(73.22%)

Revenues

MMDC sold an aggregate of 1,672,957 wet metric tonnes (WMT) of nickel ore, or equivalent to 31 shipments of which 26 vessels are saprolite and 5 vessels are limonite for the year ended December 31, 2022, as compared to the year 2021 with a total of 2,085,746 WMT of nickel ore, or equivalent to 38 shipments of which all 25 vessels are saprolite and 13 vessels are limonite hence, registering a decline of 412,789 WMT. The regression of ore sales were due to the shortfall in number of shipments coupled with the weakening ore market and aggravation of fuel prices in the second half of 2022.

The company's total revenue in 2022 was ₱3,067.49 million which is notably lower by ₱824.11 million or 21.18% as compared to ₱3,891.59 million in 2021. The result of operations was a net income after tax of ₱202.58 million in 2022 resulting to a decrease of ₱553.86 million or 73.22% compared to 2021 with net income of ₱756.44 million.

The regression of profit was due to the shortfall in number of shipments coupled with the weakening ore market and aggravation of fuel prices in the second half of 2022.

Shipment details of volume and prices are as follows:

WMT

	2022	2021	Increase (decrease)
Limonite	263,397	696,484	(433,087)
Saprolite	1,409,560	1,389,262	20,298

Average Price per wmt (in US\$)

	2022	2021	Increase (decrease)
Limonite	\$26.42	\$25.39	\$1.03
Saprolite	\$33.52	\$43.10	(\$9.58)

Cost of Sales

Due to decrease in revenue, the Company's cost of sales decreased by ₱123.05 million or 5.68% from ₱2,166.66 million in 2021 to ₱2,043.61 million in 2022, mainly due to the lessening of contracted services and excise tax payments needed to produce and sell of ores.

Operating Expenses

The Company's total operating and other expenses in 2022 was ₱684.29 million, a decrease of ₱28.60 million or 4.01% as compared to ₱712.89 million in 2021. The decrease was due to the following:

- Interest expense decreased by ₱21.87 million or 43.28% due to the partial settlements of bank loans during the year.
- Provision for ECL decreased by ₱83.89 million or 52.63% due to the lower long overdue uncollected receivables from prior year sales subject for provision this year.
- Royalties decreased by ₱9.27 million or 22.69%. These expenses were computed and paid based on the percentage of gross sales.
- Depreciation expense decreased by ₱26.60 million or 64.85% due to most of the property and equipment were already fully depreciated.

The above decreases were partly offset by the following:

- Environmental expenses increased by ₱21.73 million or 23.73%, total amount of ₱113.32 million is in compliance with the required minimum of 3.0% of the direct mining cost of prior year to be allocated to mitigate environmental issues.
- Social Development Program increased by ₱10.77 million or 44.63%, total amount of ₱34.92 million in 2022 is in compliance with implementing rules and regulation of 1995 Phil. Mining Act, which requires that 1.5% of the operating cost of prior year be allocated for the development of host and neighboring mining communities
- Taxes and licenses increased by ₱10.56 million or 13.18% due to higher assessment of LGU business tax for 2021 gross revenue which is the basis in computing the business permit.
- Professional Fee increased by ₱10.97 million or 21.32% due to more consultancy and professional engagements.
- Representation increased by ₱52.67 million or 536.99% due to notable meetings/ dialogue with the stakeholders and clients.
- Outside services increased by ₱7.22 million or equivalent to 52.32% due to higher agency fee for the manpower requirements needed for the operations.

Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2022	2021	Amount	%
Assets	₱5,940.61	₱6,509.50	(₱569.03)	(8.74%)
Liabilities	1,068.22	1,844.52	(776.29)	(42.09%)
Stockholders' Equity	4,872.38	4,665.12	207.27	4.44%

Assets

The consolidated total assets of the Company decreased from ₱6,509.50 million as of December 31, 2021 to ₱5,940.61 million as of December 31, 2022. The 8.74% decrease was mainly due to the net effect of the following:

- Cash decreased by ₱254.16 million or 31.73% due lower number of shipments resulting to a decline of ore sales proceeds.

- Trade and other receivables decreased by ₱250.43 million or 71.22%, mainly due to the collection from sales and additional provision for uncollectible accounts.
- Ore inventory decreased by ₱46.19 million or 23.41% from ₱197.31 million in 2021 to ₱151.11 million in 2022. The decrease was mainly due to lower production towards the last quarter of the year.
- Net deferred tax assets decreased by ₱20.17 million or 38.66% due to the offsetting from the tax liabilities on the reconciliation ensuing to lower the tax dues for the year.
- Other noncurrent assets increased by ₱80.99 million or 20.07% mainly due to the increase of input vat from the direct mining cost.

Liabilities

As of December 31, 2022, the total liabilities of the Company decreased by ₱776.29 million or 42.09% from ₱1,844.52 million in December 2021 to ₱1,068.22 million in 2022. The decrease was due to the net effect of the following:

- Trade and other payables decreased by ₱171.91 million or 37.94%, primarily due to the insignificant advances from customers made from the last quarter of this year as compared of previous year.
- Loan payable decreased by ₱150.91 million due to the settlement of the loan principal.
- Dividends payable decreased by ₱371.46 million or 97.25% due to the dividends payment to the shareholders.
- Long-term debts decreased by ₱78.71 million primarily due to the payments of loans that matures within the maturity date.

Stockholders' Equity

The stockholders' equity increased by ₱207.27 million from ₱4,665.12 million in 2021 to ₱4,872.38 million in 2022. The increase pertains to the consolidated net income for the year.

Consolidated Cash Flow

	Audited (in million Pesos)		Increase (Decrease)	
	2022	2021	Amount	%
Cash provided by operating activities	₱714.98	₱1,060.72	(₱345.74)	(32.60%)
Cash provided by (used) in investing activities	(333.33)	(145.63)	(187.70)	128.88%
Cash provided by (used in) financing activities	(635.81)	(355.99)	(221.54)	(164.79%)

The cash provided by operating activities decreased by 32.60% from ₱1,060.72 million in 2021 to ₱714.98 million in 2022 due to the significant decline of income.

In 2022, the increased in net cash used in investing activities are primarily due to the additions in mine and mining properties amounting to ₱53.47 million as these were utilized in various stockyards in the form of matting, a meter-thick layer of nickel blanketing the ground to prevent dilution of the ore stockpile currently stored or beneficiated. Also, with an increased in other noncurrent asset amounting to ₱76.31 million coming from the input VAT of direct mining cost.

In 2022, the company's net cash provided in financing activities are mainly due to the payment of dividends payable during the year.

Horizontal and Vertical Analysis as at May 31, 2024 and for years ended December 31, 2023, 2022 and 2021

<i>Amounts in thousands</i>			Horizontal Analysis		Vertical Analysis		
	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)	Change	% Change	2024	2023	
ASSETS							
Current Assets							
Cash	₱ 184,530	₱ 603,878	₱ (419,348)	(69.4%)	3.2%	10.0%	
Trade & other receivables	64,350	22,310	42,039	188.4%	1.1%	0.4%	
Advances to related party	3,546	2,383	1,163	48.8%	0.1%	0.0%	
Inventories	239,955	169,125	70,830	41.9%	4.2%	2.8%	
Other current assets	114,208	100,488	13,720	13.7%	2.0%	1.7%	
Total Current Assets	₱ 606,588	₱ 898,184	₱ (291,596)	(32.5%)	10.6%	14.8%	
Noncurrent Assets							
Property & equipment	₱ 147,383	₱ 140,928	₱ 6,455	4.6%	2.6%	2.3%	
Investment Property	17,396	17,396	-	0.0%	0.3%	0.3%	
Mining rights and other mining assets	4,330,339	4,339,841	(9,502)	(0.2%)	75.5%	71.7%	
Net deferred tax assets	28,491	16,266	12,225	75.2%	0.5%	0.3%	
Other noncurrent assets	605,502	637,164	(31,662)	(5.0%)	10.6%	10.5%	
Total Noncurrent Assets	₱ 5,129,111	₱ 5,151,595	₱ (22,484)	(0.4%)	89.4%	85.2%	
	₱ 5,735,699	₱ 6,049,779	₱ (314,080)	(5.2%)	100.0%	100%	
LIABILITIES AND EQUITY							
Current Liabilities							
Trade and other payables	₱ 310,098	₱ 223,313	₱ 86,785	38.9%	5.4%	3.7%	
Loans payable	16,655	27,804	(11,150)	(40.1%)	0.3%	0.5%	
Advances from related party	6,783	5,000	1,783	35.7%	0.1%	0.1%	
Dividends payable	14,910	311,967	(297,057)	(95.2%)	0.3%	5.2%	
Income tax payable	-	30,445	(30,445)	(100.0%)	0.0%	0.5%	
Total Current Liabilities	₱ 348,446	₱ 598,529	₱ (250,084)	(41.8%)	6.1%	9.9%	
Noncurrent Liabilities							
Long-term debt	₱ 104,801	₱ 104,801	₱ -	0.0%	1.8%	1.7%	
Provision for mine rehab	62,847	62,847	-	0.0%	1.1%	1.0%	
Retirement benefit liability	37,908	44,228	(6,320)	(14.3%)	0.7%	0.7%	
Deferred tax liability	444,610	442,000	2,611	0.6%	7.8%	7.3%	
Total Noncurrent Liabilities	₱ 650,167	₱ 653,876	₱ (3,710)	(0.6%)	11.4%	10.8%	
Total Liabilities	₱ 998,612	₱ 1,252,405	₱ (253,793)	(20.3%)	17.4%	20.7%	
Equity							
Capital stock	₱ 3,014,820	₱ 3,014,820	₱ -	0.0%	52.6%	49.8%	
Additional paid-in capital	269,200	269,200	-	0.0%	4.7%	4.4%	
Retained earnings	1,418,138	1,478,425	(60,287)	(4.1%)	24.7%	24.4%	
Remeasurement gain	34,928	34,928	-	0.0%	0.6%	0.6%	
Total Equity	₱ 4,737,087	₱ 4,797,374	₱ (60,287)	(1.3%)	82.6%	79.3%	
	₱ 5,735,699	₱ 6,049,779	₱ (314,080)	(5.2%)	100.0%	100%	

<i>Amounts in thousands</i>					Horizontal Analysis		Vertical Analysis	
	Dec. 31 ,2023 (Audited)	Dec. 31 ,2022 (Audited)	Change	% Change	2023	2022		
ASSETS								
Current Assets								
Cash	₱ 603,878	₱ 546,894	₱ 56,984	10.4%	10.0%	9.2%		
Trade & other receivables	22,310	101,197	(78,887)	(78.0%)	0.4%	1.7%		
Advances to related party	2,383	26,281	(23,897)	(90.9%)	0.0%	0.4%		
Inventories	169,125	151,114	18,010	11.9%	2.8%	2.5%		
Other current assets	100,488	91,740	8,748	9.5%	1.7%	1.5%		
Total Current Assets	₱ 898,184	₱ 917,226	₱ (19,042)	(2.1%)	14.8%	15.4%		
Noncurrent Assets								
Property & equipment	₱ 140,928	₱ 179,647	₱ (38,719)	(21.6%)	2.3%	3.0%		
Investment Property	17,396	–	17,396	0.0%	0.3%	0.0%		
Mining rights and other mining assets	4,339,841	4,327,258	12,583	0.3%	71.7%	72.8%		
Net deferred tax assets	16,266	31,990	(15,724)	(49.2%)	0.3%	0.5%		
Other noncurrent assets	637,164	484,485	152,679	31.5%	10.5%	8.2%		
Total Noncurrent Assets	₱ 5,151,595	₱ 5,023,380	₱ 128,215	2.6%	85.2%	84.6%		
	₱ 6,049,779	₱ 5,940,605	₱ 109,174	1.8%	100.0%	100.0%		
LIABILITIES AND EQUITY								
Current Liabilities								
Trade and other payables	₱ 223,313	₱ 281,210	₱ (57,896)	(20.6%)	3.7%	4.7%		
Loans payable	27,804	80,346	(52,541)	(65.4%)	0.5%	1.4%		
Advances from related parties	5,000	4,937	63	1.3%	0.1%	0.1%		
Dividends payable	311,967	10,485	301,482	2,875.4%	5.2%	0.2%		
Income tax payable	30,445	18,246	12,199	66.9%	0.5%	0.3%		
Total Current Liabilities	₱ 598,529	₱ 395,223	₱ 203,307	51.4%	9.9%	6.7%		
Noncurrent Liabilities								
Long-term debt - net of current portion	₱ 104,801	₱ 130,401	₱ (25,601)	(19.6%)	1.7%	2.2%		
Provision for mine rehab	62,847	60,122	2,725	4.5%	1.0%	1.0%		
Retirement benefit liability	44,228	40,475	3,753	9.3%	0.7%	0.7%		
Deferred tax liability	442,000	442,000	-	0.0%	7.3%	7.4%		
Total Noncurrent Liabilities	₱ 653,876	₱ 672,998	₱ (19,122)	(2.8%)	10.8%	11.3%		
Total Liabilities	₱ 1,252,405	₱ 1,068,221	₱ 184,184	17.2%	20.7%	18.0%		
Equity								
Capital stock	₱ 3,014,820	₱ 3,014,820	₱ -	0.0%	49.8%	50.7%		
Additional paid-in capital	269,200	269,200	-	0.0%	4.4%	4.5%		
Retained earnings	1,478,425	1,547,771	(69,346)	(4.5%)	24.4%	26.1%		
Remeasurement gain	34,928	40,593	(5,665)	(14.0%)	0.6%	0.7%		
Total Equity	₱ 4,797,374	₱ 4,872,384	₱ (75,011)	(1.5%)	79.3%	82.0%		
	₱ 6,049,779	₱ 5,940,605	₱ 109,174	1.8%	100.0%	100.0%		

<i>Amounts in thousands</i>			Horizontal Analysis		Vertical Analysis	
	Dec. 31 ,2022 (Audited)	Dec. 31 ,2021 (Audited)	Change	% Change	2022	2021
ASSETS						
Current Assets						
Cash	₱ 546,894	₱ 801,052	₱ (254,158)	(31.7%)	9.1%	13.0%
Trade & other receivables	101,197	351,623	(250,426)	(71.2%)	1.7%	6.0%
Advances to related party	26,281	10,767	15,514	144.1%	0.4%	0.0%
Inventories	151,114	197,309	(46,195)	(23.4%)	2.5%	3.0%
Other current assets	91,740	123,829	(32,089)	(25.9%)	1.5%	2.0%
Total Current Assets	₱ 917,226	₱ 1,484,580	₱ (567,355)	(38.2%)	15.3%	25.0%
Noncurrent Assets						
Property and equipment	₱ 179,647	₱ 176,763	₱ 2,884	1.6%	3.0%	3.0%
Mining rights and other mining assets	4,327,258	4,392,637	(65,379)	(1.5%)	72.2%	74.0%
Net deferred tax assets	31,990	52,155	(20,165)	(38.7%)	0.5%	1.0%
Other noncurrent assets	484,485	403,498	80,987	20.1%	8.1%	7.0%
Total Noncurrent Assets	₱ 5,023,380	₱ 5,025,053	₱ (1,673)	0.0%	83.8%	85.0%
	₱ 5,940,605	₱ 6,509,633	₱ (569,028)	(8.7%)	99.1%	110.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	₱ 281,210	₱ 453,124	₱ (171,915)	(37.9%)	4.7%	8.0%
Loans payable	80,346	231,260	(150,915)	(65.3%)	1.3%	4.0%
Advances from related parties	4,937	11,319	(6,382)	(56.4%)	0.1%	0.0%
Dividends payable	10,485	381,945	(371,461)	(97.3%)	0.2%	6.0%
Income tax payable	18,246	19,089	(843)	(4.4%)	0.3%	0.0%
Total Current Liabilities	₱ 395,223	₱ 1,096,737	₱ (701,514)	(64.0%)	6.6%	18.0%
Noncurrent Liabilities						
Long-term debt	₱ 130,401	₱ 209,108	₱ (78,707)	(37.6%)	2.2%	4.0%
Provision for mine rehab. Retirement benefit liability	60,122	57,515	2,607	4.5%	1.0%	1.0%
Deferred tax liability	40,475	39,156	1,319	3.4%	0.7%	1.0%
	442,000	442,000	-	0.0%	7.4%	7.0%
Total Noncurrent Liabilities	₱ 672,998	₱ 747,778	₱ (74,780)	(10.0%)	11.2%	13.0%
Total Liabilities	₱ 1,068,221	₱ 1,844,516	₱ (776,295)	(42.1%)	17.8%	31.0%
Equity						
Capital stock	₱ 3,014,820	₱ 3,014,820	₱ -	0.0%	50.3%	51.0%
Additional paid-in capital	269,200	269,200	-	0.0%	4.5%	5.0%
Retained earnings	1,547,771	1,345,190	202,581	15.1%	25.8%	23.0%
Remeasurement gain	40,593	35,907	4,686	13.1%	0.7%	1.0%
Total Equity	₱ 4,872,384	₱ 4,665,118	₱ 207,267	4.4%	81.2%	79.0%
	₱ 5,940,605	₱ 6,509,633	₱ (569,028)	(8.7%)	99.1%	110.0%

MARCVENTURES HOLDINGS, INC.

<i>Amounts in thousands</i>	For the five-months ended May		Horizontal Analysis		Vertical Analysis	
	31,		Increase		2024	2023
	2024 (Unaudited)	2023 (Unaudited)	(Decrease)	% Change		
REVENUE	₱ 271,040	₱ 704,531	₱ (433,490)	(61.5%)	100.0%	100.0%
COST OF SALES	198,471	490,847	(292,376)	(59.6%)	73.2%	69.7%
GROSS INCOME	₱ 72,569	₱ 213,684	₱ (141,115)	(66.0%)	26.8%	30.3%
OPERATING EXPENSES	(142,359)	(174,848)	32,489	(18.6%)	52.5%	24.8%
INCOME(LOSS) FROM OPERATIONS	₱ (69,789)	₱ 38,836	₱ (108,625)	(279.7%)	(25.7%)	5.5%
INTEREST EXPENSE	(5,234)	(7,218)	1,983	(27.5%)	1.9%	1.0%
INTEREST INCOME	1,597	74	1,523	2,051.1%	0.6%	0.0%
OTHER INCOME (CHARGES) - Net	914	12,539	(11,625)	(92.7%)	0.3%	1.8%
INCOME(LOSS) BEFORE TAX	₱ (72,512)	₱ 44,232	₱ (116,744)	(263.9%)	(26.8%)	6.3%
INCOME TAX EXPENSE(BENEFIT)	(12,225)	15,676	(27,901)	(178.0%)	4.5%	2.2%
NET INCOME(LOSS)	₱ (60,287)	₱ 28,557	₱ (88,844)	(311.1%)	(22.2%)	4.1%

<i>Amounts in thousands</i>	For the Year Ended December 31,		Horizontal Analysis		Vertical Analysis	
	2023		Increase		2023	2022
	(Audited)	(Audited)	(Decrease)	% Change		
REVENUE	₱ 2,050,416	₱ 3,067,485	₱ (1,017,069)	(33.2%)	100.0%	100.0%
COST OF SALES	1,203,096	2,043,608	(840,512)	(41.1%)	58.7%	66.6%
GROSS INCOME	₱ 847,320	₱ 1,023,877	₱ (176,557)	(17.2%)	41.3%	33.4%
OPERATING EXPENSES	(507,165)	(690,870)	185,505	(26.8%)	24.7%	22.5%
INCOME(LOSS) FROM OPERATIONS	₱ 340,155	₱ 333,007	₱ 8,947	2.7%	16.6%	10.9%
INTEREST EXPENSE	(15,056)	(28,659)	11,804	(43.9%)	0.7%	0.9%
INTEREST INCOME	10,304	800	9,504	1,188.4%	0.5%	0.0%
OTHER INCOME (CHARGES) - Net	3,056	34,437	(31,381)	(91.1%)	0.1%	1.1%
INCOME(LOSS) BEFORE TAX	₱ 338,459	₱ 339,585	₱ (1,126)	(0.3%)	16.5%	11.1%
INCOME TAX EXPENSE(BENEFIT)	106,322	137,004	(30,682)	(22.4%)	5.2%	4.5%
NET INCOME(LOSS)	₱ 232,137	₱ 202,581	₱ 29,556	14.6%	11.3%	6.6%

MARCVENTURES HOLDINGS, INC.

<i>Amounts in thousands</i>	For the Year Ended December 31,			Horizontal Analysis		Vertical Analysis	
	2022 (Audited)	2021 (Audited)	Increase (Decrease)	% Change	2022	2021	
REVENUE	₱ 3,067,485	₱ 3,891,593	₱ (824,108)	(21.2%)	100.0%	100.0%	
COST OF SALES	2,043,608	2,166,661	(123,053)	(5.7%)	66.6%	55.7%	
GROSS INCOME	₱ 1,023,877	₱ 1,724,932	₱ (701,055)	(40.6%)	33.4%	44.3%	
OPERATING EXPENSES	(690,870)	(689,934)	(936)	0.1%	22.5%	17.7%	
INCOME FROM OPERATIONS	₱ 333,007	₱ 1,034,998	₱ (701,990)	(67.8%)	10.9%	26.6%	
INTEREST EXPENSE	(28,659)	(50,525)	21,866	(43.3%)	0.9%	1.3%	
INTEREST INCOME	800	602	198	32.9%	0.0%	0.0%	
OTHER INCOME	34,437	26,967	7,470	27.7%	1.1%	0.7%	
INCOME BEFORE TAX	₱ 339,585	₱ 1,012,041	₱ (672,456)	(66.4%)	11.1%	26.0%	
INCOME TAX EXPENSE	137,004	255,598	(118,594)	(46.4%)	4.5%	6.6%	
NET INCOME	₱ 202,581	₱ 756,443	₱ (553,862)	(73.2%)	6.6%	19.4%	

Key Performance Indicators (KPI's)

Marcventures' Management uses the following KPIs for the Company and its subsidiaries:

	May 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Net Income (Loss)	(₱60,286,992)	₱232,136,506	₱202,580,780
Quick assets	248,879,521	667,722,512	824,288,314
Current assets	606,588,032	898,183,945	917,225,555
Total assets	5,735,698,872	6,049,779,002	5,940,605,308
Current liabilities	348,445,720	598,529,310	395,222,778
Total liabilities	998,612,274	1,252,405,412	1,068,221,038
Stockholders' Equity	4,737,086,598	4,797,373,590	4,872,384,270
No. of common shares outstanding	3,014,820,305	3,014,820,305	3,014,820,305
	May 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Liquidity ratios:			
Current ratio ^(a)	1.74:1	1.50:1	2.32:1
Quick ratio ^(b)	0.71:1	1.12:1	2.09:1
Solvency Ratios:			
Debt ratio ^(c)	0.17:1	0.21:1	0.18:1
Debt to Equity ratio ^(d)	0.21:1	0.26:1	0.22:1
Profitability ratios:			
Earnings (Loss) per share ^(e)	(0.02):1	0.08:1	0.07:1
Book value per share ^(f)	1.57:1	1.59:1	1.62:1

Note:

- a. Current Assets / Current liabilities
- b. Quick Assets / Current liabilities
- c. Total Liabilities / Total assets
- d. Total Liabilities / Shareholders' equity
- e. Net Income (Loss) / Common shares outstanding
- f. Stockholders' Equity / Common shares outstanding

Other Information

Other material events and uncertainties known to management that would address the past and would have an impact on the Company's future operations are discussed below.

1. Except as disclosed in the management discussion and notes to the financial statements, there are no other known events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
2. Except as disclosed in the management discussion and notes to the financial statements, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from operations.
3. All significant elements of income or loss from continuing operations are already discussed in the management discussion and notes to financial statements. Likewise, any significant elements of income or loss that did not arise from the registrant's continuing operations are disclosed either in the management discussion or notes to financial statements.
4. There is no material off-balance sheet transaction, arrangement, obligation, and other relationship of the company with unconsolidated entities or other persons created during the reporting period.
5. The Company does not expect any liquidity or cash problem within the next twelve months.
6. There are no known trends, events or uncertainties that have had or that are reasonably expected to have material favorable or unfavorable impact on net sales or revenues or income from continuing operations that should be described. If the registrant knows of events that will cause material change in the relationship between cost and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.
7. There are no significant elements of income or loss that did not arise from the registrant's continuing operations.
8. The Company's mining operations start during dry season and end during rainy season, for a period of approximately six (6) to eight (8) months. During off-season months, it implements measures to prepare for the next production season with emphasis on mine planning and development as well as its mine rehabilitation programs and community relations initiatives and commitments.
9. There are no material commitments for capital expenditures for the year for MHI aside from the capital expenditures for transportation equipment for the mining operations of its operating subsidiary MMDC, which are still subject to appropriate controls, budget, and approvals.

Key Performance Indicator Of The Significant Majority Owned Subsidiary

Marcventures Mining & Development Corporation

	May 31, 2023	Dec. 31, 2023	Dec. 31, 2022
Net Income (Loss)	(₱36,699,893)	₱305,332,706	₱ 366,350,918
Quick assets	911,350,879	476,927,197	625,663,076
Current assets	1,151,305,816	646,051,891	1,273,035,372
Total assets	3,152,950,903	3,166,662,648	3,647,746,381
Current liabilities	449,018,196	419,709,823	875,949,574
Total liabilities	647,951,839	624,963,690	1,105,242,328
Stockholders' Equity	2,504,999,064	2,541,698,958	2,542,504,053
No. of common shares outstanding	390,000,020	390,000,020	390,000,020

	May 31, 2023	Dec. 31, 2023	Dec. 31, 2022
Liquidity ratios:			
Current ratio ^(a)	2.56:1	1.54:1	1.45:1
Quick ratio ^(b)	2.03:1	0.14:1	0.71:1
Solvency Ratios:			
Debt ratio ^(c)	0.21:1	0.20:1	0.3:1
Debt to Equity ratio ^(d)	0.26:1	0.25:1	0.43:1
Profitability ratios:			
Earnings (Loss) per share ^(e)	(0.09):1	0.78:1	0.94:1
Book value per share ^(f)	6.42:1	6.52:1	6.52:1

Note:

- a. Current Assets / Current liabilities
- b. Quick Assets / Current liabilities
- c. Total Liabilities / Total assets
- d. Total Liabilities / Shareholders' equity
- e. Net Income (Loss) / Common shares outstanding
- f. Stockholders' Equity / Common shares outstanding

Other Subsidiaries

There are no key performance indicators for other subsidiaries due to minimal impact on the Company's total financial performance.

Information On Independent Accountant And Other Related Matters

External Audit Fees and Services

	Year Ended December 31	
	2023	2022
Audit Fees	₱2,060,000	₱1,855,000
Audit-Related Fees	206,000	185,500
Total	₱2,266,000	₱2,040,500

Audit Fees. Represent professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2023 and 2022.

Audit-Related Fees. Represent the out-of-pocket expenses of the individuals who will perform the audit, including postage and reproduction of Financial Statements as billed by the external auditor.

Tax Fees. Represent professional fees for tax advisory/consultation services rendered. There were no tax fees paid for the period.

Audit services provided to the Company by external auditor have been pre-approved by the Audit Committee. The Audit Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.

There are no other fees billed by the external auditor during the period.

Changes in and disagreements with Accountants on Accounting and financial Disclosure

There was no event in the past years where the external auditor and the Registrant had any disagreements with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SECRETARY'S CERTIFICATE

I, **ANA MARIA A. KATIGBAK**, of legal age, Filipino, with office address at the 3rd Floor, The Valero Tower, 122 Valero St., Salcedo Village, Makati City, after having been duly sworn to in accordance with law, do hereby depose and state that:

1. I am the duly elected and qualified Assistant Corporate Secretary of **MARCVENTURES HOLDINGS, INC.** ("MHI" or the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal office address at 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City.

2. I hereby certify that none of the Corporation's Regular Directors, Independent Directors and Officers are appointed or employed in any government agency.


IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of June 2024 at Makati City.


ANA MARIA A. KATIGBAK
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 19th day of June 2024 in Makati City, affiant exhibited to me her Passport No. P7145377B expiring on 06 July 2031.

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Series of 2024.




NOTARY PUBLIC
CAREN Q. VINIEGRA
Appointment No. M-392
Notary Public for Makati City
Until December 31, 2024
Castillo Laman Tan Pantaleon
& San Jose Law Firm
The Valero Tower, 122 Valero Street
Salcedo Village, Makati City
PTR No. 10074330; 01-02-2024; Makati Cit
IBP No. 296779; 12-21-2023; Cavite Char
Roll No. 80215

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CARLOS ALFONSO T. OCAMPO**, Filipino, of legal age and with office Address at 28th Floor, Pacific Star Building, Makati Avenue corner Sen. Gil Puyat Avenue, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am elected for Independent Director of **MARCVENTURES HOLDINGS INC. ("MARC")** and have been its Independent Director since August 2013 (where applicable).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Ocampo & Manalo Law Firm	Senior Partner	October 1997 to present
EEI Corporation	Independent Director	May 2023 to present
Philippine Veterans Bank	Director	January 2024 to present
Benguet Corporation	Director	August 2023 to present
Media Serbisyo Production Corp.	Director	July 2023 to present
MAA General Assurance Phils., Inc.	Director	March 2003 to Present
Asian Carmakers Corporation	Director	April 2008 to Present
Prestige Cars	Director / Corporate Secretary	June 2006 to Present
Adrianse Phils. Inc.	Director/ Corporate Secretary	March 2012 to Present
Bluelion Motors Corp.	Director/ Corporate Secretary	February 1999 to Present
First Charters & Tours Transport Corp.	Director/ Corporate Secretary	July 2012 to Present
Brycl Resorts International Inc.	Director/ Corporate Secretary	July 2009 to Present
Autohaus Quezon City, Inc.	Director/ Corporate Secretary	April 2008 to Present
AVK Philippines, Inc.	Director/ Corporate Secretary	July 2000 to Present
Solen Innovations Holdings Inc.	Director	November 2016 to Present
Manila Golf & Country Club	Corporate Secretary	April 2008 to Present
Nearsol Philippines, Inc.	Corporate Secretary	December 2020 to present
The Vsquare Group Construction	Corporate Secretary	December 2020 to present
Skytowers Infra Inc.	Corporate Secretary	January 2022 to present
QROI Network Services Inc.	Corporate Secretary	February 2022 to present
Integrated Bar of the Philippines	Member	1994 to present
Management Association of the Philippines	Member	October 2019 to present
Philippine Constitution Association (Foundation) Inc.	Member	2004 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NA	NA	NA

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NA	NA	NA

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in , pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the above mentioned information within five days from its occurrence.

JUN 25 2024

Done, this _____ day of _____ at Makati City

CARLOS ALFONSO T. OCAMPO

Affiant

JUN 25 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____ at Makati City affiant personally appeared before me and exhibited to me his Driver's License No. N10-82-044560 and valid until 14 October 2032.

Doc. No. 248;
Page No. 45;
Book No. 1;
Series of 2024.

MA. ANGELICA CERVANTES DYCHIAO

Notary Public for Makati City

Appointment No. M-514 - Until Dec. 31, 2024

Roll No. 40728

PTR No. 10075933; 01/03/2024

IBP No. 325783; 12/07/2023

28/F Pacific Star Bldg., Makati City

Validity up to December 31, 2024

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Kwok Yam Ian Chan**, Filipino, of legal age and with Residence Address at 39A Lorraine Tower The Procenium at Rockwell, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am elected for Independent Director of **MARVENTURES HOLDINGS INC. ("MARC")** and have been its independent director since September 2020 (where applicable).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
BRIGHT KINDLE RESOURCES & INVESTMENTS INC.	INDEPENDENT DIRECTOR	DECEMBER 2021 UP TO PRESENT
BENGUET CORPORATION	DIRECTOR	SEPTEMBER 2020 UP TO PRESENT
DK VENTURES INC.	DIRECTOR	AUGUST 2020 UP TO PRESENT
KING DRAGON REALTY CORP	DIRECTOR	JUNE 2018 UP TO PRESENT
MEGALIFTERS CARGO HANDLING CORP.	DIRECTOR	MAY 2018 UP TO PRESENT
ISKY EMPIRE REALTY INC.	DIRECTOR	APRIL 2018 UP TO PRESENT
SEABORNE SHIPPING INC.	DIRECTOR	JANUARY 2013 UP TO PRESENT

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code, (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NA	NA	NA

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NA	NA	NA

6. I am not employed with any government agency.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of any changes in the above mentioned information within five days from its occurrence.

Done, this JUN 19 2024 day of 2024 at _____



KWOK YAM IAN CHAN
Affiant

JUN 19 2024 MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____ affiant personally appeared before me and exhibited to me his Tax Identification Number 287-887-013.

Doc. No. 123;
Page No. 24;
Book No. 19;
Series of 2024;


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

	Document Number:	Integrated Management System Procedure
	Revision Number:	
	Page Number :	COMMITTEE ASSESSMENT POLICY
		Marcventures Holdings, Inc.

**BOARD COMMITTEE
Self-Assessment Questionnaire**

Board Committee:	
Board Committee Member's Name:	
Designation:	
Period Covered:	

Dear Committee Member,


Please find below the self-assessment worksheet to be rated based on a 1 to 5 scaling as. follows:

Rating	Remarks
5	Strongly Agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

Kindly put a check under your score in the "RATING" column below. A REMARKS column is also provided if have further comments to the one initially stated.

Structure Responsibilities Governance	Rating (1-5)					Remarks
	1	2	3	4	5	
1. The size or number, qualifications, skills, knowledge, and attributes, and diversity (composition) of the members, is adequate for the role, functions, and expected work load of the Committee.						
2. The number of meetings or frequency, length, and depth of discussion is commensurate to the work program and functions of the Committee and ultimately contributes or adds value to the decision-making of the Board.						
3. There is a schedule of regular meetings for the year which maps the agenda items for the Committee's deliberations and the quality of meeting materials sufficiently enables the Committee to deliberate on material information for said meetings.						
4. Overall, the Committee performs its functions effectively and discusses issues comprehensively.						

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5. The Committee is duly empowered to make and enforce decisions based on approving authorities or levels of decision-making delegated to the Committee.						
6. Discussions and review of material items involving risks and sufficiency of risk controls and responses are part of regular discussions during Committee meetings and recommendations on how to address the same are appropriately elevated to the Board.						
7. The Committee actively assesses the adequacy of Management’s resources, core competencies, development opportunities, remuneration strategy (as applicable), addresses deficiencies and inefficiencies, and provides guidance or appropriate feedback to enhance Management’s performance as benchmarked with industry peers and the requirements of the Company.						
8. Disagreements among members of the Committee or between members of Management and the Committee are resolved expeditiously with a view to ensuring Management and the Committee function synergistically.						

COMMENTS:

Please provide any additional comments about Board Committee performance and functioning (where appropriate please reference the applicable number):

Please provide suggestions for areas of improvements (where appropriate please reference the applicable number):

Do you have comments about this questionnaire or self-evaluation process? Are there other questions we should be asking?

PRINTED NAME AND SIGNATURE

DATE: _____

-END OF BOARD COMMITTEE ASSESSMENT-

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ANNEX A. Board Self-Assessment
As recommended by SEC Memorandum Circular No. 24 Series of 2019

The following questionnaire is designed to obtain your inputs on the performance and functioning of our Board of Directors (the “Board”) during the last calendar year.

The questionnaire is divided into sections. Each section includes a set of statements for which we ask your response on a standard scale [*“Strongly Disagree (1)”*

“Disagree (2)” “Neutral (3)” ; ‘Strongly Agree (4); “Strongly Agree (5)”]. The questions are illustrative of priority areas for feedback but you are invited to provide input on all aspects of Board functioning not otherwise taken into account in the questionnaire. Space for written comments is included at the end along with a request for any suggestions you have about the evaluation process.


Director’s Name:													
Period Covered:													
Dear Board Director, Please find below the self-assessment worksheet to be rated based on a 1 to 5 scaling as follows:													
<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="padding: 5px;">Rating</th> <th style="padding: 5px;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;">5</td> <td style="text-align: center; padding: 5px;">Strongly Agree</td> </tr> <tr> <td style="text-align: center; padding: 5px;">4</td> <td style="text-align: center; padding: 5px;">Agree</td> </tr> <tr> <td style="text-align: center; padding: 5px;">3</td> <td style="text-align: center; padding: 5px;">Neutral</td> </tr> <tr> <td style="text-align: center; padding: 5px;">2</td> <td style="text-align: center; padding: 5px;">Disagree</td> </tr> <tr> <td style="text-align: center; padding: 5px;">1</td> <td style="text-align: center; padding: 5px;">Strongly Disagree</td> </tr> </tbody> </table>		Rating	Remarks	5	Strongly Agree	4	Agree	3	Neutral	2	Disagree	1	Strongly Disagree
Rating	Remarks												
5	Strongly Agree												
4	Agree												
3	Neutral												
2	Disagree												
1	Strongly Disagree												
Kindly put a check under your score in the “RATING” column below. A REMARKS column is also provided if have further comments to the one initially stated.													

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BOARD OF DIRECTORS (1/3)


Leading Practices and Principles on Good Corporate Governance	Rating (1-5)					Remarks
Structure	1	2	3	4	5	
1. The Board has a mix of directors with the appropriate skills, knowledge and experience to enable them to effectively participate in Board deliberations.						
2. The Board has a process of selection that ensures an appropriate mix of directors and officers who can perform competently and professionally and add value to the Company.						
3. The powers, roles, responsibilities and accountabilities between the Board and management are clearly defined, segregated, and understood.						
4. The Board has the necessary committees in place to assist the Board in the performance of its duties and responsibilities.						
5. The roles of the Chairman and the President/ CEO/ are separate or, if not there are adequate checks and balances to help ensure that independent, outside views, perspective, and judgments are given proper hearing in the Board.						
Leadership, Roles, and Responsibilities	1	2	3	4	5	
6. The Board, together with Management determines and periodically reviews the Company's purpose, vision, mission and strategic objectives and business plans and policies that guides and directs activities of the Company, and the means to attain the same.						
7. The Board oversees Management's implementation of sound strategic policies and guidelines on major capital expenditures, business strategies, operational budgets, and plans and devotes its attention to the current and potential strategic issues and those with significant impact to the Company.						
8. The Board ensures that the Company complies with all relevant laws and regulations and endeavors to adopt accepted best business practices.						
Internal Controls and Audit	1	2	3	4	5	
9. The Board ensures the continuing soundness, effectiveness and adequacy of the Company's internal control environment.						

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10. The Board ensures the integrity of its financial and accounting systems and that the Company has an internal audit system that can reasonably assure that the Company’s key organizational and operational controls are complied with and duly reported and addressed.						
11. The Board ensures that the Company has an independent audit mechanism for the proper audit and review of financial statements by independent auditors.						
Code of Conduct and Other Corporate Governance Policies	1	2	3	4	5	
12. The Board understands and actively promotes the Company’s principles and values through a written Code of Business Conduct and Ethics (the “Code of Conduct”) to be followed by the Board, CEO, officers and employees as well as formal system to monitor compliance with the Code of Conduct and a formal channel to allow employees to report unethical conduct.						
13. There are appropriate policies and procedures governing related party transactions, conflict of interests, and guidelines and provisions prohibiting the Company whether directly or indirectly from granting loans to directors, officers or employees.						
14. The Board ensures that the directors are, as required or necessary or upon request of such directors, trained on corporate governance leading practices and principles by competent and recognized experts in the field, which may include institutional training providers accredited or recognized by the Philippine SEC.						
Independence	1	2	3	4	5	
15. The Board thinks and acts independently of, and is not unduly influenced by, the President / CEO, and/or Management.						
16. The Board has a balance of executive and non-executive directors, including independent directors such that no individual or small group of individuals can dominate the Board’s decision making.						
17. At least one (1) independent director is present in Board Meetings.						
Stewardship	1	2	3	4	5	
18. The Board ensures that the company has a delegation of authorities and system(s) governing approvals and reporting, limits and levels, including its own delegated authority levels to the Board Committees and the CEO.						

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19. The Board approves strategic financial and non-financial objectives and policies, monitors their achievement against approved targets/ performance to ensure the efficiency and effectiveness of the Company, and maintains close oversight in the operations and financial aspects of the Company, .						
20. The Board ensures the recruitment and retention of high potential and high performance key employees (through the President/ CEO and/or Management), that there is a professional development programs and competitive remuneration for employees and officers, and provides for a succession plan for senior management that the Board reviews.						
Resources	1	2	3	4	5	
21. The Board members have access to Management and independent professional advice to enable them to discharge their duties.						
22. The (Office of the) Corporate Secretary has the primary role of supporting the Board and the Chairman.						
23. Presentations by staff, officers, key employees, or Board Committees are data driven and useful for decision-making.						
Monitoring						
a.) Meetings	1	2	3	4	5	
24. The Board schedules and holds regular meetings and convenes special meetings when required by business exigencies.						
25. At least one independent director is always in attendance in all Board meetings.						
26. The Board receives in a timely manner such materials and information it needs to fulfill its responsibilities which includes clearly minuted Board meetings.						
Monitoring:						
b.) Performance Assessment	1	2	3	4	5	
27. The Board ensures that there are mechanisms to monitor its performance and that of its Committees and individual members.						
28. The Board has its own succession and development plans which reflect the results of performance evaluations.						

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29. Overall, the Board and the Board Committees are contributing to the success of the Company.							
Reporting and Disclosures	1	2	3	4	5		
30. The Company has a clear policy on communicating or relating with its various shareholders.							
31. The Board oversees the regular and timely reviews, approval and communication of the financial reports, key corporate activities and other material disclosures and statements of the Company to its stakeholders.							
32. The Board promotes and ensures a culture of openness and transparency in the Company.							
Shareholders' Benefits	1	2	3	4	5		
33. The Board Ensures that the Company has an existing mechanism which promotes stockholders' rights and ensures that the Company timely provides stockholders with relevant and timely information prior to such meetings.							
34. The Company has in place an investor relations program that will keep stockholders and investors informed of important developments in the Company.							
35. The Board ensures that the Company implements steps to facilitate stockholders' participation in annual or special meetings of stockholders and ensures transparency and fairness in the conduct of stockholders meetings.							

COMMENTS:

Please provide any additional comments about Board performance and functioning (where appropriate please reference the applicable number):

Please provide suggestions for areas of improvements (where appropriate please reference the applicable number):

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CHAIRMAN OF THE BOARD (2/3)

Corporate Governance	Rating (1-5)					Remarks
	1	2	3	4	5	
1. The Chairman ensures that the meetings of the Board are held in accordance with the Corporation’s by-laws and its amendment/s, or as the Chairman may deem necessary;						
2. The Chairman supervises the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the President, Management and the directors;						
3. The Chairman maintains qualitative and timely lines of communication and information between the Board and Management;						
4. The Chairman makes certain that the meeting’s agenda focuses on strategic matters, including the overall risk appetite of the Corporation, taking into account the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;						
5. The Chairman guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;						
6. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;						
7. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;						
8. Assure the conduct of proper orientation for first-time directors and continuing training opportunities for all directors; and						
9. Make sure that performance of the Board is evaluated at least once a year and discussed or followed up on if necessary						

COMMENTS:

Please provide any additional comments about the Chairman’s performance and functioning (where appropriate please reference the applicable number):

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Please provide suggestions for areas of improvements (where appropriate please reference the applicable number):

INDIVIDUAL BOARD MEMBER (3/3)

Corporate Governance	Rating (1-5)					Remarks
	1	2	3	4	5	
1. I understand the mission, vision, values, strategic goals, and objectives of the Company and I am aware of my role and functions as a Board member.						
2. I act in a manner characterized by transparency, accountability, integrity and fairness fully aware that the office of a director is one of trust and confidence.						
3. As a member of the Board, I consciously and deliberately avoid engaging in any transaction or situation where a potential conflict of interests with the Company exists and if such a potential conflict appears, I immediately disclose the situation to the rest of the Board.						
4. I devote sufficient time and attention necessary to materials provided to me so that I may properly discharge and effectively perform my duties and responsibilities as a member of the Board.						
5. I keep myself updated on developments in the Company, including its financial and operational performance.						
6. I exercise independent judgment.						
7. I have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies.						
8. I observe confidentiality of non-public information acquired by reason of my position as a director.						
9. I attend all board meetings except when prevented by justifiable cause.						
10. I actively participate in board discussions and deliberations.						

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COMMENTS:

Please provide any additional comments about Board performance and functioning (where appropriate please reference the applicable number):

Please provide suggestions for areas of improvements (where appropriate please reference the applicable number):

Do you have comments about this questionnaire or self-evaluation process? Are there other questions we should be asking?

PRINTED NAME AND SIGNATURE

DATE: _____

-END OF BOARD ASSESSMENT-

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COVER SHEET

for UNAUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 2 9 4 2

COMPANY NAME

M A R C V E N T U R E S H O L D I N G S , I N C . A N D S U B S I D I
A R I E S

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

4 t h F l o o r , B D O T o w e r s P a s e o , 8 7 4 1 P a s e o
d e R o x a s , M a k a t i C i t y

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

rommel.casipe@marcventures.com.ph

Company's Telephone Number/s

(02) 8831-4479

Mobile Number

0917-187-5742

No. of Stockholders

2,176

Annual Meeting (Month / Day)

Last Friday of
July of each year

Fiscal Year (Month / Day)

May 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Rolando S. Santos

Email Address

rolly.santos@marcventures.com.ph

Telephone Number/s

(02) 8831-4479

Mobile Number

0998-985-0229

CONTACT PERSON'S ADDRESS

4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

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

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

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱184,529,978	₱603,877,818
Trade and other receivables	5	64,349,543	22,310,475
Advances to related parties	14	3,545,759	2,383,253
Inventories	6	239,954,937	169,124,694
Other current assets	7	114,207,815	100,487,705
Total Current Assets		606,588,032	898,183,945
Noncurrent Assets			
Property and equipment	8	147,382,761	140,927,905
Investment property	9	17,395,833	17,395,833
Mining rights and other mining assets	10	4,330,339,016	4,339,841,259
Net deferred tax assets	21	28,491,340	16,266,227
Other noncurrent assets	11	605,501,889	637,163,833
Total Noncurrent Assets		5,129,110,840	5,151,595,057
		₱5,735,698,872	₱6,049,779,002
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	₱310,097,954	₱223,313,444
Current portion of loans payable	13	16,654,718	27,804,328
Advances from related parties	14	6,783,312	5,000,000
Dividends payable	17	14,909,736	311,966,875
Income tax payable		–	30,444,663
Total Current Liabilities		348,445,720	598,529,310
Noncurrent Liabilities			
Loans payable - net of current portion	13	104,800,529	104,800,529
Provision for mine rehabilitation and decommissioning	15	62,847,468	62,847,468
Retirement benefit liability	16	37,908,258	44,228,484
Deferred tax liability	21	444,610,299	441,999,621
Total Noncurrent Liabilities		650,166,554	653,876,102
Total Liabilities		998,612,274	1,252,405,412
Equity			
Capital stock	17	3,014,820,305	3,014,820,305
Additional paid-in capital	17	269,199,788	269,199,788
Retained earnings		1,418,138,461	1,478,425,453
Cumulative remeasurement gains on retirement benefit liability - net of deferred tax	16	34,928,044	34,928,044
Total Equity		4,737,086,598	4,797,373,590
		₱5,735,698,872	₱6,049,779,002

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the Five Months Ended May 31, (Unaudited)		
	Note	2024	2023	2022
NET SALES		₱271,040,378	₱704,530,773	₱650,233,629
COST OF SALES	18	198,470,968	490,846,828	299,594,775
GROSS INCOME		72,569,410	213,683,945	350,638,854
OPERATING EXPENSES	19	(142,358,500)	(174,847,634)	(203,669,418)
INCOME(LOSS) FROM OPERATIONS		(69,789,090)	38,836,311	146,969,436
INTEREST EXPENSE	13	(5,234,257)	(7,217,591)	(11,002,328)
INTEREST INCOME	4	1,596,773	74,231	62,222
OTHER INCOME- Net	20	914,469	12,539,325	20,095,608
INCOME(LOSS) BEFORE INCOME TAX BENEFIT		(72,512,105)	44,232,277	156,124,938
INCOME TAX EXPENSE(BENEFIT)	21	(12,225,113)	15,675,510	44,210,385
NET INCOME(LOSS)		(₱60,286,992)	₱28,556,767	₱111,914,552
Basic and diluted earnings(loss) per share	23	(₱0.02)	₱0.01	₱0.04

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		For the Five Months Ended May 31, (Unaudited)		
	Note	2024	2023	2022
CAPITAL STOCK - ₱1 par value	17			
Authorized - 4,000,000,000 shares				
Issued and outstanding		₱3,014,820,305	₱3,014,820,305	₱3,014,820,305
ADDITIONAL PAID-IN CAPITAL	17	269,199,788	269,199,788	269,199,788
RETAINED EARNINGS				
Balance at beginning of year		1,478,425,453	1,547,770,977	1,345,190,197
Net Income (Loss)		(60,286,992)	28,556,767	111,914,552
Balance at end of year		1,418,138,461	1,576,327,744	1,457,104,749
CUMULATIVE REMEASUREMENT GAINS ON RETIREMENT BENEFIT LIABILITY - NET OF DEFERRED TAX	16	34,928,044	40,593,200	35,907,230
		₱4,737,086,598	₱4,900,941,039	₱4,775,906,118

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Five Months Ended May 31,
(Unaudited)

	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss) before income tax		(P72,512,105)	P44,232,277	P156,124,938
Adjustments for:				
Depreciation and amortization	8	12,268,552	10,501,590	12,522,179
Depletion	10	13,034,916	6,787,761	34,788,164
Interest expenses	13	5,234,257	7,217,591	11,002,328
Interest income	4	(1,596,773)	(74,231)	(62,222)
Retirement expenses	16	–	–	897
Provision for expected credit loss	5	180,000	–	–
Operating income(loss) before working capital changes		(43,391,153)	68,664,988	214,376,284
Decrease (increase) in:				
Trade and other receivables		(42,039,068)	(161,642,468)	(4,312,448)
Advances to related parties		(1,162,506)	(3,853,074)	(438,416)
Inventories		(70,830,243)	65,869,713	(126,296,551)
Other current assets		(13,720,110)	(57,366,121)	(119,315,419)
Increase (decrease) in:				
Trade and other payables		86,784,510	91,507,486	203,782,779
Advances from related parties		1,783,312	(3,563,497)	7,384,473
Net cash generated from (used in) operations		(82,575,258)	(382,973)	175,180,702
Income Tax paid		(30,444,663)	(18,597,381)	(19,613,276)
Interest received		1,596,773	74,231	62,222
Net cash used in operating activities		(111,423,148)	(18,906,123)	155,629,648
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Mining rights and other mining assets	10	(2,086,774)	8,581,511	(11,377,564)
Property and equipment	8	(17,516,182)	(30,547,417)	(86,739,140)
Decrease (increase) in:				
Other noncurrent assets		25,119,270	32,049,621	10,295,808
Net cash generated from (used in) investing activities		5,516,314	10,083,715	(87,820,896)

(Forward)

**For the Five Months Ended May 31,
(Unaudited)**

	Note	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loans	13	(₱11,149,610)	(₱64,270,860)	(₱139,780,618)
Interest	26	(5,234,257)	(7,217,591)	(11,002,328)
Dividends		(297,057,139)	-	(371,441,423)
Net cash used in financing activities		(313,441,006)	(71,488,451)	(522,224,369)
NET DECREASE IN CASH AND CASH EQUIVALENTS				
		(419,347,840)	(80,310,859)	(454,415,617)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		603,877,818	546,893,643	801,051,844
CASH AND CASH EQUIVALENTS AT END OF YEAR				
		₱184,529,978	₱466,582,784	₱346,636,227

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT MAY 31, 2024 AND DECEMBER 31, 2023
AND FOR THE PERIOD ENDED MAY 31, 2024, 2023 and 2022

1. Corporate Information

General Information

Marcventures Holdings, Inc. (the Parent Company), singly and collectively with its subsidiaries, is referred herein as “the Group”. The Parent Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 7, 1957. Its primary purpose is to deal with properties of every kind and description to the extent permitted by law without engaging in the business of an investment company as defined in the Investment Company Act (Republic Act (R.A.) No. 2629), or act as a securities broker or dealer.

The Parent Company’s shares of stock were initially listed in the Philippine Stock Exchange, Inc. (PSE) on January 10, 1958. As at May 31, 2024 and December 31, 2023, 3,014,820,305 shares of the Parent Company’s shares of stock are listed in The Philippine Stock Exchange, Inc. (PSE).

Registered Address

The registered address of the Parent Company is 4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City.

Information about the Subsidiaries

All of the subsidiaries of the Parent Company are wholly-owned and are domiciled in the Philippines.

Marcventures Mining and Development Corp. (MMDC)

MMDC was incorporated and registered with the SEC on January 18, 1995 primarily to engage and/or carry on the business of extracting, mining, smelting, refining and converting mineral ores such as, but not limited to nickel, chromite, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource.

MMDC has been granted by the Mineral Production Sharing Agreement (MPSA) No. 016-93-XI by the Department of Environment and Natural Resources (DENR), covering an area of approximately 4,799 hectares located in the municipalities of Carrascal, Cantilan and Madrid, Surigao Del Sur.

The MPSA was originally granted to Ventura Timber Corporation (VTC) on June 19, 1992. In January 1995, VTC executed a deed of assignment (the Deed) to transfer to MMDC all its rights and interest in and title to the MPSA. On January 15, 2008, the Deed was approved by the Mines and Geosciences Bureau (MGB).

On June 24, 2016, the DENR issued an order approving the extension of MMDC’s MPSA for a period of 9 years starting from the expiration of the first 25-year term.

On February 13, 2017, MMDC received an order dated February 8, 2017 from the DENR cancelling its MPSA due to alleged violations of environment-related laws and regulations. The Technical Committee Report on the Company, however, only showed a recommendation for fine and suspension.

The Management and its legal counsel assessed that the order was without basis in fact and in law. Foremost, the Company is engaged in clean and responsible mining. On February 17, 2017, the

Company filed a Notice of Appeal to the Office of the President. Subsequently, on March 17, 2017, the Company filed its Appeal Memorandum. The Company asserted that the grounds for cancellation cited by the DENR was without basis because: (a) operations is allowed by law since said MPSA dated 01 July 1993 is granted with prior rights and is allowed by law as indicated specifically in Proclamation 1747 issued in 2009 by former President Gloria Macapagal Arroyo; (b) despite operations in a watershed, the Company has not impaired farmlands, rivers or coastal areas within the MPSA area. As to the alleged non-compliance to the planting of three million seedlings, the Company was prevented from implementing the same due to circumstances beyond its control.

As at May 31, 2024 the Company has not received any decision nor any notice from the Office of the President. The Company's Legal Counsel is of a good faith position that the Company may continue its operations because the execution of the Order of the DENR Secretary is deemed automatically stayed as a matter of law on account of the pendency of the Company's appeal, as likewise confirmed by the Office of the President.

MMDC has continued to implement and adopt measures not only to rectify any shortcomings allegedly found in its operations but more importantly, it has continuously sought to improve operational efficiencies both in the area of its regulatory compliances and in maintaining its commitments to its host and neighboring communities.

The Company has continuously been granted the necessary regulatory permits and licenses to operate, including but not limited to Discharge Permits, Ore Transport Permits (OTP) and Mineral Ore Export Permits (MOEP). As proof its compliance, the Company has also secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has an approved Declaration of Mining Project Feasibility dated October 15, 2014 covering its entire contract mining area and is being developed and utilized by virtue of an approved Three-Year Development/Utilization Work Program dated 29 November 2022 covering Calendar Years 2023 to 2025. Moreover, MGB also certified that MMDC has complied with the terms and conditions of the MPSA and the pertinent provisions of the R.A.7942 or the Philippine Mining Act of 1995 and its Implementing Rules and Regulations.

Accordingly, the Company has continued its mining operations in areas covered by the MPSA.

BrightGreen Resources Corporation (BRC)

BRC was incorporated and registered with the SEC on July 20,1989 to engage in the mining business.

On July 1, 1993, the DENR approved BRC's application for MPSA No. 015-93-XI (SMR) covering an area of approximately 4,860 hectares located in the municipalities of Carrascal and Cantilan, Surigao del Sur. BRC is undertaking its continuous exploratory drilling program to block mineral resources at indicated and measured category. In a letter dated 11 April 2022, the Mines and Geosciences Bureau (MGB) of the DENR approved the company's request for extension of the third renewal of its Exploration Period due to force majeure for a period of two years effective from 2 July 2022 to 1 July 2024 to recover its unused term.

On February 17, 2017, BRC received a Show-Cause Order dated February 13, 2017. In the Show-Cause Order, it was alleged that the contract area covered by the said MPSA is within a watershed, such that if mining operations will be conducted therein, its ecological functions will be impaired.

On February 27, 2017, the Company submitted a reply to the Show-Cause Order to explain why the MPSA should not be cancelled. The Company stated in the reply that it has prior legal right considering that the MPSA of the Company with the Republic of the Philippines was approved on July 1, 1993, while

Proclamation No. 1747 on the proclamation of watershed areas was only issued on March 23, 2009. Notably, Proclamation No. 1747 provides that prior rights should be respected. Thus, the Company should be allowed to continue its operations over its contract area. The management and its legal counsel believe that the alleged violation is without basis in fact and in law.

As at May 31, 2024, there are no developments regarding the Show-Cause orders. However, the Management and the Legal Counsel of the Company take the good faith position that the operations of the Company under said MPSA is granted with prior rights and is allowed by law and the alleged impairment and damage in the Company's MPSA area is not supported by any specific acts of impairment because the Company is not yet operating in the area but has only completed exploration and drilling. As a proof of compliance, the company has secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has existing Exploration Period (Third Renewal).

Alumina Mining Philippines, Inc. (AMPI)

AMPI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business. The Parent Company acquired AMPI from its merger with Asia Pilot Mining Phils. Corp. (APMPC) in 2017.

On December 5, 2002, the DENR approved AMPI's application for MPSA No. 179-2002-VIII-SBMR covering 6,694 hectares in the municipalities of Paranas, Motiong, and San Jose de Buan, Samar in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On July 04, 2023, AMPI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

Bauxite Resources, Inc. (BARI)

BARI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business. The Parent Company acquired BARI from its merger with APMPC in 2017.

On December 5, 2002, the DENR approved BARI's application for MPSA No. 180-2002-VIII-SBMR covering 5,519 hectares in the Municipalities of Gandara, San Jose de Buan, Matuguinao, and San Jorge, Province of Samar (formerly known as Western Samar) in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On July 4, 2023, BARI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee

issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency. All values are in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for retirement benefit liability which is measured at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosures are included in Note 24, *Financial Risk Management Objectives and Policies and Fair Value Measurement*.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its wholly owned subsidiaries as at May 31, 2024 and December 31, 2023 and for the period ended May 31, 2024, 2023 and 2022.

A subsidiary is an entity that is controlled by the Parent Company and is consolidated from the date on which control is transferred to the Parent Company directly or through the holding companies. Control is achieved when the Group is exposed or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is deconsolidated from the date on which control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Group using uniform accounting policies. Significant intercompany transactions and balances, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in ownership interest in a subsidiary, without a change in control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, the Group: (a) derecognizes the assets and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair value of consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; and (g) reclassifies the Group's share of components previously recognized in other comprehensive income (OCI) to profit or loss.

Financial Assets and Liabilities

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability).

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at May 31, 2024 and December 31, 2023, the Group's cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), advances to related parties, and final mine rehabilitation fund (FMRF), rehabilitation cash fund (RCF), rental deposit and monitoring trust fund (MTF) (included under "Other noncurrent assets") accounts are classified under this category (see Notes 4, 5, 11 and 14). Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and in banks and cash equivalents, excluding any restricted cash. Restricted cash, which includes FMRF, RCF and MTF, is not available for use by the Group and therefore is not considered highly liquid.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Financial assets are derecognized when the right to receive cash flows from the asset has expired.

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group's having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

As at May 31, 2024 and December 31, 2023, the Group's trade and other payables (excluding advances from customers and excise tax and other statutory payables), loans payable, advances from related parties and dividends payable are classified under this category (see Notes 12, 13, 14 and 17).

Inventories

Inventories, which consist of ore stockpiles, are physically measured or estimated and valued at a lower of cost and net realizable value (NRV). Cost consists of contractual services, personnel costs, depletion, depreciation and other costs that are directly attributable in bringing the ore in its saleable conditions. Cost is determined using the moving average method. NRV is the estimated selling price

in the ordinary course of business, less the estimated cost necessary to make the sale.

Other Current Assets

Other current assets include prepaid income tax, mining and office supplies, advances to contractors and suppliers and prepaid expenses.

Advances to Contractors and Suppliers. Advances to contractors and suppliers represent advance payments on goods or services to be purchased in connection with the mining operations. The advances are reclassified to proper asset account in the consolidated statements of financial position or charged to expense in profit or loss upon actual receipt of goods or services, which is normally within 12 months or within the normal operating cycle. Otherwise, these are classified as noncurrent assets.

Mining and Office Supplies. Mining and office supplies are stated at lower of cost or NRV. The NRV of mining and office supplies represents their current replacement cost. In determining NRV, the Group considers any adjustments necessary for obsolescence. The costs of mining and office supplies comprise all costs of purchase and other costs incurred in bringing the mining and office supplies to their present location and condition. The purchase cost is determined by a moving average method. These are charged to expense in profit or loss upon use.

Prepaid Expenses. Prepaid expenses represent expenses not yet incurred but paid in advance and are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Property and Equipment

Property and equipment, except land, are initially measured at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Cost also includes any asset retirement obligation and capitalized interest on borrowed funds used in the case of a qualifying asset.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which these are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Building and improvements	5-20
Office furniture, fixtures and equipment	2-5
Heavy and transportation equipment	4-10

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of

property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation are credited or charged to current operations.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Mining Rights and Other Mining Assets

Mining Rights. Mining rights include costs incurred in connection with the acquisition of rights over mineral reserves. Rights over mineral reserves, which are measured, indicated or inferred, are capitalized as part of mining rights on explored resources if the reserves are commercially producible and that geological data demonstrate with a specified degree of certainty that recovery in future years is probable.

Mining rights are subject to amortization or depletion from the commencement of production on a unit-of-production method, based on proven and probable reserves. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future development costs. Changes in the estimates of mineral reserves or future development costs are accounted for prospectively.

Deferred Exploration Costs. Deferred exploration costs include costs incurred in connection with exploration activities. Deferred exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activities include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Once the reserves are established and development is sanctioned, deferred exploration costs are tested for impairment and reclassified to mine development costs.

Mine and Mining Properties. Upon start of commercial operations, mine development costs are reclassified as part of mine and mining properties. These costs are subject to depletion, which is computed using the units-of-production method based on proven and probable reserves, which is reviewed periodically to ensure that the estimated depletion is consistent with the expected pattern of economic benefits from the mine and mining properties.

Deferred exploration costs and construction-in-progress related to an already operating mine are reclassified to mine and mining properties and stated at cost. Such costs pertain to expenses incurred in sourcing new resources and converting these into reserves, which are not depleted or amortized until the development has been completed and become available for use.

Investment Properties

Investment properties are stated at cost less accumulated depreciation and amortization and any impairment in value

Depreciation is calculated on a straight-line basis over 20 years as the estimated useful lives of the investment properties.

Transfers are made to investment properties when there are changes in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when there are changes in use, evidenced by commencement of owner-occupation, ending of operating lease or commencement of development with a view to sale.

Transfers between investment property, owner-occupied property and inventories do not change the carrying value of the property transferred and they do not change the cost of that property for measurement or disclosure purposes on the date of reclassification.

Other Noncurrent Assets

Other noncurrent assets include input value-added tax (VAT), deferred input VAT and other financial assets (FMRF, RCF, rental deposit and MTF).

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of input VAT recoverable from the taxation authority is presented as "Input VAT". Input VAT claimed for refund are presented separately as "Input VAT for refund".

Deferred Input VAT. Represents amount of input VAT on trade payables arising from purchase of services.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount, which is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction.

In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased

to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of any depreciation and depletion, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and depletion charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Employee Benefits

Short-term Benefits. The Group provides short-term benefits to its employees in the form of basic and 13th month pay, bonuses, employer's share on government contribution and other short-term benefits.

Retirement Benefits. The Group has an unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits expense is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and interest cost in profit or loss. Interest cost is calculated by applying the discount rate to the retirement benefit liability.

Current service costs are the increase in the present value of the defined benefit obligation resulting from employee service and are recognized in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment; and the date that the Group recognizes restructuring related costs.

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are directly recognized in equity or in OCI and are not reclassified to profit or loss in subsequent periods.

The retirement benefit liability is the present value of the defined benefit obligation which is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding. Incremental costs directly attributable to the issuances of capital stock are recognized as a deduction from equity.

Additional Paid-In Capital (APIC). APIC is the excess over par value of consideration received for the subscription and issuance of shares of stock.

Retained Earnings. Retained earnings represent the cumulative balance of the Group's operating results, dividend distributions and effect of change in accounting policy. Cash dividends are deducted from retained earnings and recognized as liability when these are approved by the BOD.

Other Comprehensive Income (OCI). OCI comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. OCI pertains to cumulative remeasurement gains or losses on retirement benefit liability.

Revenue Recognition

Sale of Ore. Sale of ore is recognized at a point in time upon delivery of goods to and acceptance by the customers, net of any sales adjustments based on the contracts with the customers.

The following specific recognition criteria must also be met before other revenue items are recognized:

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Rental Income. Rental income is recognized on a straight-line basis over the lease term.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Cost and Expense Recognition

Cost of Sales. Cost of sales is recognized when the related goods are sold.

Operating Expenses. Operating expenses constitute costs of administering the business and costs incurred to sell and market goods and services. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customers have both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee

The Group has elected to apply the recognition exemption on its short-term lease. The Group recognized the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

Group as Lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Leases where the Group retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease income is recognized in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income.

Foreign Currency-Denominated Transactions

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date.

Exchange rate differences arising from the translation or settlement of monetary items at rates different from those at which these were initially recorded during the period are recognized in the profit or loss in the period these arise.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and unused NOLCO can be utilized.

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Transactions and Related Parties

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with the Group's related party transactions policy.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; and (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Provision for Mine Rehabilitation and Decommissioning. The Group recognizes provision when there is partial fulfillment of obligation to restore operating locations at the end of the reporting period. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste site and restoration, reclamation and revegetation of affected areas. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location.

Where applicable, the Group recognizes a mine rehabilitation asset under the mine and mining properties related to the obligation arising from the mine rehabilitation and decommissioning. The cost of such asset corresponds to the present value of future cost of rehabilitation and decommissioning and amortized over expected settlement of the obligation using units of production method. The estimated future costs of rehabilitation and decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Any amount deducted from the cost of asset shall not exceed its carrying amount. In case the decrease in the obligation exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources

embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Earnings Per Share

Basic. Basic earnings per share are calculated by dividing the net income by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Group and held as treasury shares, if any.

Diluted. Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential dilutive common shares during the period.

Events After the Reporting Date

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

Segment Reporting

The Group has one operating segment which consists of mining exploration, development and production. The Group's asset producing revenues are located in the Philippines.

3. Significant Judgments, Accounting Estimates and Assumptions

PFRS requires management to exercise judgments, make accounting estimates and use assumptions that affect the amounts reported in the consolidated financial statements. The judgments and accounting estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effects on the amounts recognized in the consolidated financial statements.

Determining Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Philippine Peso, which is the currency of the primary economic environment in which the Group operates.

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when contractual payments are 90 days past due. The Group also considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the determination of ECL.

Classification of a Property. The Group determines whether a property is classified as investment property or property and equipment as follows:

- Property and equipment comprise properties that are held for use in the ordinary course of business.
- Investment property is property not occupied and not used in the operations, nor for sale in the ordinary course of business, but are held primarily for earning rental income.

The carrying amounts of property, plant and equipment and investment property are disclosed in Notes 8 and 9 to the financial statements.

Accounting for Operating Lease - Group as Lessee. The Group's lease agreement for its office space qualifies as a short-term lease with a lease term of less than 12 months. The Group has elected to apply the recognition exemption on its short-term leases.

Rental expense recognized by the Group is disclosed in Note 22.

Evaluation of Lease Commitments - Group as Lessor. The Group has entered into operating lease agreements with a third party for the lease of office space. Considering that there will be no transfer of ownership of the leased properties to the lessees, the Group has determined that it retains all the significant risks and benefits of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

Rental income is disclosed in Note 22.

Accounting Estimates and Assumptions

The key estimates concerning the future and other key sources of estimation uncertainties at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimating the Allowance for ECL on Trade and Other Receivables. The Group uses a provision matrix based on historical default rates for trade and other receivables (excluding advances to officers and employees). The provision matrix specifies provision rates depending on the number of days that receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information such as forecasted economic conditions. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual experience.

Information on the provision and allowance for ECL and the carrying amounts of trade and other receivables (excluding advances to officers and employees) are disclosed in Note 5.

Estimating the Allowance for ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions;
- actual or expected significant adverse changes in the operating results of the borrower; and
- significant changes in credit spread, rates or terms such as more stringent covenants and increased amount of collateral or guarantees.

For cash in banks, cash equivalents and advances to related parties, the Group assessed that these financial assets have low credit risk because the counterparties are reputable banks and related parties which possess good credit standings. Thus, the ECL on these financial assets for the period ended May 31, 2024, and for the years 2023 and 2022 are not significant and not recognized.

The carrying amounts of the Group's other financial assets at amortized cost subjected to impairment testing are disclosed in Note 24.

Estimating the NRV of Inventories. The Group recognizes loss on inventories whenever NRV becomes lower than costs due to damage, physical deterioration, obsolescence, changes in price levels or other causes. NRV is reviewed on a monthly basis to reflect the accurate valuation in the financial records.

No provision for inventory obsolescence was recognized in for the period ended May 31, 2024, and for the years 2023 and 2022. The carrying amount of inventories, which is measured at the lower of cost and NRV, are disclosed in Note 6.

Estimating the Realizability of Input VAT. The Group assesses the realizability of input VAT based on its ability to utilize the asset. The assessment is made on a continuing basis year on year.

No provision for impairment loss was recognized for the period ended May 31, 2024, and for the years 2023 and 2022. The carrying amount of noncurrent input VAT is disclosed in Note 11 to the consolidated financial statements.

Estimating the Useful Lives of a Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in estimated useful lives of property and equipment for the period ended May 31, 2024, and for the years 2023 and 2022. The carrying amount of property and equipment are disclosed in Note 8.

Estimating the Depletion Rate and Recoverable Reserves. Depletion rates used to amortize mine and mining properties and mining rights under "Mining rights and other mining assets" account presented in the consolidated statements of financial position are assessed on an annual basis based on the results of latest estimate of recoverable reserves, which is subject to future revisions. Recoverable reserves and resource estimates for development project are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of cost based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, estimated climatic conditions and other factors. Proven reserve estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured. The Group's reserves are estimated based on local regulatory guidelines provided under the Philippine Mineral Reporting Code and duly reviewed and

verified by a competent person.

The carrying amounts of mining rights and other mining assets are disclosed in Note 10.

Estimating the Provision for Mine Rehabilitation and Decommissioning. The Group recognizes provision for its obligation to decommission and rehabilitate mine sites at the end of term of its MPSA. The provision represents the best estimate of the expenditures required to settle the present obligation at the current reporting date. The amount of provision depends on the completeness of rehabilitation and decommissioning activities performed by the Group during and immediately after every mining operation. Changes in rehabilitation and decommissioning costs are recognized as additions or charges to the corresponding provision when these occur.

While the Group has made its best estimate in establishing the decommissioning and rehabilitation provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning and rehabilitation activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates. The obligation to rehabilitate and decommission a mine generally arises when the ground/environment is disturbed at the production location.

Mine rehabilitation asset, recognized under the mine and mining properties are disclosed in Note 10.

Provision for mine site rehabilitation and decommissioning are disclosed in Note 15.

Assessing the Impairment of Mining Rights and Deferred Exploration Costs. The Group assesses mining rights and deferred exploration costs for impairment only when there are indicators that impairment exists. Indicators of impairment include, but are not limited to:

- Rights to explore in an area have expired or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted;
- A decision to discontinue exploration and evaluation in an area because of the absence of commercial reserves; and
- Sufficient data exists to indicate that the carrying value will not be fully recovered from future development and production.

Based on management assessment, there are no impairment indicators on the Group's mining rights and deferred exploration costs. Management has determined that (a) the Group's rights to explore in the mining area are not expired and the Group was granted extension of its exploration permits until 2024, (b) the Group continuous to conduct exploration and evaluation activities based on its approved Exploration Work Programs and Environmental Work Programs, and (c) based on the Mineral Resource Validation Report by the MGB, the Group has measured and indicated resource of nickel laterite and alumina bauxite resources. Accordingly, no impairment loss was recognized for the period ended May 31, 2024, December 31, 2023, and 2022.

The carrying amounts of mining rights and deferred exploration costs are disclosed in Note 10.

Assessing the Impairment of Other Nonfinancial Assets. The Group assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

Recoverable amount of an asset is the higher of its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Based on management assessment, there are no impairment indicators on the Group's nonfinancial assets. Accordingly, no impairment loss was recognized for the period ended May 31, 2024, and for the years 2023 and 2022.

The carrying amounts of the Group's advances to officers and employees, other current assets, property and equipment, investment property, mine and mining properties, other noncurrent assets (excluding financial assets) are disclosed in Notes 5, 7, 8, 9, 10 and 11.

Estimating the Retirement Benefit Liability. The determination of the Group's retirement benefit liability and costs is dependent on the selection by management of assumptions used by the actuary in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate.

Actual results that differ from the Group's assumptions are recorded as addition to or deduction from retirement benefit liability and recognized in profit or loss or OCI. One or more of the actuarial assumptions may differ significantly and as a result, the actuarial present value of the retirement benefit obligation estimated as at reporting date may differ significantly from the amount reported.

Retirement benefit liability is disclosed in Note 16.

Recognizing Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

The Group's recognized and unrecognized deferred tax assets are disclosed in Note 21.

4. Cash and Cash Equivalents

This account consists of:

	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Cash equivalents	₱14,175,966	₱332,665,301
Cash in banks	170,188,191	271,074,483
Cash on hand	165,821	138,034
	₱184,529,978	₱603,877,818

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits with terms of varying periods of up to three (3) months depending on the immediate cash requirements of the Group. Cash equivalents earn interest at the prevailing special savings and time deposit rates.

Interest income pertains to the following sources:

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)	Dec. 31, 2022 (Audited)
Cash in banks and cash equivalents		₱1,596,773	₱10,098,015	₱777,012
Other noncurrent assets	11	–	205,496	22,714
		₱1,596,773	₱10,303,511	₱799,726

5. Trade and Other Receivables

This account consists of:

	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Trade receivables	₱3,542,824	₱–
Advances to officers and employees	58,185,719	18,673,150
Others	2,822,600	3,637,325
	64,551,143	22,310,475
Allowance for ECL	(201,600)	–
	₱64,349,543	₱22,310,475

Trade receivables pertain to MMDC's receivables arising from shipments of nickel and iron concentrates to its customers which are covered by yearly sales agreements, these are initially paid based on 90% of their provisional value after shipment date. The 10% final balance does not bear any interest until final settlement based on ore grade upon receipt of the customer which usually takes three (3) months from shipment date.

Advances to officers and employees are unsecured and noninterest-bearing cash advances for business-related expenditures subject to liquidation within the following year.

Movements in allowance for ECL are as follows:

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Balance at beginning of year		₱–	₱75,516,127
Provision	19	201,600	–
Write-off		₱–	(75,516,127)
Balance at end of year		₱201,600	₱–

6. Inventories

This account consists of beneficiated nickel ore amounting to ₱240.0 million and ₱169.1 million as at May 31, 2024 and December 31, 2023, respectively, which is stated at cost. The cost of inventories is lower than its NRV.

Cost of inventories charged to “Cost of sales” account in the consolidated statements of comprehensive income amounted to ₱81.4 million and ₱86.5 million for the five (5) months ended May 31, 2024 and 2023, respectively (see Note 18).

7. Other Current Assets

This account consists of:

	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Prepaid income tax	₱49,465,233	₱49,529,033
Advances to contractors and suppliers	41,833,207	33,048,108
Mining and office supplies - net of allowance for obsolescence	2,848,796	6,505,007
Prepaid expenses	12,352,502	3,071,476
Others	7,708,077	8,334,081
	₱114,207,815	₱100,487,705

Prepaid income tax represents creditable withholding tax and other tax credits.

Advances to contractors and suppliers include materials and fuel and oil to be supplied for the use of heavy equipment and are deductible against contractors’ future billings.

Mining and office supplies include mechanical, electrical and other materials that will be used in the Group’s mining operations. The movements of the allowance for obsolescence follows:

	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Balance at beginning of year	₱16,090,948	₱15,558,092
Provision	-	532,856
Balance at end of year	₱16,090,948	₱16,090,948

The provision for obsolescence is presented as part of “Others” in the “Operating expenses” account in the consolidated statements of comprehensive income (see Note 19).

Prepaid expenses pertain to insurance, excise tax and rent. Others include advances made to NCIP.

8. Property and Equipment

The balances and movements of this account are as follows:

	Note	December 31, 2023 (Audited)				Total
		Land	Building and Improvements	Office Furniture, Fixtures and Equipment	Heavy and Transportation Equipment	
Cost						
Balances at beginning of year		₱58,597,484	₱174,313,770	₱137,672,753	₱392,794,543	₱763,378,550
Additions		–	–	2,704,457	1,521,210	4,225,667
Reclassification	9	–	(25,000,000)	–	–	(25,000,000)
Balances at end of year		58,597,484	149,313,770	140,377,210	394,315,753	742,604,217
Accumulated Depreciation and Amortization						
Balances at beginning of year		–	98,265,189	113,851,585	371,614,743	583,731,517
Depreciation and amortization		–	5,749,862	10,821,595	7,727,505	24,298,962
Reclassification	9	–	(6,354,167)	–	–	(6,354,167)
Balances at end of year		–	97,660,884	124,673,180	379,342,248	601,676,312
Carrying Amount		₱58,597,484	₱51,652,886	₱15,704,030	₱14,973,505	₱140,927,905

Depreciation and amortization are allocated to profit or loss as follows:

	Note	For Five Months Ended March 31, (Unaudited)		
		2024	2023	2022
Charged to:				
Cost of sales	18	₱7,803,314	₱6,707,820	₱4,534,075
Operating expenses	19	4,465,238	3,793,770	7,988,104
		₱12,268,552	₱10,501,590	₱12,522,179

Fully depreciated property and equipment with cost of ₱523.0 million and ₱522.0 million as at December 31, 2023 and 2022, respectively, are still being used by the Group.

9. Investment Property

The Group's investment property pertains to the portion of its office space which is under lease with a third party. The movement in the account follows:

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Cost			
Balance at beginning of year		₱25,000,000	₱–
Reclassification	8	–	25,000,000
Balances at end of year		25,000,000	25,000,000
Accumulated Depreciation			
Balances at beginning of year		–	–
Reclassification	8	7,604,167	6,354,167
Depreciation		–	1,250,000
Balances at end of year		7,604,167	7,604,167

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Net Carrying Amount		₱17,395,833	₱17,395,833

The Group assessed that the fair value of its investment property approximates its original cost. The estimate is based on level 3 in the fair value hierarchy.

10. Mining Rights and Other Mining Assets

The balances and movements of this account are as follows:

	Note	December 31, 2023 (Audited)					Total
		Mining Rights	Deferred Exploration Costs	Mine Development Costs	Mine Rehabilitation Asset	Total Mine and Mining Properties	
Cost							
Balances at beginning of year		₱2,935,579,522	₱174,541,506	₱2,510,070,307	₱44,167,841	₱2,554,238,148	₱5,664,359,176
Additions		–	1,687,023	56,418,536	–	56,418,536	58,105,559
Balances at end of year		2,935,579,522	176,228,529	2,566,488,843	44,167,841	2,610,656,684	5,722,464,735
Accumulated Depletion							
Balances at beginning of year		551,787,446	–	767,811,340	17,502,534	785,313,874	1,337,101,320
Depletion	18	13,168,909	–	31,966,692	386,555	32,353,247	45,522,156
Balances at end of year		564,956,355	–	799,778,032	17,889,089	817,667,121	1,382,623,476
Net Carrying Amount		₱2,370,623,167	₱176,228,529	₱1,766,710,811	₱26,278,752	₱1,792,989,563	₱4,339,841,259

Mining Rights

Mining rights of the Group consist of:

	Dec. 31, 2023 (Audited)
Mining rights on explored resources of MMDC	₱729,809,802
Mining rights of BGRC, AMPI and BARI	1,640,813,365
	₱2,370,623,167

Mining Rights on Explored Resources of MMDC. This represents the excess of the fair value of the shares issued by the Parent Company over the book value of the net assets of MMDC when the Parent Company acquired 100% ownership in MMDC.

Mining rights of BGRC, AMPI and BARI. This represents the mining rights resulting from the merger of the Parent Company with BHI and APMPC in 2017 (see Note 1).

Deferred Exploration Costs

Deferred exploration costs pertain to the capitalized expenditures associated with finding specific mineral resources such as acquisition of rights to explore, geological and geophysical studies and exploration drilling and sampling.

Mine and Mining Properties

Mine Development Costs. Mine development costs include the costs incurred on an already operating mine area. Such costs pertain to expenses incurred in sourcing new resources and converting these into reserves, road developments and developing additional mine yards.

Mine Rehabilitation Asset. Mine rehabilitation asset is the estimated rehabilitation cost of MMDC's mine site upon termination of its ore extraction activities, as required in its MPSA (see Note 15).

11. Other Noncurrent Assets

This account consists of:

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Input VAT		₱363,636,187	₱374,373,978
Input VAT for refund		143,663,969	163,015,056
Final mine rehabilitation fund (FMRF)		87,262,429	87,262,429
Rehabilitation cash fund (RCF)	22	5,632,371	5,632,371
Deferred input VAT		4,006,447	5,579,514
Rental deposit	22	1,133,050	1,133,050
Monitoring trust fund (MTF)		167,435	167,435
		₱605,501,890	₱637,163,833

Input VAT for refund pertains to input VAT incurred on the purchase of goods or services and subsequently reported to the Bureau of Internal Revenue (BIR) for refund. This will be collected through cash or tax credit, with the final amount to be determined upon review and inspection of the BIR.

Final mine rehabilitation fund pertains to deposits to a government depository bank in compliance with the requirements of regulatory agencies.

RCF is reserved as part of the Group's compliance with the approved rehabilitation activities and schedules for specific mining project phase, including research programs as defined in the Environmental Protection and Enhancement Program (see Note 22).

MTF is exclusively used in activities approved by the Mine Rehabilitation Fund Committee.

Interest income earned from FMRF, RCF and MTF is disclosed in Note 4.

12. Trade and Other Payables

This account consists of:

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Trade payables		₱201,796,771	₱139,250,478
Advances from customers		36,166,410	–
Accrued expenses:			
Compliance		16,780,491	17,348,898
Interest	13	972,009	972,009
Salaries and rent		6,363,727	561,609
Excise tax and other statutory payables		35,371,433	56,264,353
Others		12,427,413	8,916,097
		₱310,097,955	₱223,313,444

Trade payables primarily consist of liabilities arising from transactions with contractors and suppliers related to the normal course of business and are generally non-interest bearing. Trade payables are generally on a 90-day credit term.

Advances from customers pertain to noninterest bearing advances and refundable deposit made by customers for future ore shipments.

Accruals for compliance pertain to accrual of expenditures for Social Development Management Program, Community Development Program and other regulatory fees as required by the MGB, among others.

Other statutory payables include other taxes payable and mandatory contributions. These are normally settled within one (1) month after the reporting period.

13. Loans Payable

This account consists of:

	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Long-term loans	₱121,455,247	₱132,604,857
Less: Current portion	16,654,718	27,804,328
Noncurrent portion	₱104,800,529	₱104,800,529

In 2021, the Group entered into a six (6)-year ₱208.0 million term loan facility agreement with a local bank secured partly by a real estate mortgage on items of its property and equipment with carrying amounts of ₱36.5 million and ₱40.0 million as at December 31, 2023 and 2022, respectively (see Note 8), and its investment property with carrying amounts of ₱17.4 million and ₱18.6 million as at December 31, 2023 and 2022, respectively (see Note 9). The loan is subject to an interest floor rate of 6% or prevailing interest rate at loan drawdown, whichever is higher.

14. Related Party Transactions

Significant transactions with related parties include the following:

Related Parties under Common Management

	Transaction Amounts		Outstanding Balances		Nature and Terms
	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)	
Advances to related parties	₱1,162,506	₱-	₱3,545,759	₱2,383,253	Working fund; unsecured; noninterest-bearing; Collectible on demand
Advances from related parties	₱1,783,312	₱-	₱6,783,312	₱5,000,000	Working fund; unsecured; noninterest-bearing; payable on demand

As at period ended May 31, 2024 and December 31, 2023, the Group has not provided any allowance for ECL for amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

15. Provision for Mine Rehabilitation and Decommissioning

Movements in this account are as follows:

	Note	May 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Balance at beginning of year		₱62,847,468	₱60,122,100
Accretion of interest	13	–	2,725,368
Balance at end of year		₱62,847,468	₱62,847,468

A provision is recognized for the estimated rehabilitation costs of the Group's mine site upon termination of the Group's ore extraction activities, which is about 13 years. There has been no change in material estimates, operations and requirements to warrant a change in previously estimated provision for mine rehabilitation and decommissioning.

The provision is calculated by the Group's engineers based on an estimate of the expected cost to be incurred to rehabilitate the mine site. The provision is presented at discounted value using the Philippine bond yield of 4.53% as the effective interest rate.

16. Retirement Benefit Liability

The Group has an unfunded, noncontributory defined benefit plan covering all its permanent employees. Under this plan, the employees are entitled to retirement benefits ranging from 50% to 200% of the final monthly salary for each year of credited service. This plan is in accordance with R.A. No. 7641, which mandates a minimum retirement benefit equivalent to one-half month salary per year of service.

An independent actuary conducted a valuation of the retirement benefit obligation using the projected unit credit method. The latest actuarial valuation is for the year ended December 31, 2023.

The principal actuarial assumptions used to determine retirement benefit liability for 2023 and 2022 are as follows:

	Dec. 31, 2023 (Audited)
Discount rates	6.25% - 6.26%
Salary increase rates	4.00% - 5.00%

The plan exposes the Group to actuarial risks, such as interest rate risk and salary risk.

The components of retirement benefit expense presented under "Operating expenses" account in profit or loss are as follows (see Note 19):

	Dec. 31, 2023 (Audited)
Current service cost	₱ 5,591,927
Net interest cost	2,622,073
	₱8,214,000

The components of net retirement benefit liability presented in the statements of financial position is as follows:

	Dec. 31, 2023 (Audited)
Retirement benefit liability	₱51,901,439
Fair value of plan asset	7,672,955
	<u>₱44,228,484</u>

The retirement benefit liability recognized in the consolidated statements of financial position as at December 31, 2023 and changes in the present value of defined benefit obligation are as follows:

	Dec. 31, 2023 (Audited)
Balance at beginning of year	₱40,475,462
Retirement benefits expense recognized in profit or loss:	
Current service cost	5,591,927
Interest cost	3,099,568
Remeasurement losses (gains) recognized in OCI:	
Changes in financial assumptions	9,200,973
Deviations of experience from assumptions	(1,661,951)
Benefits paid	(4,804,540)
Balance at end of year	<u>₱51,901,439</u>

Movements in the fair value of plan assets are as follows:

	Dec. 31, 2023 (Audited)
Balance at beginning of year	₱-
Employer contribution	12,000,000
Benefits paid	(4,804,540)
Gain on plan assets	477,495
Balance at end of year	<u>₱7,672,955</u>

Sensitivity analysis on defined benefit obligation as at December 31, 2023 is as follows:

	Change in	Effect on defined benefit obligation
	basis points	Dec. 31, 2023 (Audited)
Discount rate	+1%	(₱3,043,419)
	-1%	3,530,735
Salary increase rate	+1%	₱3,687,247
	-1%	(3,275,698)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit obligation at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged.

The changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed more responsive.

The cumulative remeasurement gains recognized in OCI are as follows:

	December 31, 2023 (Audited)		
	Cumulative Remeasurement Gains	Deferred Tax Liability (see Note 21)	Net Remeasurement Gain
Balance at beginning of year	₱54,124,267	(₱13,531,067)	₱40,593,200
Actuarial loss	(7,539,022)	1,873,866	(5,665,156)
Balance at end of year	₱46,585,245	(₱11,657,201)	₱34,928,044

The average duration of the expected benefit payments at the end of the reporting period is 15 years.

17. Equity

Details of the Group's capital stock with ₱1 par value as at and for the period ended May 31, 2024, December 31, 2023, and 2022 follows:

	Shares	Amount
Authorized	4,000,000,000	₱4,000,000,000
Issued and Outstanding		
Balance at beginning and end of year	3,014,820,305	₱3,014,820,305
Additional Paid-in Capital		
Balance at beginning and end of year		₱269,199,788

Cash Dividends

Date of Declaration	Date of Record	Date of Payment	Dividend per Share	Total Cash Dividends
December 7, 2023	January 12, 2024	January 26, 2024	₱0.10	₱301,482,030
November 19, 2021	December 7, 2021	January 4, 2022	₱0.13	₱391,926,640

Dividends payable amounted to ₱14.9 million and ₱312.0 million as at May 31, 2024 and December 31, 2023.

18. Cost of Sales

This account consists of:

		For Five Months Ended May 31, (Unaudited)		
	Note	2024	2023	2022
Contractual services		₱154,876,336	₱235,575,207	₱203,226,798
Production overhead		35,369,807	95,371,602	91,499,112
Salaries and allowances		47,866,072	54,508,088	55,863,120
Excise tax		10,350,766	26,026,637	26,114,054
Depletion	10	13,034,916	6,787,761	34,788,164
Demurrage		–	–	9,866,003
Depreciation	8	7,803,314	6,707,820	4,534,075
		269,301,211	146,220,966	425,891,326
Net movements in inventories		(70,830,243)	65,869,713	(126,296,551)
		₱198,470,968	₱490,846,828	₱299,594,775

Contractual services pertain to activities directly related to mining. The services include, among others, mine extraction, loading, hauling, barging and stevedoring.

Production overhead consists of repairs and maintenance of heavy equipment, utilities, mining supplies used, among others.

Excise tax pertains to the Government's share in an MPSA which is equivalent to 4.0% of gross output on mineral products.

19. Operating Expenses

This account consists of:

		For Five Months Ended May 31, (Unaudited)		
	Note	2024	2023	2022
Salaries and allowances		₱29,112,093	₱28,160,964	₱27,099,398
Taxes and licenses		38,775,848	49,601,513	38,273,155
Environmental expenses	22	15,081,504	20,809,176	29,835,972
Professional fees		21,487,274	19,039,012	18,412,535
Social development programs	22	4,794,195	4,032,593	7,975,145
Representation		4,878,867	15,915,577	37,600,627
Royalties	22	2,835,509	6,161,678	–
Outside services		5,538,786	7,474,169	5,816,663
Community relations		3,190,948	3,108,301	5,762,622
Depreciation and amortization	8	4,465,238	3,793,770	7,988,104
Retirement benefit expense	16	–	–	–
Rent expense	22	2,015,704	1,379,087	3,416,023
Communication, light and water		1,435,198	1,585,080	1,522,887
Transportation and travel		1,114,270	562,683	773,408
Provision for ECL	5	180,000	–	–
Others		7,453,066	13,224,031	17,678,636
		₱142,358,500	₱174,847,634	₱203,669,418

Others include dues and subscriptions, regulatory fees, repairs and maintenance and office supplies expense.

20. Other Income (Loss)

This account consists of:

	Note	For Five Months Ended May 31, (Unaudited)		
		2024	2023	2022
Rent income	22	₱500,000	₱500,00	₱-
Foreign Exchange Gain (Loss)		281,352	(773,111)	17,420,773
Others		133,117	12,812,436	2,674,835
		₱914,469	₱12,539,325	₱20,095,608

21. Income Taxes

The components of income tax benefit are shown below:

	For Five Months Ended May 31, (Unaudited)		
	2024	2023	2022
Current tax expense(benefit)	(₱12,225,113)	₱15,675,510	₱44,210,385

Management believes that it may Details of NOLCO of the Group are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2023	2026	₱53,001,652	₱-	₱-	₱53,001,652
2022	2025	64,605,091	-	-	64,605,091
2021	2026	69,189,004	-	-	69,189,004
2020	2025	89,254,499	-	-	89,254,499
		₱276,050,246	₱-	₱-	₱276,050,246

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 of R.A. No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of a business or enterprise for taxable years 2020 and 2021 are to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of Excess MCIT over RCIT of the Group are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2023	2026	₱20,700	₱-	₱-	₱20,700
2022	2025	3,000	-	-	3,000
2021	2024	2,471	-	-	2,471
		₱26,171	₱-	₱-	₱26,171

22. Commitments and Contingencies

Social and Environmental Responsibilities

Social Development and Management Programs (SDMPs)

SDMPs are five (5)-year projects identified and approved for implementation in the communities covered by the MPSA. The Group provides an annual budget for SDMP projects that focus on health, education, livelihood, public utilities and socio-cultural preservation. The implementation of the program is monitored by the MGB.

Environmental Protection and Enhancement Program (EPEP)

EPEP refers to the comprehensive and strategic environmental management plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the affected environment within the Group's mining areas. This program is monitored by the Multipartite Monitoring Team, a group headed by a representative from the Regional MGB and representatives of Local Government Units (LGU), other government agencies, non-government organizations, the church sector and the representatives of the Group.

Royalty Agreement

In July 2008, the Group entered into a memorandum of agreement with Indigenous Cultural Communities/Indigenous People (ICC/IP) and NCIP pursuant to the requirements of its MPSA. The Group pays royalties equivalent to a certain percentage of gross revenue to the ICC/IP.

Other Claims

The Group is either a defendant or plaintiff in other claims and disputes which are normal to its business. The management believes that the ultimate liability, if any, with respect to such claims, and disputes will not materially affect the financial position of the Group.

23. Loss Per Share

Loss per share is computed as follows:

	For Five Months Ended May 31,		
	(Unaudited)		
	2024	2023	2022
Net income(loss) shown in the consolidated statements of comprehensive income (a)	(P68,226,971)	P28,556,757	P111,914,552
Weighted average number of common shares (b)	3,014,820,305	3,014,820,305	3,014,820,305
Basic earnings(loss) per share (a/b)	(P0.020)	P0.010	P0.040

The Group does not have potentially dilutive common shares.

24. Financial Risk Management Objectives and Policies and Fair Value Measurement

General

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group's objectives are achieved. The Group's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Group's established business objectives.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, and loans payable. The primary purpose of these financial instruments is to finance the Group's operations. The Group has other financial instruments such as trade and other receivables (excluding advances to officers and employees), FMRF, RCF, rental deposit, MTF, trade and other payables (excluding excise tax and other statutory payables and advances from customers), dividends payable and advances to and from related parties, which arise directly from operations. The main risks arising from the use of these financial instruments are foreign currency risk, credit risk, and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Foreign Currency Risk. The Group's foreign exchange risk results primarily from movements of the Philippine peso against the US dollar with respect to US dollar-denominated financial assets. The Group's transactional currency exposures arise from its cash in banks and trade receivables which are denominated in US dollar. The Group periodically reviews the trend of the foreign exchange rates to address its exposure in foreign currency risk.

Credit Risk. Credit risk arising from the inability of a counterparty to meet the terms of the Group's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Group. With respect to credit risk arising from the other financial assets of the Group, which comprise cash in banks and cash equivalents, trade and other receivables (excluding advances to officers and employees) and advances to related parties, RCF, MTF and rental deposit, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Customer credit risk from trade and other receivables is managed by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation of provision rates reflects the information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. Generally, trade receivables are written off if the Group has actually ascertained that these are worthless and uncollectible as of the end of the year.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other financial assets consisting of cash in banks, advances to related parties, RCF, MTF and rental deposit, the Group established controls and procedures on its credit policy to determine and monitor the credit worthiness of counterparties.

The credit quality of the financial assets is managed by the Group using internal credit quality ratings.

High grade accounts consist of receivable from debtors with good financial condition and with relatively low defaults. Financial assets having risks of default but are still collectible are considered standard grade accounts. Past due but not impaired accounts are still collectible but require persistent effort from the Group to collect.

Cash in banks, RCF and MTF are classified as high grade since these are deposited in reputable banks having good credit rating and low probability of insolvency. While the advances to related parties is classified under standard grade since the counterparties are reputable related parties with low credit risk.

Liquidity Risk. The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements, including debt principal and interest payments. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies.

25. Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The Group manages its capital structure and makes adjustments to it, whenever there are changes in economic conditions. The Group monitors its capital using debt to equity ratio. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or by conversion of related party advances to an equity component item.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE PERIOD ENDED MAY 31, 2024 AND, 2023

Ratio	Formula	May 31, (Unaudited)	
		2024	2023
Current ratio	Total Current Assets	₱606,588,032	₱1,340,942,558
	Divided by: Total Current Liabilities	348,445,720	423,101,030
	Current ratio	1.74:1	3.17:1
Acid test ratio	Total Current Assets Less Inventory	₱248,879,521	₱1,195,960,914
	Divided by: Total Current Liabilities	348,445,720	423,101,030
	Current ratio	0.71:1	2.83:1
Solvency ratio	Net Income Before Depreciation and Amortization, and Depletion	(₱48,018,440)	₱39,058,357
	Divide by: Total liabilities	998,612,274	1,096,099,290
	Solvency ratio	(0.05):1	0.04:1
Debt-to-equity ratio	Total Liabilities	₱998,612,274	₱1,096,099,290
	Divide by: Total equity	4,737,086,598	4,900,941,038
	Debt-to-equity ratio	0.21:1	0.22:1
Asset-to-equity ratio	Total Assets	₱5,727,758,893	₱5,997,040,328
	Divide by: Total equity	4,737,086,598	4,900,941,038
	Asset-to-equity ratio	1.21:1	1.22:1
Interest rate coverage ratio	Pretax income(loss) before interest	(₱67,277,848)	₱51,449,867
	Divided by: Interest expense	5,234,257	7,217,591
	Interest rate coverage ratio	(12.85):1	7.13:1
Return on asset	Net income(loss)	(₱60,286,992)	₱28,556,767
	Divide by: Total average assets	5,892,738,937	5,968,822,818
	Return on asset ratio	(0.01):1	0.01:1
Return on equity	Net income(loss)	(₱60,286,992)	₱28,556,767
	Divide by: Total average equity	4,767,230,094	4,886,662,654
	Return on equity ratio	(0.01):1	0.01:1
Net profit margin ratio	Net income(loss)	(₱60,286,992)	₱28,556,767
	Divide by: Total revenue	271,040,378	704,530,773
	Net profit margin ratio	(0.22):1	0.04:1

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF AGING OF RECEIVABLES

AS AT MAY 31, 2024

	Trade Receivables	Advances	Others	Total
30 – 60 days	₱3,542,824	₱29,301,884	₱2,621,000	₱35,465,708
61 – 90 days	–	17,581,130	–	17,581,130
>90 days	–	11,504,305	–	11,504,305
Allowance for ECL	–	(201,600)	–	(201,600)
	₱3,542,824	₱58,185,719	₱2,621,000	₱64,349,543

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SEC Registration Number

M	A	R	C	V	E	N	T	U	R	E	S		H	O	L	D	I	N	G	S	,		I	N	C	.		A	N	D			
S	U	B	S	I	D	I	A	R	I	E	S																						
(F	O	R	M	E	R	L	Y	:		A	J	O	.	N	E	T		H	O	L	D	I	N	G	S	,		I	N	C)	

(Company's Full Name)

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P	A	S	E	O		(F	O	R	M	E	R	L	Y	:		C	I	T	I	B	A	N	K		C	E	N	T	E	R)
8	7	4	1		P	A	S	E	O		D	E		R	O	X	A	S		M	A	K	A	T	I		C	I	T	Y		

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

ROLANDO S. SANTOS

(Contact Person)⁹¹

8831-4479

(Company Telephone Number)

1	2		3	1
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Month Day
(Calendar Year)

1	7	-	A
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(Form Type)

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Month Day
(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

2,177

Total No. of Stockholders

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Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC Number: 12942

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

For the calendar year ended
December 31, 2023 (SEC Use Only)

Industry Classification Code:

MARCVENTURES HOLDINGS INC.

(Company Name)

Philippines
(Province, country, or other jurisdiction of
incorporation or organization)

000-104-320-000
(BIR Tax Identification No.)

Unit 4-3 4th Floor BDO Towers Paseo 8741 Paseo de Roxas, Makati City
(Company's Address)

1227
(Zip Code)

Registrant's telephone numbers, including area code:

(632) 831-44-79

Securities registered pursuant to Sections 4 and 8 of the RSA:

<u>Title of each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>	<u>Name of each stock exchange in which securities are listed</u>
Common Stock (P1.00 par value)	3,014,820,305 common shares	Philippine Stock Exchange

Indicate whether the registrant has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11 (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports). **Yes**

Indicate whether the registrant has been subject to such filing requirements for the past 90 days. **Yes**

The aggregate market value of voting stock held by non-affiliates is ₱333,740,608 computed on the basis of ₱1.00 representing 11.07% shares equivalent to ₱340,439,857 based on the closing price of ₱1.08 at the Philippine Stock Exchange as of December 31, 2023.

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PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Background

Marcventures Holdings, Inc. (Formerly: AJO.net Holdings, Inc.), the Parent Company (or Company), was incorporated and registered with the Securities and Exchange Commission (SEC) on August 7, 1957, with primary purpose to acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise operate, manage, enjoy and dispose of, any and all properties of every kind and description and wherever situated, including land as and to the extent permitted by law, including but not limited to, buildings, tenements, warehouses, factories, edifices and structures and other improvements and bonds, debentures, promissory notes, shares of stock, or other securities or obligations, created, negotiated or issued by any corporation, association or other entity, foreign or domestic and while the owner, holder or possessors thereof, to exercise all rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom, and the right to vote on any proprietary or other interest, on any shares of the capital stock, and upon any bonds, debentures or other securities having voting power, so owned or held; and provided it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act 2629), or act as a securities broker or dealer.

On December 15, 2009, the Parent Company entered into a Memorandum of Agreement (MOA) with the shareholders of Marcventures Mining & Development Corporation (MMDC) (Investor Group) and their partners to exchange their stake in MMDC for a total value of ₱1.3 billion consisting of: (i) new Parent Company shares worth ₱100.0 million representing the full payment of the balance for the subscription to the increase in authorized capital stock; (ii) additional Parent Company shares worth ₱1.15 billion to be issued from the authorized capital stock as increased, and the new par value of the Parent Company after its corporate restructuring; and (iii) 488 membership certificates of The Metropolitan Club, Inc. (Metroclub Certificates) with an agreed net value of ₱50.0 million together with the Parent Company's rights, obligation and interests. The consolidated financial statements assumed June 30, 2010 as the acquisition date.

In March 2010, the Company reduced the par value of its capital stock from ₱0.10 to ₱0.01, which resulted in a reduction in its issued and outstanding capital stock in the amount of ₱459 million and in a corresponding increase in its Additional Paid-in Capital account. Subsequently, the Company issued 5 billion new shares (par value of ₱0.01) at a price of ₱0.02, which resulted in additional paid-in capital of ₱50.0 million. The Company also transferred the amount of ₱441.0 million from its Additional Paid-in Capital to reduce its Deficit account.

On September 30, 2010, the Securities and Exchange Commission approved the change in the par value of its capital stock from ₱0.01 to ₱1.00.

Marcventures Mining & Development Corporation, the wholly-owned Subsidiary of the Parent Company, is incorporated in the Philippines and is primarily engaged to carry on the business of mining, smelting, extracting, smelting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource from the earth; to operate, manage and/or engage in the business of smelting, and/or operate smelting plant, to refine and/or convert metals, ore, and other precious metals into finished products within the commerce of man.

MMDC obtained its ISO 14001:2004 + Cor. 1:2009 Certification from TÜV Rheinland Cert GmbH, an International Certification Body performing system certification and training as well as providing third-party audit/certification based on various international standards. The certificate issued in favor of MMDC dated 16 May 2016 complies with DENR Administrative Order No. 2015-07. It confirms that MMDC's Environment Management Systems implemented for Mining and Shipping of Nickel Laterite Ore and Post-Mining Activities are compliant with International Standards.

Going beyond regulatory demand, MMDC integrated 3 management systems to raise business standards and more importantly, protect the environment and people. After rigorous, simultaneous audits, MMDC's Surigao Nickel Mining project obtained International Organization for Standardization (ISO) certification for Environmental Management System (ISO 14001:2015), Quality Management System (ISO 9001:2015), and the Occupational Health and Safety Management System (ISO18001:2007). The British certifying body National Quality Assurance (NQA), which granted MMDC the ISO certification in September 2017, also certified the Company's integrated Management Systems (IMS)

On December 29, 2017, the Securities and Exchange Commission approved the merger of MHI with Asia Pilot Mining Philippines Corp. (APMPC) and BrightGreen Resources Holdings Inc. ("BHI") with MHI as the surviving entity. BHI owns 100% interest in BrightGreen Resources Corporation (BRC) and APMPC owns 100% interest in Alumina Mining Philippines, Inc. (AMPI) and Bauxite Resources, Inc. (BARI).

The merger resulted to MHI's acquisition of APMPC's subsidiaries, namely, Alumina Mining Philippines Inc. ("AMPI") and Bauxite Resources Inc. ("BARI") as well as BHI's subsidiary, BrightGreen Resources Corp. ("BRC"). Moreover, this resulted in the increase in authorized capital stock of the Parent Company to accommodate the merger from 2,000,000,000 shares at ₱1 par value to 4,000,000,000 shares at ₱1 par value a share. Out of this increase, a total of 1,125,000,000 of the Parent Company's common shares were issued to BHI and APMPC shareholders at ₱1 per share.

The merger allowed MHI to grow its business, diversify its products and expand its source of income. Bauxite has been observed to be more stable in prices as compared to other commodities even during the slump of metal prices.

The Company is not involved in any bankruptcy, receivership, or similar proceedings.

The Company is listed in the Philippine Stock Exchange. The consolidated financial statements include the accounts of the Parent Company and its subsidiaries, MMDC, BRC, AMPI and BARI as at December 31, 2023 and 2022 and for the years ended December 31, 2023 and 2022.

The Parent Company's current registered office is located at Unit 4-3 4th Flr. BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City.

On 19 July, 2017, the Board of Directors of Marcventures Holdings, Inc. ("MARC" or the "Company") approved the subscription of Mr. Isidro C. Alcantara, Jr. ("Mr. Alcantara"), President & CEO, to 22,730,000 MARC shares at ₱2.20 per share for a total subscription price of ₱50,006,000.00.

Furthermore, on 15 February 2018, the Board of Directors of the Company also approved the subscription of Mr. Alcantara to 45,731,706 MARC shares at ₱1.64 per share equivalent to ₱74,999,997.84. The subscription price was based on the average 30 day high and low prices from January 3, 2018 to February 9, 2018 as disclosed.

Simultaneously, the Company entered into a Subscription Agreement with its subsidiary, Marcventures Mining and Development Corp. (MMDC) wherein the Company subscribed to additional 7,500,000 MMDC shares with a par value of Ten Pesos (₱10.00) per share for a total amount of Seventy-Five Million Pesos (₱75,000,000.00). The subscription proceeds are to be used by MMDC for its operations and infrastructure development.

During the annual meeting held on December 19, 2018, the Stockholders of MARCVENTURES HOLDINGS, INC. (the 'Corporation') approved the amendment of the Seventh Article of the Articles of Incorporation to increase the Corporation's authorized capital stock from ₱4.0 Billion to an amount of up to ₱7.0 Billion and to create a class of up to 100,000,000 non-voting, non-participating, cumulative, and redeemable Preferred Shares with a par value of ₱10.00 per share or aggregate par value of ₱1,000,000,000, thereby amending the Seventh Article as follows:

SEVENTH. That the authorized capital stock of the corporation is SEVEN BILLION PESOS (₱7,000,000,000.00) and said capital stock is divided into:

(a) SIX BILLION (6,000,000,000) common shares with a par value of One Peso (₱1.00) each share or an aggregate par value of SIX BILLION PESOS (₱6,000,000,000.00); AND

(b) ONE HUNDRED MILLION (100,000,000) Preferred Shares with a par value of TEN PESOS (₱10.00) each share or an aggregate par value of ONE BILLION PESOS (₱1,000,000,000.00)

Furthermore, the Stockholders also authorized the Corporation to enter into Placing and Subscription Transactions. The Stockholders authorized the Board of Directors to determine the terms and conditions of the Placing and Subscription Transaction, provided that:

(i) The number of Placing Shares shall not exceed 600,000,000 listed common shares to be provided by existing shareholders of the Corporation, and the number of Subscription Shares shall be equivalent to the number of Placing Shares actually sold; and

(ii) The Placing price shall not be less than the par value of the common shares.

The Stockholders likewise approved the issuance of warrants to stockholders, directors, officers and/or third-party consultants under such terms and conditions as the Board of Directors may deem proper.

The foregoing has yet to be implemented.

On February 13, 2019, the Philippine Stock Exchange approved MHI’s listing application of shares issued in connection with the merger of APMC and BHI and further approved the listing application for Mr. Alcantara’s two private placements.

2023 Updates and Developments

The Security Agreements of the Corporation for the loan obligations of its subsidiaries are as follows:

- a. Loan obligations of Alumina Mining Phils. Inc in Philippine Business Bank;
 - Authority of the Corporation to act as surety, binding itself jointly and severally to pay the loan/ credit accommodation granted by Philippine Business Bank to Alumina Mining Phils. Inc. in the principal amount of Two Hundred Million Pesos (₱200,000,000.00) together with interests, penalties, and other charges therein; the authority of the President and the Treasurer to sign, execute, and deliver any and all documents and instruments on behalf of the Corporation; and the authority of the Corporation to mortgage the following:

Description	CCT	Area	Location
Unit 4-1	006-2018002292	178.19 sqm.	4F, BDO Towers Paseo
Unit 4-3	006-2014001598	313.76 sqm.	4F, BDO Towers Paseo
Unit 4-4	006-2014001597	469.55 sqm.	4F, BDO Towers Paseo
Parking B351	006-2014001599	36 sqm.	Basement, BDO Towers Valero
Parking B352			
Parking B353			
Parking LB70	006-2018002293	12 sqm.	Basement, BDO Towers Valero

- b. Loan obligations of Marcventures Mining and Development Corporation in United Coconut Planters Bank
 - Authority of the Corporation to act as surety to guarantee the payment of the obligations of Marcventures Mining and Development Corporation under the credit accommodation in the form of a short term loan at the aggregate principal amount of not more than One Hundred Ninety Million Two Hundred Eighty-eight Thousand One Hundred Twenty-Five Pesos (₱190,288,125.00), (“Credit Accommodation”) granted by United Coconut Planters Bank; grant of authority to the officers of the Corporation to sign, execute, and deliver any and all documents and instruments on behalf of the Corporation; and authority of the Corporation to mortgage, pledge and/or assign the following properties of the Corporation as security for the Credit Accommodation:

-

Issued by	Stock Certificate No.	No. of Shares
BrightGreen Resources Corporation	77	20,000,000

- c. Loan obligations of Marcventures Mining and Development Corporation in Philippine Veterans Bank.
 - Authority of the Corporation to act as guarantor for the loan obligations and corporate borrowings of Marcventures Mining and Development Corporation with Philippine Veterans Bank up to the aggregate amount of Two Hundred Million Pesos (₱200,000,000.00) and to pledge its Ten Million (10,000,000) shares of stock in Marcventures Mining and Development Corporation as added security or collateral to the obligation or corporate borrowings; grant of authority to the officers of the Corporation to sign, execute, and deliver any and all documents and instruments on behalf of the Corporation.

Information about the Subsidiaries

All of the subsidiaries of the Parent Company are wholly owned.

Subsidiaries

Below are the Parent Company ownership interests in its subsidiaries:

Subsidiaries	2023	2022
Marcventures Mining and Development Corporation (MMDC)	100%	100%
BrightGreen Resources Corporation (BRC)	100%	100%
Alumina Mining Philippines Inc. (AMPI)	100%	100%
Bauxite Resources Inc. (BARI)	100%	100%

Marcventures Mining and Development Corporation. MMDC was incorporated and registered with the SEC on January 18, 1995 primarily to engage and/or carry on the business of extracting, mining, smelting, refining and converting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource.

MMDC has been granted by the Mineral Production Sharing Agreement (MPSA) No. 016-93-XI by the Department of Environment and Natural Resources (DENR), covering an area of approximately 4,799 hectares located in the municipalities of Carrascal, Cantilan and Madrid, Surigao Del Sur.

The MPSA was originally granted to Ventura Timber Corporation (VTC) on June 19, 1992. In January 1995, VTC executed a deed of assignment (the Deed) to transfer to MMDC all its rights and interest in and title to the MPSA. On January 15, 2008, the Deed was approved by the Mines and Geosciences Bureau (MGB).

On June 24, 2016, the DENR issued an order approving the extension of MMDC's MPSA for a period of 9 years starting from the expiration of the first 25-year term.

On February 13, 2017, MMDC received an order dated February 8, 2017 from the DENR cancelling its MPSA due to alleged violations of environment-related laws and regulations. The Technical Committee Report on the Company however only showed a recommendation for fine and suspension.

The Management and its legal counsel assessed that the order was without basis in fact and in law. Foremost, the Company is engaged in clean and responsible mining. On February 17, 2017, the Company filed a Notice of Appeal to the Office of the President. Subsequently, on March 17, 2017, the Company filed its Appeal Memorandum. The Company asserted that the grounds for cancellation cited by the DENR was without basis because: (a) operations is allowed by law since said MPSA dated 01 July 1993 is granted with prior rights and is allowed by law as indicated specifically in Proclamation 1747 issued in 2009 by former President Gloria Macapagal Arroyo; (b) despite operations in a watershed, the Company has not impaired farmlands, rivers or coastal areas within the MPSA area. As to the alleged non-compliance to the planting of three million seedlings, the Company was prevented from implementing the same due to circumstances beyond its control.

As at December 31, 2023 the Company has not received any decision nor any notice from the Office of the President. The Company's Legal Counsel is of a good faith position that the Company may continue its operations because the execution of the Order of the DENR Secretary is deemed automatically stayed as a matter of law on account of the pendency of the Company's appeal, as likewise confirmed by the Office o

f the President.

MMDC has continued to implement and adopt measures not only to rectify any shortcomings allegedly found in its operations but more importantly, it has continuously sought to improve operational efficiencies both in the area of its regulatory compliances and in maintaining its commitments to its host and neighboring communities.

The Company has continuously been granted the necessary regulatory permits and licenses to operate, including but not limited to Discharge Permits, Ore Transport Permits (OTP) and Mineral Ore Export Permits (MOEP). As proof its compliance, the Company has also secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has an approved Declaration of Mining Project Feasibility dated October 15, 2014 covering its entire contract mining area and is being developed and utilized by virtue of an approved Three-Year Development/Utilization Work Program dated 29 November 2022 covering Calendar Years 2023 to 2025. Moreover, MGB also certified that MMDC has complied with the terms and conditions of the MPSA and the pertinent provisions of the R.A.7942 or the Philippine Mining Act of 1995 and its Implementing Rules and Regulations.

Accordingly, the Company has continued its mining operations in areas covered by the MPSA.

BRC. BRC was incorporated and registered with the SEC on July 20,1989 to engage in the mining business.

On July 1, 1993, the DENR approved BRC's application for MPSA No. 015-93-XI (SMR) covering an area of approximately 4,860 hectares located in the municipalities of Carrascal and Cantilan, Surigao del Sur. BRC is undertaking its continuous exploratory drilling program to block mineral resources at indicated and measured category. In a letter dated 11 April 2022, the Mines and Geosciences Bureau (MGB) of the DENR approved the company's request for extension of the third renewal of its Exploration Period due to force majeure for a period of two years effective from 2 July 2022 to 1 July 2024 to recover its unused term.

On February 17, 2017, BRC received a Show-Cause Order dated February 13, 2017. In the Show-Cause Order, it was alleged that the contract area covered by the said MPSA is within a watershed, such that if mining operations will be conducted therein, its ecological functions will be impaired.

On February 27, 2017, the Company submitted a reply to the Show-Cause Order to explain why the MPSA should not be cancelled. The Company stated in the reply that it has prior legal right considering that the MPSA of the Company with the Republic of the Philippines was approved on July 1, 1993, while Proclamation No. 1747 on the proclamation of watershed areas was only issued on March 23, 2009. Notably, Proclamation No. 1747 provides that prior rights should be respected. Thus, the Company should be allowed to continue its operations over its contract area. The management and its legal counsel believe that the alleged violation is without basis in fact and in law.

As at December 31, 2023, there are no developments regarding the Show-Cause orders. However, the Management and the Legal Counsel of the Company take the good faith position that the operations of the Company under said MPSA is granted with prior rights and is allowed by law and the alleged impairment and damage in the Company's MPSA area is not supported by any specific acts of impairment because the Company is not yet operating in the area but has only completed exploration and drilling. As a proof of compliance, the company has secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has existing Exploration Period (Third Renewal).

AMPI. AMPI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business.

On December 5, 2002, the DENR approved AMPI's application for MPSA No. 179-2002-VIII-SBMR covering 6,694 hectares in the municipalities of San Jose de Buan and Paranas Samar in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

BARI. BARI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business.

On December 5, 2002, the DENR approved BARI's application for MPSA No. 180-2002-VIII-SBMR covering 5,519 hectares in the Municipalities of Gandara, San Jose de Buan, Matuguinao, and San Jorge, Province of Samar (formerly known as Western Samar) in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On February 17, 2017, AMPI and BARI received a Show-Cause Order dated February 13, 2017 from the DENR. In the Show-Cause Order, it was alleged that the contract area covered by their respective MPSA is within a watershed, such that if mining operations will be conducted therein, its ecological functions will be impaired. The Show-Cause Order required AMPI and BARI to submit an explanation on the alleged violation that may cause the cancellation of their respective MPSA.

As at December 31, 2023, the DENR has not issued any other Show Cause Orders for AMPI and BARI. Basing on the above letters from FMB and DENR, the Management and Legal Counsel of AMPI and BARI have rendered that Show-Cause Orders became moot and academic.

Furthermore, On May 18, 2020, the Company received a letter-approval from the DENR, through the MGB, granting the requested extension of the Exploration Period (EP) of the Company's MPSA from June 18, 2020 to June 18, 2022.

In a letter dated February 9, 2022, the Company wrote to MGB requesting for additional two (2) years extension or until June 18, 2024 of the 3rd Exploration Period (2nd Extension of the 3rd EP) on the ground that due to force majeure, factors and events that prevented the Company from fully utilizing its respective contract area to complete its activities corresponding to the exploration period were not yet addressed and are still prevailing.

On March 28, 2022, the MGB approved the extension of the Exploration Period (EP) of the Company for another two (2) years effective from June 19, 2022 to June 18, 2024 to recover its unused term. Additionally, it has completed and validated its Mineral Resource Report by Philippine Mineral Reporting Code (PMRC) during the year. The Company plans to achieve and finish its compliance with Environmental Compliance Certificate and the filing of DMPF within the extension of the EP.

On July 04, 2023, the Company requested for temporary suspension of the second (2nd) extension of the third (3rd) renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

Products/Sales/Competition

The MMDC's main product is nickel ore. All its nickel ore productions were exported to China. The principal market for nickel ore production from the Philippines is currently China. After Indonesia implemented a ban on nickel ore exports, the Philippines has become the main source of Chinese nickel ore – Chinese imports of ores from the Philippines accounted for 90% of total imports in volume and 68% in value. Chinese companies prefer Philippine-sourced nickel ore due to savings in freight costs because of the proximity of the Philippines to China. Nickel ore is sold to Chinese customers based on FOB shipping point and customers handle the charter of vessels. China also relies heavily on imported nickel ore due to insufficient domestic supplies. While the Company does not rely heavily on a single customer, it is affected

by the market price of nickel ore depending on domestic and foreign supply and demand.

Sources and availability of Raw Materials

MMDC's nickel ore is extracted from its mining property covered by MPSA No. 016-93-XI in Surigao del Sur in the municipalities of Cantilan, Carrascal and Madrid.

Equipment, spare parts, and other operating supplies are readily available both locally and abroad and as such the Company is not expected to be dependent upon one or a limited number of suppliers.

Mining Claim

MMDC was granted by Philippine National Government, through the DENR, a MPSA No. 016-93-XI covering an area of approximately 4,799 hectares located in Surigao Del Sur. As the holder of the said MPSA, MMDC has the exclusive right to conduct and develop mining operations within the contract area over a period of 25 years from July 1, 1993. The MPSA is valid until 2018 and renewable for another 25 years. MMDC has identified Nickel Ore as the primary mineral that will be extracted and sold to third parties due to the abundance and favorable characteristics of nickel within the mineral property.

The MPSA was originally granted to Ventura Timber Corporation on June 19, 1992 and subsequently approved on July 1, 1993. In January 1995, a deed of assignment executed, wherein Ventura assigned to MMDC all its rights, title and interest in and to MPSA No. 016-93-XI. The Deed was duly registered with the Mines and Geosciences Bureau (MGB) Regional Office (RO) No. XIII on February 9, 1995, and was subsequently approved on January 15, 2008, making the Subsidiary the official contractor of the mineral property.

To date, the Company has done exploration work on 1,659 hectares and has performed mining operations on 282.8 hectares on the above MPSA covered area.

On June 24, 2016, the DENR issued an order approving the extension of MPSA for a period of 9 years starting from the expiration of the 25-year term.

Aside from the above discussed MPSA, the approval of the Merger of the Parent Company with Asia Pilot Mining Philippines Corp. (AMPC) and the holding company of Brightgreen Resources Corp. (BRC) gave the Company 3 additional mining tenements, particularly, under MPSA 179-2002 VIII (SBMR) with an area of 6,694 Hectares located in Motiong, San Jose De Buan and Wright, Province of Samar issued on December 5, 2002 to Alumina Mining Philippines Inc. and MPSA 180-2002 VIII (SBMR) with an area of 5,519 Hectares located in Gandara, San Jose De Buan and Wright, Province of Samar issued on December 5, 2002 in favor of Bauxite Resources Inc. and MPSA 015-93-XIII issued to BrightGreen Resources Corp. which was approved on 01 July 1993, covering approximately 4,860 hectares of Carrascal and Cantilan, Surigao del Sur.

Government Regulation and Approvals

As mentioned above, the Company's subsidiaries respectively hold MPSAs issued by the MGB which define the percentage share of the local and national government in the mining revenues. MGB also regulates the export of mineral ores with the issuance of Ore Transport/Mineral Ore permits before any shipment can be made. The DENR monitors compliance with the environmental protection and enhancement program, as well as the social development and management programs of the Company and requires a certain percentage of the Company's operating cost to be allotted to these programs. The costs of complying with the above regulatory requirements are appropriately reflected in the books either as an expense or as a capital asset under the GAAP.

Determination of the effect of probable government regulations cannot be known until specific provisions are made clear.

Compliance with Environmental Laws

The Company is strongly committed to its policy of protecting and enhancing the environment. It spent ₱64.55 million on its environmental and enhancement program (EPEP) in 2023.

Related Party Transactions

As at December 31, 2023, the total advances to related parties has an outstanding balance of ₱1.92 million which represents a non-interest bearing unsecured and payable on demand.

On the other hand, the total advances from related parties as at December 31, 2023 has an outstanding balance of ₱2.38 million which represents a non-interest bearing unsecured loan payable on demand.

Please refer to Note 14 on page 26 of the 2023 Audited Consolidated Financial Statements (ACFS).

Employees

- Parent Company- Marcventures Holdings, Inc. (MHI)
The Company currently has a total of 14 employees, consisting of 4 executive positions, 1 in Treasury, 1 in Accounting, 2 in Internal Audit, 4 in Legal and 2 messenger personnel. For the ensuing 12 months, the Company anticipates an increase in the number of employees, specifically transfer of Legal and Corporate Communications from MMDC to MHI.
- Marcventures Mining & Development Corporation (MMDC)
As of December 31, 2023, MMDC engaged a total of 320 workers. Out of the 320 workers, 42 are employed by security agencies engaged by MMDC.

Table below show the distribution of our workforce:

	Makati Office	Mine Site	Total
Senior Management	11	0	11
Managers	8	9	17
Supervisors	12	79	91
Rank and File	20	139	159
Subtotal	51	227	278
Security Agency	0	42	42
Total	51	269	320

The table below show a breakdown of the workforce hired from the local communities:

	Makati Office	Mine Site	Total
Regular	48	201	249
Probationary	1	18	19
Service Contract	0	4	4
Regular Seasonal	0	1	1
Project Based	2	3	5
Subtotal	51	227	278
Security Agency	0	42	42

Total	51	269	320
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Business and Industry Risks

Market Risk

MMDC's revenue is dependent on both volume exported and the world market price of nickel. The sales price of nickel ore is correlated with the world market price of nickel. The nickel price is subject to volatile price movements over time and is affected by numerous factors that are beyond the Company's control.

From the start of the Company's shipment operations, 100% of our revenue are derived from sale of nickel ore into China. While China has become a significant source of global demand for commodities, our exposure to the Chinese Market and our short-term supply agreements with Chinese customers have resulted in increased volatility in our business.

Operational Risk

The Mining operations are influenced by changing conditions that can affect the production levels and cost for varying periods that can diminish revenues and income. Severe weather conditions, changing prices of fuels and other supplies, increase in taxes and repair costs could have significant impact on the productivity of the Company's operating results.

Socio-Political Risk

The Mining operations can be affected by relevant changes in the rules and regulations in the mining laws of the Philippines, as well as its implementation, both local and national. Impact would include changes in the company's mining methods and processes to avoid related fines and penalties, and also on any required rehabilitation efforts by local and national government.

Foreign Exchange Risk

As all revenues are in US dollars, the Company revenues are affected by fluctuations in the US\$/PHP exchange rate. To mitigate this risk, the Company closely monitors foreign exchange rates trends and properly timed conversion of dollars into peso to attain the best rates.

Other risks

Other risks affecting the Company were discussed in Note 24 on pages 35-38 of the 2023 ACFS.

Risk Management

Risk Policy Statement

The Organization is committed to integrating risk management practices into its business strategy and performance to drive consistent, effective and accountable management in achieving the Organization's business objectives.

The Organization recognizes that risk is dynamic and is inherent in all external and internal operating environments, and that managing risks is vital in defining the organization's purpose, process and expected results, which are the foundations of its daily operations.

Risk Management activities are carried out through a systematic and disciplined process. The process starts with a Board-approved, comprehensive and Risk Management Policy Manual which encompasses the Enterprise Risk Management (ERM) framework for managing risk at enterprise-wide level. ERM framework provides the means to ensure that all risks – operational, financial, compliance, security and safety as well as reputational are identified, assessed, monitored, mitigated and controlled.

Purpose

The Enterprise Risk Management Framework Manual forms part of The Organization's compliance policies and shall:

- Establish the risk management framework – the risk philosophy, strategy, objectives, policies and procedures of the Company;
- Define the roles and responsibilities of the Board and the senior management in their oversight role, as well as the roles and responsibilities of the entire workforce;
- Communicate and provide rules or guidelines to the whole organization in the implementation of risk management practices;
- Provide baseline reference to the internal and external audit activities as they perform their function in the risk evaluation, assessment and other related audit activities
- Sets the scope and application of risk management within the organization
- Details the process of risk reporting obligations to external and internal stakeholders

To meet this commitment, risk management is every employee's business. All employees are responsible and accountable for managing risks within their area of responsibility and that the Board and senior management is responsible of its oversight. Three lines of defense are also identified within the organization to be the operational staff and associates, line supervisors and managers and lastly, the Compliance and Audit function. Through the Framework and its supporting processes, the organization formally establishes and communicates its risk appetite in managing risks.

The organization is averse to risks relating to:

1. health, safety and well-being of our employees, staff and the community
2. administration of finances and assets
3. compliance with applicable regulations – especially those in relation to environmental protection as issued by Mine and Geoscience Board (MGB) and Department of Environment and Natural Resources (DENR), among others.

There is a potentially higher appetite where benefits created by potential innovation or improvisation outweigh the risks. Benefits may include improved production, and/or increased efficiency and effectiveness of the organization's operations.

The framework follows the model of the 2017 Enterprise Risk Management – Integrating with Strategy and Performance of COSO or Committee of the Sponsoring Organizations of the Treadway Commission.

This Enterprise Risk Management Framework also demonstrates that it has incorporated the four areas of sound risk management practices, as required by the Security and Exchange Commission and Philippine Stock Exchange:

1. Adequate and active board management oversight
2. Acceptable policies and procedures
3. Appropriate monitoring and management information system
4. Comprehensive internal controls and audit

ITEM 2. DESCRIPTION OF PROPERTIES

Mineral Properties

MHI currently has four (4) mining subsidiaries, namely, Marcventures Mining and Development Corporation, (“MMDC”), BrightGreen Resources Corp. (“BRC”), Alumina Mining Philippines Inc. (“AMPI”) and Bauxite Resources Inc. (“BARI”).

MMDC

The Company, through its subsidiary Marcventures Mining & Development Corporation, holds Mineral Production Sharing Agreement No. 016-93-XI which covers 4,799 hectares in the province of Surigao Del Sur. It is physiologically located within the Diwata Mountain Range.

BRC

BrightGreen Resources Corp., another subsidiary of The Company holds MPSA No. 015-93-XIII approved on 01 July 1993, covering approximately 4,860 hectares of the Municipalities of Carrascal and Cantilan in the Province of Surigao del Sur.

AMPI

Alumina Mining Philippines Inc. holds MPSA No. 179-2002 VIII (SBMR), with an area of 6,694 hectares located in the Province of Samar, issued on December 5, 2002.

BARI

Bauxite Resources Inc. holds MPSA No. 180-2002 VIII (SBMR), with an area of 5,519 hectares located in the Province of Samar, issued on December 5, 2002.

Mineral Resource and Reserve Estimate as of December 31, 2023 :

RESOURCE	MMDC	BRC	AMPI	BARI
Tonnage	<p>Measured & Indicated Saprolite: 8.7 million WMT at 1.32% Nickel, 12.89% Iron</p> <p>Limonite 57.8 million WMT at 0.89% Nickel and 43.75% Iron</p> <p>Inferred Saprolite: 3.8 million WMT at 1.20% Nickel and 12.72% Iron</p> <p>Limonite: NA</p>	<p>Measured & Indicated Saprolite: 3.055 million WMT at 1.59% Nickel, 14.85% Iron</p> <p>Limonite 12.972 million WMT at 1.07% Nickel and 39.73% Iron</p> <p>Inferred Saprolite: 0.329 million WMT at 1.61% Nickel and 14.25% Iron</p> <p>Limonite: 4.698 million WMT at 0.90% Nickel and 39.61% Iron</p>	<p>Measured & Indicated Bauxite Ore: 41.713 million WMT at 40.06% Al₂O₃ and 14.50% SiO₂</p> <p>Inferred Bauxite Ore 17.275 million WMT at 38.96% Al₂O₃ and 16.59% SiO₂</p>	<p>Measured & Indicated Bauxite Ore: 31.469 million WMT At 43.78% Al₂O₃ and 7.96% SiO₂</p> <p>Inferred Bauxite Ore 28.436 million WMT at 43.75% Al₂O₃ and 8.09% SiO₂</p>

Notes:

1. The Mineral Resource Estimates (MRE) reported is based on the 10 October 2023 resource block model prepared by MMDC Resource Geologist Gisella Jane E. Dida and reviewed by PMRC-Accredited Competent Person Jayvhel T. Guzman, incorporating data from 167 drill holes drilled in Cabangahan and 159 drill holes in Sipangpang in 2023. ACP Guzman has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity that has been undertaken to qualify as an Accredited Competent Person as defined in the PMRC Code. Ms. Dida is a licensed geologist trained and supervised by ACP Guzman in the resource estimation activity.
2. The resource block model was generated using Geovia Surpac™ 2022 and the mineral resource estimation methodology used is the Nearest Neighbor interpolation.
3. The increase in the sapolite and limonite measured and indicated mineral resource tonnages in Cabangahan resulted mainly from the upgrading of inferred mineral resources and blocking of additional mineral resources through development drilling.
4. The MRE followed the terminology and guidelines set forth in the Philippine Mineral Reporting Code (PMRC).
5. The MRE are not precise calculations, being dependent on the interpretation of limited information on the location, shape, continuity of the mineralization and the availability of sampling results. Tonnages in the table have been rounded to the nearest thousands to reflect the relative uncertainty of the estimate.
6. The MRE is valid from the date of signing of the ACP. In the event that any new geological information, exploration results and ore deposit models will arise that may have direct or indirect implication on the mineral resource estimates as disclosed in this statement, the said MRE may be rendered inaccurate and should therefore be treated with caution.

For other discussions of mining properties, please refer to Note 10, pages 23-24 of the 2023 ACFS.

Property and Equipment

Office Space

In January 2014, the company acquired two (2) condominium units located at Citi Center Condominium Project, Citibank Center (Now: BDO Towers Paseo), 8741 Paseo de Roxas, Makati City, with an aggregate floor area of, more or less, nine hundred sixty-seven and 7/100 (967.07) square meters and amounting to Sixty-Eight million pesos (₱68,000,000). The property is covered by Condominium Certificates of Title Nos. 006-2011006557 and 006-2011006558 issued by the Register of Deeds of Makati City. The said property became the Company's new principal office address starting September 2014.

In November 2017, the company acquired another condominium unit also located at the 4th Floor Citi Center Condominium, 8741 Paseo de Roxas, Makati City, with with an approximate area of 220 square meters inclusive one (1) parking slot amounting to twenty five million (₱25,000,000.00). The property is covered by Condominium Certificates of Title No. 006-2012006781. The said condominium unit was purchased for the Makati office expansion.

MMDC Properties

The table below sets forth a summary of the properties owned and rented by MMDC.

Land and Improvements owned		
	Lot Area (sqm)	Amount
Haulage Roads	117,596	10,268,670
Stockyards	426,583	24,400,086
Causeway	38,856	4,000,000
Campsite	14,700	450,000
Butuan Lot	3,544	15,948,000
Others	85,357	4,280,130
Total Land & improvements	686,636	59,346,886

Rented		
	Lot Area (sqm)	Monthly Rental
Haulage Roads	223,644	726,639
Stockyards	128,959	203,525
Causeway	19,555	137,773
Others	94,859	203,461
Total	467,017	1,271,398

The renewals of the above leases are subject to agreement by the parties.

The above leased properties are used by MMDC for hauling roads and stockpile areas.

MMDC will acquire and/or lease additional properties to be utilized for hauling roads and stockpile areas needed for operations. The cost acquisitions will depend on negotiations with prospective owners and lessors. MMDC plans to finance acquisitions from internally generated funds and through bank loans.

The Company's equipment mostly pertains to transportation equipment. For details of the property and equipment, please refer to Note 8 on page 22 of the 2023 ACFS.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any pending material legal proceedings and/or assessment or pending governmental investigation. It is not involved in any pending legal proceedings with respect to any of its properties. It is not involved in any claims or lawsuits involving damages, which may materially affect it or its subsidiaries.

MMDC, one of MHI's subsidiaries, is a party to a number of legal proceedings that commonly arise in the course of running a fully operational business concern.

To the knowledge and/or information of the Company, none of its directors or its executive officers, is presently or during the last five (5) years been involved in any material legal proceeding in any court or government agency on the Philippines or elsewhere which would put to question their ability and integrity to serve Marcventures Holdings, Inc. and its stockholders.

The Company is not aware of: (a) any bankruptcy petition filed by or against any business of which a director or executive officer or person nominated to become a director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, excluding traffic violations and other minor offenses; (c) being subject to any order, judgment, or decree, not

subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company submitted the following matters to a vote of the security holders during the 2023 Annual Meeting:

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of the Minutes of Previous Stockholders' Meeting held on 28 July 2023
4. Approval of the Management Report and Audited Financial Statements for the Year Ended 31 December 2023
5. Ratification of all acts of the Board of Directors and Management
6. Election of Directors
7. Approval of Appointment of the Company's Independent External Auditor
8. Other Matters
9. Adjournment

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET PRICE AND DIVIDENDS ON REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The principal market for the registrant’s common stock is the Philippine Stock Exchange (“PSE”). The Company’s stock symbol is “MARC”.

Stock Prices – Common Shares

The following table sets forth the high and low closing sales prices per share of the Common Shares listed on the PSE during the respective periods indicated as per published financial sources.

	Price per Share (In Pesos) **	
	High	Low
	2021	
January – March	1.97	1.97
April – June	1.46	1.46
July - September	1.28	1.28
October – December	1.48	1.48
	2022	
January – March	2.50	1.14
April – June	1.84	1.36
July - September	1.62	1.21
October – December	1.45	1.14
	2023	
January – March	1.36	1.01
April – June	1.12	0.88
July - September	0.99	0.66
October – December	1.15	0.84

Latest Market Price

On the trading date of December 29, 2023, the closing market price of the Company’s common stock was ₱1.08 per share.

Stockholders

The number of shareholders of record as of December 31, 2023 was 2,177. The outstanding shares as of December 31, 2023 were 3,014,820,305 common shares, 2,929,813,200 or 97.18% of which are owned by Filipinos.

MARVENTURES HOLDINGS, INC.
TOP 20 STOCKHOLDERS
AS OF DECEMBER 31, 2023

1	PCD NOMINEE CORPORATION (FILIPINO)	FILIPINO	2,596,018,221	86.11%
2	STINSON PROPERTIES INC.	FILIPINO	87,834,569	2.91%
3	SUREGUARD PROPERTIES INC.	FILIPINO	86,514,534	2.87%
4	MYOLNER PROPERTIES INC.	FILIPINO	86,514,533	2.87%
5	PCD NOMINEE CORP. (NON-FILIPINO)	NON-FILIPINO	84,920,312	2.82%
6	GLORIOUS DECADE PROPERTIES, INC	FILIPINO	30,000,000	1.00%
7	ANTHONY M. TE	FILIPINO	27,000,500	0.90%
8	GLORIOUS DECADE PROPERTIES, INC.	FILIPINO	13,013,000	0.43%
9	BENJAMIN CONSUNJI SANDOVAL	FILIPINO	1,000,000	0.03%
10	ATC SECURITIES, INC.	FILIPINO	808,023	0.03%
11	BENJAMIN S. GELI	FILIPINO	100,000	0.00%
12	JOHN C. JOVEN	FILIPINO	100,000	0.00%
13	ANSALDO GODINEZ & CO., INC.	FILIPINO	92,255	0.00%
14	PACIFICO B. TACUB	FILIPINO	50,000	0.00%
15	OTILIA D. MOLO OR ELAINE D. MOLO	FILIPINO	48,419	0.00%
16	ARNOLD JANSSEN T. BANTUGAN OR CHRISTINE ANGELI L. BANTUGAN	FILIPINO	45,000	0.00%
17	TERESITA N. LIM	FILIPINO	40,000	0.00%
18	VICENTE GOQUIOLAY & CO., INC.	FILIPINO	39,599	0.00%
19	ALBERTO MENDOZA&/OR JEANIE MENDOZA	FILIPINO	30,000	0.00%
20	PERALTA ENRIQUE B.	FILIPINO	23,000	0.00%
	TOTAL TOP 20 SHAREHOLDERS		3,014,191,965	99.98%

The Company has no other class of registered securities outstanding aside from common shares.

Dividends

Subject to the availability of unrestricted retained earnings and the funding requirements of the Company's operations, the Company's policy is to declare regular dividends, whether cash, stock or property dividends, twice a year in such amounts and at such dates to be determined by the Board. The declaration of stock dividends is subject to stockholders' approval in accordance with the requirements of the Revised Corporation Code.

Cash Dividends

Year	Date			Amount	
	Declared	Record	Payable	Dividends Per Share	Total Declared (in millions)
2023	Dec. 7, 2023	Jan. 12, 2024	Jan. 26, 2024	₱0.10	₱301.48
2022	No dividends were declared for the year 2022				
2021	Nov. 19, 2021	Dec. 7, 2021	Jan. 4, 2022	₱0.13	₱391.9
2020	No dividends were declared for the year 2020				
2019	No dividends were declared for the year 2019				
2018	No dividends were declared for the year 2018				
2017	No dividends were declared for the year 2017				
2016	No dividends were declared for the year 2016				
2015	No dividends were declared for the year 2015				
2014	Nov. 14, 2014	Dec. 19, 2014	Jan. 16, 2015	₱0.15	₱273.2
2014	Sept. 19, 2014	Oct. 31, 2014	Oct. 22, 2014	0.15	273.2

Stock Dividends

There were no stock dividends declared for years 2015 to 2023.

Sales of Securities

As of December 31, 2023, there are no sales of unregistered or exempt Securities.

ITEM 6. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes as of December 31, 2023, 2022 and 2021 prepared in conformity with PFRS hereto attached in the Exhibits.

The financial information for the three years ended December 31, 2023, 2022 and 2021 and as of December 31, 2023, 2022 and 2021 are discussed below.

A. Discussion for 2023 and 2022 Financial Results

Results of Operations

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Revenues	₱2,050.42	₱3,067.49	(₱1,017.07)	(33.2%)
Cost of Sales	1,203.10	2,043.61	(840.51)	(41.1%)
Operating and Other Expenses	508.86	684.29	(175.43)	(25.6%)
Income (Loss) Before Income Tax	338.46	339.59	(1.13)	(0.3%)
Income Tax	106.32	137.00	(30.68)	(22.4%)
Net Income (Loss)	₱232.14	₱202.58	₱29.56	14.6%

Revenues

MMDC sold an aggregate of 1,502,251 wet metric tonnes (WMT) of nickel ore, or equivalent to 28 shipments of which 2 vessels are saprolite and 26 vessels are limonite for the year ended December 31, 2023, as compared to the year 2022 with a total of 1,672,957 wet metric tonnes (WMT) of nickel ore, or equivalent to 31 shipments of which 26 vessels are saprolite and 5 vessels are limonite, hence,

registering a decline of 170,706 WMT. The regression of ore sales were due to the shortfall in number of shipments coupled with the weakening ore market price in 2023.

The company's total revenue in 2023 was ₱2,050.41 million which is notably lower by ₱1,017.07 million or 33.2% as compared to ₱3,067.49 million in 2022. The result of operations was a net income after tax of ₱232.14 million in 2023 resulting to a decrease of ₱29.6 million or 14.6% compared to 2022 with net income of ₱202.58 million.

The regression of profit was due to the shortfall in number of shipments coupled with the weakening ore market in the year 2023.

Shipment details of volume and prices are as follows:

WMT

	2023	2022	Increase (decrease)
Limonite	1,394,001	263,397	1,130,604
Saprolite	108,250	1,409,560	(1,301,310)

Average Price per wmt (in US\$)

	2023	2022	Increase (decrease)
Limonite	\$22.70	\$26.42	(\$3.72)
Saprolite	\$32.24	\$33.52	(\$1.28)

Cost of Sales

Due to decrease in revenue, the Company's cost of sales decreased by ₱840.51 million or 41.1% from ₱2,043.61 million in 2022 to ₱1,203.10 million in 2023. The decline was mainly due to the lessening of contracted services and excise tax payments needed to produce and sell of ores.

Operating Expenses

The Company's total operating and other expenses in 2023 was ₱508.86 million, a decrease of ₱175.43 million or 25.6% as compared to ₱684.29 million in 2022. The decrease was due to the following:

- There is no additional Provision for ECL for the year compared to ₱75.52million last year.
- Royalties decreased by ₱10.52 million or 33.3%. These expenses were computed and paid based on the percentage of gross sales.
- Depreciation expense decreased by ₱5.92 million or 41.0% due to most of the property and equipment were already fully depreciated.
- Environmental expenses decreased by ₱48.77 million or 43.0%, total amount of ₱64.55 million is in compliance with the required minimum of 3.0% of the direct mining cost of prior year to be allocated to mitigate environmental issues.
- Representation decreased by ₱41.42 million or 71.4% due to minimal meetings and entertainment activities and contributions incurred during the year.
- Social Development Program decreased by ₱8.09 million or 23.2%, total amount of ₱26.83 million in 2023 is in compliance with implementing rules and regulation of 1995 Phil. Mining Act, which requires that 1.5% of the operating cost of prior year be allocated for the development of host and neighboring mining communities.
- Taxes and licenses decreased by ₱19.34 million or 21.3% due to lower LGU business tax assessment for 2022 gross revenue, the basis of business permit computation.

Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Assets	₱6,049.78	₱5,940.61	₱109.17	1.8%
Liabilities	1,252.41	1,068.22	184.22	17.2%
Stockholders' Equity	4,797.37	4,872.38	(75.01)	(1.5%)

Assets

The consolidated total assets of the Company increased from ₱5,940.61 million as of December 31, 2022 to ₱6,049.78 million as of December 31, 2023. The 1.8% increase was mainly due to the net effect of the following:

- Cash increased by ₱56.98 million or 10.4% from ₱546.89 million in 2022 to ₱603.88 million in 2023.
- Ore inventories increased by ₱18.01 million or 11.9% from ₱151.11 million in 2022 to ₱169.12 million in 2023.
- Other current assets increased by ₱8.75 million or 9.5% from ₱91.74 million in 2022 to ₱100.49 million in 2023, these are mostly pertains to advances to suppliers and contractors.
- Other noncurrent assets increased by ₱152.72 million or 31.5% from ₱484.48 million in 2022 to ₱637.2 million in 2023 due to additional input vat incurred for the year.
- Trade and other receivables decreased by ₱78.89 million or 78% from ₱101.2 million in 2022 to ₱22.31 million in 2023 due to write-off of long outstanding receivable.

Liabilities

As of December 31, 2023, the total liabilities of the Company increased by ₱184.22 million or 17.2% from ₱1,068.22 million in December 2022 to ₱1,252.41 million in 2023. The increase was due to the net effect of the following:

- Dividends declaration in December 7, 2023 amounting to ₱301.48 million payable in January 26, 2024.
- Income tax payable increased by ₱12.20 million or 66.9% from ₱18.25 million in 2022 to ₱30.44 million in 2023 due to higher taxable income for the current year.
- Additional ₱2.73 million for provision for mine rehabilitation and decommissioning.
- Retirement benefit liability increased by ₱3.75 million or 9.3% from ₱40.48 million in 2022 to ₱44.23 million in 2023.
- Loans payable decreased by ₱52.54 million or 65.4% from ₱80.35 million in 2022 to ₱27.8 million in 2023 due to the settlement of the loan principal.

Stockholders' Equity

The stockholders' equity decreased by ₱75.01 million from ₱4,872.38 million in 2022 to ₱4,797.37 million in 2023. The decrease pertains to the dividends declaration for the year.

Consolidated Cash Flow

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Cash provided by operating activities	₱338.63	₱714.98	(₱376.35)	(52.6%)
Cash provided by (used) in investing activities	(191.15)	(334.31)	(143.16)	(42.8%)
Cash provided by (used in) financing activities	(90.41)	(634.01)	(543.60)	(85.7%)

The cash provided by operating activities decreased by 52.60% from ₱714.98 million in 2022 to ₱338.63 million in 2023 due to the significant decline of revenue and collection.

In 2023, the decreased in net cash used in investing activities are primarily due to the additions in mine and mining properties amounting to ₱58.10 million as these were utilized in various stockyards in the form of matting and repair and maintenance of haulage road and causeway. Also, with an increased in other noncurrent asset amounting to ₱127.98 million coming from the input VAT subject for refund.

In 2023, the company's net cash provided in financing activities are mainly due to the settlement of principal loans payable during the year.

B. Discussion for 2022 and 2021 Financial Results

Results of Operations

	Audited (in million Pesos)		Increase (Decrease)	
	2022	2021	Amount	%
Revenues	₱3,067.49	₱3,891.59	(824.11)	(21.18%)
Cost of Sales	2,043.61	2,104.62	(123.05)	(5.68%)
Operating and Other Expenses	684.29	774.93	(28.60)	(4.01%)
Income (Loss) Before Income Tax	339.59	1,012.04	(672.46)	(66.45%)
Income Tax	137.00	255.60	(118.59)	(46.40%)
Net Income (Loss)	₱202.58	₱756.44	(553.86)	(73.22%)

Revenues

MMDC sold an aggregate of 1,672,957 wet metric tonnes (WMT) of nickel ore, or equivalent to 31 shipments of which 26 vessels are saprolite and 5 vessels are limonite for the year ended December 31, 2022, as compared to the year 2021 with a total of 2,085,746 WMT of nickel ore, or equivalent to 38 shipments of which all 25 vessels are saprolite and 13 vessels are limonite hence, registering a decline of 412,789 WMT. The regression of ore sales were due to the shortfall in number of shipments coupled with the weakening ore market and aggravation of fuel prices in the second half of 2022.

The company's total revenue in 2022 was ₱3,067.49 million which is notably lower by ₱824.11 million or 21.18% as compared to ₱3,891.59 million in 2021. The result of operations was a net income after tax of ₱202.58 million in 2022 resulting to a decrease of ₱553.86 million or 73.22% compared to 2021 with net income of ₱756.44 million.

The regression of profit was due to the shortfall in number of shipments coupled with the weakening ore market and aggravation of fuel prices in the second half of 2022.

Shipment details of volume and prices are as follows:

WMT

	2022	2021	Increase (decrease)
Limonite	263,397	696,484	(433,087)
Saprolite	1,409,560	1,389,262	20,298

Average Price per wmt (in US\$)

	2022	2021	Increase (decrease)
Limonite	\$26.42	\$25.39	\$1.03
Saprolite	\$33.52	\$43.10	(\$9.58)

Cost of Sales

Due to decrease in revenue, the Company's cost of sales decreased by ₱123.05 million or 5.68% from ₱2,166.66 million in 2021 to ₱2,043.61 million in 2022. The decline was mainly due to the lessening of contracted services and excise tax payments needed to produce and sell of ores.

Operating Expenses

The Company's total operating and other expenses in 2022 was ₱684.29 million, a decrease of ₱28.60 million or 4.01% as compared to ₱712.89 million in 2021. The decrease was due to the following:

- Interest expense decreased by ₱21.87 million or 43.28% due to the partial settlements of bank loans during the year.
- Provision for ECL decreased by ₱83.89 million or 52.63% due to the lower long overdue uncollected receivables from prior year sales subject for provision this year.
- Royalties decreased by ₱9.27 million or 22.69%. These expenses were computed and paid based on the percentage of gross sales.
- Depreciation expense decreased by ₱26.60 million or 64.85% due to most of the property and equipment were already fully depreciated.

The above decreases were partly offset by the following:

- Environmental expenses increased by ₱21.73 million or 23.73%, total amount of ₱113.32 million is in compliance with the required minimum of 3.0% of the direct mining cost of prior year to be allocated to mitigate environmental issues.
- Social Development Program increased by ₱10.77 million or 44.63%, total amount of ₱34.92 million in 2022 is in compliance with implementing rules and regulation of 1995 Phil. Mining Act, which requires that 1.5% of the operating cost of prior year be allocated for the development of host and neighboring mining communities
- Taxes and licenses increased by ₱10.56 million or 13.18% due to higher assessment of LGU business tax for 2021 gross revenue which is the basis in computing the business permit.
- Professional Fee increased by ₱10.97 million or 21.32% due to more consultancy and professional engagements.
- Representation increased by ₱52.67 million or 536.99% due to notable meetings/ dialogue with the stakeholders and clients.
- Outside services increased by ₱7.22 million or equivalent to 52.32% due to higher agency fee for the manpower requirements needed for the operations.

Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2022	2021	Amount	%
Assets	₱5,940.61	₱6,509.50	(₱569.03)	(8.74%)
Liabilities	1,068.22	1,844.52	(776.29)	(42.09%)
Stockholders' Equity	4,872.38	4,665.12	207.27	4.44%

Assets

The consolidated total assets of the Company decreased from ₱6,509.50 million as of December 31, 2021 to ₱5,940.61 million as of December 31, 2022. The 8.74% decrease was mainly due to the net effect of the following:

- Cash decreased by ₱254.16 million or 31.73% due lower number of shipments resulting to a decline of ore sales proceeds.
- Trade and other receivables decreased by ₱250.43 million or 71.22%, mainly due to the collection from sales and additional provision for uncollectible accounts.
- Ore inventory decreased by ₱46.19 million or 23.41% from ₱197.31 million in 2021 to ₱151.11 million in 2022. The decrease was mainly due to lower production towards the last quarter of the year.
- Net deferred tax assets decreased by ₱20.17 million or 38.66% due to the offsetting from the tax liabilities on the reconciliation ensuing to lower the tax dues for the year.
- Other noncurrent assets increased by ₱80.99 million or 20.07% mainly due to the increase of input vat from the direct mining cost.

Liabilities

As of December 31, 2022, the total liabilities of the Company decreased by ₱776.29 million or 42.09% from ₱1,844.52 million in December 2021 to ₱1,068.22 million in 2022. The decrease was due to the net effect of the following:

- Trade and other payables decreased by ₱171.91 million or 37.94%, primarily due to the insignificant advances from customers made from the last quarter of this year as compared of previous year.
- Loan payable decreased by ₱150.91 million due to the settlement of the loan principal.
- Dividends payable decreased by ₱371.46 million or 97.25% due to the dividends payment to the shareholders.
- Long-term debts decreased by ₱78.71 million primarily due to the payments of loans that matures within the maturity date.

Stockholders' Equity

The stockholders' equity increased by ₱207.27 million from ₱4,665.12 million in 2021 to ₱4,872.38 million in 2022. The increase pertains to the consolidated net income for the year.

Consolidated Cash Flow

	Audited (in million Pesos)		Increase (Decrease)	
	2022	2021	Amount	%
Cash provided by operating activities	₱714.98	₱1,060.72	(₱345.74)	(32.60%)
Cash provided by (used) in investing activities	(333.33)	(145.63)	(187.70)	128.88%
Cash provided by (used in) financing activities	(635.81)	(355.99)	(221.54)	(164.79%)

The cash provided by operating activities decreased by 32.60% from ₱1,060.72 million in 2021 to ₱714.98 million in 2022 due to the significant decline of income.

In 2022, the increased in net cash used in investing activities are primarily due to the additions in mine and mining properties amounting to ₱53.47 million as these were utilized in various stockyards in the form of matting, a meter-thick layer of nickel blanketing the ground to prevent dilution of the ore stockpile currently stored or beneficiated. Also, with an increased in other noncurrent asset amounting to ₱76.31 million coming from the input VAT od direct mining cost.

In 2022, the company's net cash provided in financing activities are mainly due to the payment of dividends payable during the year.

Financial Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2023 and December 31, 2022:

	2023	2022
Net Income	₱232,136,506	₱202,580,780
Current assets	898,183,945	917,225,555
Total assets	6,049,779,002	5,940,605,308
Current liabilities	598,529,310	395,222,778
Total liabilities	1,252,405,412	1,068,221,038
Stockholders' Equity	4,797,373,590	4,872,384,270
No. of common shares outstanding	3,014,820,305	3,014,820,305
	2023	2022
Current ratio ¹	1.50	2.32
Book value per share ²	1.59	1.62
Debt to equity ratio ³	0.26	0.22
Earnings per share ⁴	0.08	0.07
Return on assets ⁵	0.04	0.03

Note:

1. Current assets / current liabilities
2. Stockholder's Equity / Total outstanding number of shares
3. Total Liabilities / Stockholder's Equity
4. Net Income (Loss) / Total outstanding number of shares
5. Net income / average total assets

Other Information

Other material events and uncertainties known to management that would address the past and would have an impact on the Company's future operations are discussed below.

1. Except as disclosed in the management discussion and notes to the financial statements, there are no other known events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
2. Except as disclosed in the management discussion and notes to the financial statements, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from operations.
3. All significant elements of income or loss from continuing operations are already discussed in the management discussion and notes to financial statements. Likewise, any significant elements of income or loss that did not arise from the registrant's continuing operations are disclosed either in the management discussion or notes to financial statements.
4. There is no material off-balance sheet transaction, arrangement, obligation, and other relationship of the company with unconsolidated entities or other persons created during the reporting period.
5. The company does not expect any liquidity or cash problem within the next twelve months.
6. There no known trends, events or uncertainties that have had or that are reasonably expected to have material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described. If the registrant knows of events that will cause material change in the relationship between cost and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.
7. There are no significant elements of income or loss that did not arise from the registrant's continuing operations.
8. The Company's mining operations starts during dry season and ends during rainy season.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A. The management is not aware of any significant or material events or transactions not included nor disclosed in the consolidated financial statements in compliance with the SRC Rule 68.

ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

External Audit Fees and Services

	Year Ended December 31	
	2023	2022
Audit Fees	₱2,060,000	₱1,855,000
Audit-Related Fees	206,000	185,500
Total	₱2,266,000	₱2,040,500

Audit Fees. Represents professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2023 and 2022.

Audit-Related Fees. Represents the out-of-pocket expenses of the individuals who will perform the audit, it also includes postage and reproduction of Financial Statements as billed by the external auditor.

Tax Fees. Represents professional fees for tax advisory/consultation services rendered.

Audit services provided to the Company by external auditor have been pre-approved by the Audit Committee. The Audit Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.

Changes in and disagreements with Accountants on Accounting and financial Disclosure

There was no event in the past years where the external auditor and the Registrant had any disagreements with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Board of Directors and Executive Officers

Board of Directors and Executive Officers

The names, ages, citizenship, position and business experience of all directors and executive officers held for the past five (5) years (except those years stated otherwise) are as follows:

Name	Age	Citizenship	Position
Cesar C. Zalamea	94	Filipino	Chairman
Augusto C. Serafica, Jr.	62	Filipino	Director
Marianne Regina T. Dy	46	Filipino	Director
Carlos Alfonso T. Ocampo	58	Filipino	Independent Director
Kwok Yam Ian Chan	36	Filipino	Independent Director
Ruby K. Sy	71	Filipino	Director
Michael L. Escaler	73	Filipino	Director
Anthony M. Te	53	Filipino	Director
Andrew Julian K. Romualdez	23	Filipino	Director
Rolando S. Santos	73	Filipino	Chief Operating Officer and Executive Vice-President
Dale A. Tongco	59	Filipino	Treasurer
Roberto V. San Jose	82	Filipino	Corporate Secretary
Ana Maria A. Katigbak	55	Filipino	Asst. Corporate Secretary/Compliance Officer/Corporate Information Officer/ Data Privacy Officer
Rommel T. Casipe <i>(appointed effective July 25, 2023)</i>	36	Filipino	Co-Assistant Corporate Secretary/ Co-Compliance Officer/ Co-Corporate Information Officer

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Deborra C. Ilagan	60	Filipino	Vice-President for Human Resources / Administration
Ma. Theresa A. Defensor <i>(promoted effective September 1, 2023)</i>	56	Filipino	Vice President – Corporate Communications
Kenneth Peter D. Molave <i>(appointed on March 2, 2023 and resigned effective July 8, 2023)</i>	34	Filipino	MHI Co-Data Privacy Officer and Co-Assistant Corporate Secretary and MMDC Corporate Secretary
Reuben F. Alcantara <i>(retired effective March 12, 2023)</i>	40	Filipino	Senior Vice-President for Marketing/ Business Development and Strategic Planning
Maila G. De Castro <i>(resigned effective February 10, 2023)</i>	48	Filipino	Co-Asst. Corporate Secretary/Co-Compliance Officer/ Corporate Information Officer/ Data Privacy Officer and Vice President and Head for Legal

Mr. Cesar C. Zalamea was elected Chairman of Marcventures Holdings, Inc. (MHI) in June 2013. He served as the Company’s President from June 2013 to September 2014. He serves as Chairman of Marcventures Mining and Development Corp. (MMDC) and Bright Kindle Resources Inc. (formerly Bankard Inc.). He is an independent director of Araneta Properties Inc., a company he joined as Director in December 2008. He was a member of the Advisory Board of Campbell Lutyens & Co. Ltd., an investment advisory company based in the U.K., from July 2011 until June 2015. In 1945, Mr. Zalamea joined AIG where he started as an Investment Analyst at the Philippine American Life Insurance Company (Philamlife) and, later, its President in May 1969. While with Philamlife, he was called to serve the Program Implementation Agency (PIA) in 1964 as Deputy Director General. PIA was an economic group that reported directly to the President of the Philippines. He returned to Philamlife in 1965. In 1969, Mr. Zalamea was appointed Member of the Monetary Board of the Central Bank of the Philippines, representing the private sector. In 1981, he left Philamlife to become Chairman of the Development Bank of the Philippines, giving up his post in the Monetary Board. In 1986, he left the DBP to go back to AIG. He was then stationed in Hong Kong to be the first President of AIG Investment Corporation (Asia) Ltd. At this time, he was elected to serve as Director in many AIG affiliated companies in Asia, such as the AIA Insurance Co., Nan Shan Life Insurance Co., and Philamlife. He left AIG in 2005 to work directly with Mr. Maurice R. Greenberg at C.V. STARR Companies, where he was appointed President and CEO of Starr Investment Co. (Asia) Ltd. In 2008, he became its Chairman until he retired in 2010.

Mr. Zalamea obtained his BS in Accounting and Banking in 1951 from Colegio de San Juan de Letran, where he graduated valedictorian. In 1953, Mr. Zalamea received his MBA from New York University.

Mr. Augusto Antonio C. Serafica Jr. was elected as Director in June 2013. Mr. Serafica is currently the President and CEO of Bright Kindle Resources & Investments Corp and Armstrong Capital Holdings, Inc. He was formerly the President of Premiere Horizon Alliance Corporation and the Managing Director of Asian Alliance Investment Corporation and Asian Alliance Holdings & Development Corporation. He is currently the Treasurer of Ardent Property Development Corporation and First Ardent Development Corporation.

Mr. Serafica obtained a Bachelor of Commerce in Accountancy degree from San Beda College and master’s in business management from the Asian Institute of Management. Mr. Serafica is a Certified Public Accountant.

Mr. Serafica is also a member of the Board of Trustees of the AIM Scientific Research Foundation, Inc., President of the AIM Alumni Leadership Foundation, Inc., and is a former Treasurer of the Federation of

AIM Alumni Associations, Inc. and Chairman and Director of the Alumni Association of AIM – Philippines, Inc. He was also a former National Chairman of the Board of Trustees as well as a former National Treasurer of the Brotherhood of Christian Businessmen and Professionals (BCBP).

Ms. Marianne Regina T. Dy was elected Director in September 2014. She is the Vice President and Chief Operating Officer of So-Nice International Corporation and an active member of the Meat Importers and Traders Association (MITA). She is a graduate of De La Salle University with degrees in Psychology, Marketing Management, and Finance for Senior Executives from the Asian Institute of Management.

Atty. Carlos Alfonso T. Ocampo was elected as Independent Director in August 2013. He is also an independent director of Bright Kindle Resources & Investments, Inc. He is the founder of Ocampo & Manalo Law Firm, which was established in 1997. He is a member of the Board in various corporations, including MAA General Assurance Phils. Inc., South Forbes City College Corporation, Columbian Autocar Corporation, Asian Carmakers Corp., Jam Transit Inc., Prestige Cars Inc., Autohaus Quezon City Inc., and AVK Philippines, Inc. He is the Corporate Secretary of PSI Healthcare Development Services Corp., PSI Prescription Solutions Corp., Adrianse Phils. Inc., Bluelion Motors Corp., First Charters and Tours Transport Corp., Brycl Resorts and International Inc., AVK Philippines Inc., Jam Liner Inc., and Manila Golf and Country Club. He previously served as Vice President and General Counsel of Air Philippines Corporation. Atty. Ocampo obtained his Bachelor of Laws from the University of the Philippines. Upon graduation from college, he was admitted into the honor societies of Phi Kappa Phi and Pi Gamma Mu. He also completed an Executive Management Program at the Asian Institute of Management and earned Certificates from The Harvard Kennedy School of Government for the IME program in 2017 and MN program in 2016. In 2013, he was named as a leading adviser as well as a commercial law expert by Acquisition International and Global Law Experts, respectively.

Mr. Kwok Yam Ian Chan was elected as Independent Director on 25 September 2020. He is currently a Director of Zenith System and Heavy Equipment, Seaborne Shipping Inc., and Isky Empire Realty Inc. He is likewise a Director of Megalifters Cargo Handling Corp., King Dragon Realty Corp. and DK Ventures Inc. Previous to that, he was the Managing Director of Dunfeng Philippines International Inc. from 2010 to 2017. He was also the President of Dunfeng Shipping Inc. from 2013 to 2017 and served as a Director of Mannage Resource and Trading Inc. from 2015 to 2017. He obtained his master's degree in Economics majoring in Finance at California Polytechnic University. Mr. Chan graduated from DLSU - College of St. Benilde with a Bachelor of Science degree in Business Administration majoring in Export Management.

Ms. Ruby Sy was elected Director in April 2018. She previously served as President and Director of Asia Pilot Mining Philippines Corp. (APMPC), Director and Treasurer of Bauxite Resources, Inc. and Director and Treasurer of Alumina Mining Philippines Inc.

Mr. Michael L. Escaler was elected Director on November 14, 2014. He is the President and CEO of All Asian Countertrade Inc. known as the largest sugar trader in the Philippines, founded in 1994 in partnership with Louis Dreyfus and Nissho-Iwai. He is also the Chairman and President of PASUDECO Development Corp. ; Chairman and CEO of Sweet Crystals Integrated Mill Corporation and Okeelanta Corporation; Chairman of Balibago Waterworks System Inc., South Balibago Resources Inc., Megaworld Capital Town Inc., JSY Transport Services Inc., Aldrew and Gray Transport Inc., Silverdragon Transport Inc. and Metro Clark Waste Management Inc.; President of San Fernando Electric Light and Power Company Inc. and Stanwich Philippines Inc. He serves as an Independent Director of Lorenzo Shipping Corporation, Director of PowerSource Philippines Inc., Empire Insurance Company, Trinity Insurance Brokers Inc., Trinity Healthcare Services Inc., Omnigrains Trading Corporation and Leyte Agri Corporation.

A sugar trader in New York and London from 1974 to 1993, Mr. Escaler began his career at Nissho-Iwai of America for two years and left for ACLI International, one of the largest privately held trading company. Later on, he transferred to Philipp Brothers as Vice-President to head its white sugar trading

operations. Afterwards he started his own trading company in the Philippines. He is a Hall of Fame Sprinter for Ateneo de Manila University, where he graduated Cum Laude in Bachelor of Arts in Economics. He obtained his Master's in Business Administration in International Marketing in New York University.

A Philanthropist, Mr. Escaler supports various charities including Habitat for Humanity, Coca Cola Foundation, PGH Medical Foundation, Mano Amiga Academy, Productive Internships in Dynamic Enterprise (PRIDE), American Chamber Foundation Philippines Inc. and San Lorenzo Ruiz Charity.

Mr. Anthony M. Te was elected Director in October 2017 and has been a director of Marcventures Mining & Development Corp since August 2013. He is currently Chairman of the Board of Asian Appraisal Company, Inc., Amalgamated Project Management Services, Inc., Asian Asset Insurance Brokerage Corp. and AE Proteina Industries Corp. He serves as Chairman and Chief Finance Officer of Mactel Corp., and as Director and Treasurer for Manila Standard Today Management, Inc. Mr. Te is a licensed soliciting official for Non-Life Insurance with the Philippine Insurance Commission. He previously sat as director in the following companies: AG Finance, Inc. Balabac Resources & Holdings Co., Inc., Commonwealth Savings & Loans bank, EBECOM Holdings, Inc. Equitable PCI Bank, MRC Allied Industries, Inc., Oriental Petroleum & Minerals Corp., PAL Holdings, Inc., PGA Cars, Inc., and Phoenix Energy Corp. He obtained his Bachelor of Arts in Business Management from De La Salle University.

Mr. Andrew Julian K. Romualdez was elected as Director on 28 July 2022. He is also a Director of the Company's subsidiaries, namely: Marcventures Mining and Development Corporation, Alumina Mining Phils., Inc. Bauxite Resources, Inc. and Brightgreen Resources Corporation. He is currently a director of *listed companies*, Benguet Corp. (BC) and Bright Kindle Resources & Investments, Inc. (BKR). He is also a director of the BC's subsidiaries, namely: Benguetcorp Resources Management Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC), Benguetcorp Laboratories, Inc. (BCLI) and Benguet Management Corporation (BMC), and BKR's subsidiary, Brightstar Holdings and Development Inc. He is currently a director of Armstrong Securities, Inc. and Armstrong Capital Holdings, Inc. Mr. Romualdez graduated from Cornell University in 2022 with a Bachelor's Degree in International Agriculture and Rural Development.

Mr. Rolando S. Santos was elected Chief Operating Officer and Executive Vice-President in 29 September 2022. He was previously the Treasurer of the Company. He also serves as Treasurer for MMDC, Prime Media Holdings Inc., Southern Alluvial Minerals and Alumina Resources Inc., BrightGreen Resources Holdings Inc. and BrightGreen Resources Corp. and SVP Treasurer of Bright Kindle Resources and Investments, Inc. He previously served as Treasurer for AG Finance Inc., and was the Branch head/Cluster head of Branches for Banco De Oro from 2001 to 2013, Bank of Commerce from 1984 to 2001, Producers Bank of the Philippines from 1981 to 1984, and Far East Bank from 1972 and 1981. He obtained his degree in BS Business Administration from the University of the East.

Mr. Dale A. Tongco was appointed Treasurer in 29 September 2022. He was previously the Vice-President for Controllershship of the Company. He is also the Risk Management Officer of Prime Media Holdings Inc. and the VP Risk Management and and Chief Risk Officer of Bright Kindle Resources & Investments Inc. He is a Certified Public Accountant with extensive experience in Public Accounting Firms as External Auditor and with Corporations as an Internal Auditor and Risk Management Officer specifically in the areas of Fraud Management; ISO 9001 and 14001 Audit and Management; Process and Control Review; Policies and Procedures Documentation; Corporate Governance; and Finance and Treasury. His professional experience over 13 years includes stints in KPMG, Deloitte, Phil-Am-AIA, CP de Guzman & Co.-CPAs and Benguet Corporation.

Atty. Roberto V. San Jose is the Corporate Secretary of the Company and has held the office since 2010. He is also a Director, Corporate Secretary, or an officer of various companies which are clients of the law

firm of Castillo Laman Tan Pantaleon & San Jose, where he is a Senior Consultant. He is a member of the Integrated Bar of the Philippines.

Atty. Ana Maria A. Katigbak is the Assistant Corporate Secretary, Compliance Officer and Corporate Information Officer of the company and has held the office since 1997. She is a partner in Castillo, Laman, Tan, and Pantaleon & San Jose Law Offices. She is a member of the Integrated Bar of the Philippines.

Atty. Rommel T. Casipe was appointed Co-Assistant Corporate Secretary, Co-Compliance Officer and Co-Corporate Information Officer in July 2023. He is also the Co-Assistant Corporate Secretary of a listed company, Bright Kindle Resources & Investments, Inc. Atty. Casipe has been a member of the Integrated Bar of the Philippines since 2019. Before joining the Company, he served as the Compliance Officer of D.M. Wenceslao & Associates, Inc., a real estate company. He also worked as an associate lawyer in OPCN Law Offices specializing in Labor Law and Trademark Law. He obtained his bachelor's degree in Sport Science from the University of the Philippines and Law degree from the Far Eastern University.

Ms. Deborra C. Ilagan was appointed Vice President for Human Resource and Administration in October 2020. She has been a Human Resources practitioner for well over 20 years with solid background in various HR roles and office administration functions, as well as Finance. Her longest stint (1991-2014) was with Metro Drug, Inc. – a leading distributor of pharmaceutical and healthcare products – where she rose through the ranks from Management Services Supervisor, Treasury Supervisor, Assistant Manager, HR Manager, and Vice President for HR. She was instrumental in building the HR department's resources, led collective bargaining agreement negotiations from 2002 to 2013, and implemented 3 rightsizing and early retirement programs of the company. She transitioned to her role as Associate Director – Human Resources and Systems in 2017 at Pacific Cross Insurance, Inc. where she led overall HR operations.

Ms. Ma. Theresa A. Defensor was promoted to Vice President – Corporate Communications of Marcventures Holdings, Inc. on September 1, 2023. She was formerly Assistant Vice President for Corporate Communications and has been with the Company for over five years. Ms. Defensor is a Communications practitioner backed up with decades of experience in public relations, content creation, and media management. Prior to Marcventures Holdings Inc., she held key positions in top agencies Fleishman Hillard, Fuentes Manila, and Agatep and Associates. As a journalist, she wrote for Business World, Philippine Tatler and The Manila Chronicle. A certified Global Crisis Counselor, she majored in Journalism at the University of the Philippines and completed her graduate studies at the University of Santo Tomas and the Asian Institute of Management.

Atty. Kenneth Peter D. Molave was appointed Co-Data Privacy Officer and Co-Assistant Corporate Secretary in March 2023 and resigned on July 8, 2023. Atty. Molave is a practicing lawyer with experience in civil and criminal litigation, corporate law, corporate secretarial services, and business taxation. He was previously a Senior Legal Counsel of Marcventures Holdings Inc. (MHI). He was also the Co-Assistant Corporate Secretary of Bright Kindle Resources & Investments, Inc. He worked as an underbar associate assigned to the Business Tax Services division at the accounting firm, Sycip Gorres Velayo & Co. starting January 2017. Upon obtaining his license to practice law, he worked with the Legal Services Group of the Department of Finance. In 2018, he transferred to Libra Law Firm as a Junior Associate assigned to the litigation department. Atty. Molave holds a Legal Management degree from the Ateneo de Naga University and obtained his Juris Doctor from the University of the Philippines.

Mr. Reuben F. Alcantara is the Senior Vice President for Marketing and Business Development. He joined the Company in September 2013 and as Vice President for Marketing of Marcventures Mining and Development Corporation and retired on March 12, 2023. He previously served as the Vice President of Marketing for Bright Kindle Resources and Investments, Inc. and AG finance, Inc., as Relationship and Credit Officer for Security Bank and has had stints in Corporate Banking in Bank of

Commerce and Maybank Philippines. Mr. Alcantara obtained his Executive Master's in Business Administration Degree from the Asian Institute of Management in the year 2016.

Atty. Maila G. De Castro was appointed Vice President and Head of Legal and Appointed as MHI Co-Asst. Corp. Secretary/ Co-Compliance Officer/Co- Corporate Information Officer /Data Privacy Officer; Corp. Secretary for all MHI subsidiaries in August 2019 and resigned on February 10, 2023. She has earned her master's degree in Business Administration from the Asian Institute of Management (AIM) in 2006 and her Juris Doctor from the Ateneo de Manila School of Law in 2000 and was admitted to the Integrated Bar of the Philippine in year 2001. She completed her Bachelor of Arts in Mass Communications from the University of the Philippines in 1996.

Service Period of Directors and Executive Officers

The directors and executive officers should serve for a period of one (1) year.

Terms of Office for Directors

The nine (9) directors shall be stockholders and shall be elected annually by the stockholders owning majority of the outstanding capital stock for a term of one (1) year and shall serve until the election and qualification of their successors.

Any vacancy in the board of directors other than removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.

Significant Employees

The Company is not highly dependent on any individual who is not an executive officer.

Family Relationships

None.

Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

None.

ITEM 10. EXECUTIVE COMPENSATION

The following table summarizes certain information regarding compensation paid or accrued during the last three fiscal years and to be paid in the ensuing fiscal year to the Company's President and each of the Company's three other most highly compensated executive officers:

SUMMARY OF COMPENSATION TABLE

Positions	2023	2022	2021
Chairman, President, Corporate Secretary, Assistant Corporate Secretary and All Executive Officers	₱48,605,701	₱46,075,722	₱48,707,059

Compensation of key management personnel consists of salaries and other benefits.

The above executive officers are covered by standard employment contracts and can be terminated upon appropriate notice.

Non-executive Directors are entitled to a per diem allowance of ₱75,000 for each attendance in Regular Board meetings.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security ownership of certain record (“r”) and beneficial (“b”) owners of five percent (5%) or more of the outstanding capital stock of the Registrant as of December 31, 2023:

Title of Class	Name, address of record owner and relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based on new no. of Outstanding Shares)
Common	Ruby Sy	-	Filipino	168,615,000	5.59%
Common	PCD Nominee Corporation (registered owner in the books of the stock transfer agent)	Bright Kindle Resources & Investments Inc.	Filipino	600,000,000	19.9%
		Rodolfo Yu	Filipino	172,635,000	5.73%
		RYM Business Management Corp.	Filipino	309,999,946	10.28%
		Dy Family	Filipino	348,500,000	11.56%
		Except those enumerated above, the Company is not aware of other persons with lodged shares who are the beneficial owners of more than 5% of its outstanding capital stock. PCD authorizes its trading participants to vote the shares registered in their name.	Filipino	1,081,188,587	35.86%
TOTAL				2,680,938,533	88.93%

As of December 31, 2023, the foreign ownership level of Marcventures Holdings, Inc. (MARC) is 85,007,105 shares or equivalent to 2.82%

Security Ownership of Management – Record “r” and Beneficial “b” (direct/indirect) owners as of December 31, 2023:

Title of Class	Name of Beneficial Owner	Amount and nature of ownership (Indicate record (“r”) and/or beneficial (“b”))	Citizenship	Percent of Class
Common	Cesar C. Zalamea Chairman	1,000 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Marianne Regina T. Dy Director	1 “r” (direct) 5,999,999 “b” (indirect)	Filipino	0.00% 0.20%
Common	Carlos T. Ocampo Independent Director	1,000 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Augusto C. Serafica, Jr. Director	10,000 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Ruby Sy Director	168,615,000 “r” (direct) 0 “b” (indirect)	Filipino	5.59%
Common	Anthony M. Te Director	27,000,500 “r” (direct) 55,629,100 “b” (indirect)	Filipino	0.90% 1.85%
Common	Kwok Yam Ian Chan	1,000 “r” (direct) 0 “b” (indirect)	British	0.00%
Common	Michael L. Escaler Director	1 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Andrew Julian K. Romualdez Director	1,000 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Rolando S. Santos Chief Operating Officer and Executive Vice-President	1 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
	Roberto V. San Jose Corporate Secretary	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
Common	Ana Katigbak Asst. Corporate Secretary	0 “r” (direct) 150,000 “b” (indirect)	Filipino	0.00%
	Rommel T. Casipe Co-Asst. Corporate Secretary	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
	Dale A. Tongco Treasurer	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
	Deborra C. Ilagan VP HR/ Admin	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
	Ma. Theresa A. Defensor VP Corporate Communications	0 “r” (direct) 0 “b” (indirect)	Filipino	0.00%
		195,629,503 -“r” 61,779,099 - “b”		

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As of December 31, 2023, advances to and from related party transactions have an outstanding balance of ₱2.38 million and ₱5.0 million, respectively, which represents a non-interest-bearing unsecured loan payable on demand. Please refer to Note 14 on page 26 of the 2022 ACFS.

The Company retains the law firm of Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPS) where the corporate secretary, Atty. Roberto V. San Jose, is a senior partner. During the last fiscal year, the Company paid CLTPS legal fees which the Company believes to be reasonable.

The Company is involved in nickel mining operations in Surigao del Sur, through Marcventures Mining & Development Corporation. The mine is covered by ECC NO. 0807-022-1093 issued by the Department of the Environment and Natural Resources. Please refer to Note 1 of the 2023 ACFS.

Other than the foregoing, there has been no transaction outside of the ordinary course of business during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any director or executive officer of the Company, or owner of more than 10% of the Company's voting securities or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have had transactions with other companies in which some of the foregoing persons may have an interest.

ITEM 13. CORPORATE GOVERNANCE

This portion has been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013. The Corporate Governance report shall be filed separately.

PART IV - EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

Exhibits

Please see attached Audited Financial Statements of the Company for the years ended December 31, 2023, 2022 and 2021, and its 2023 Sustainability Report.

(b) Reports on SEC Form 17-C

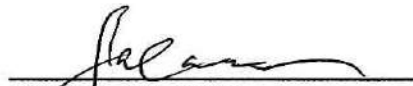
Items reported under SEC Form 17-C during the last six months covered by this report:

<u>Date of Report</u>	<u>Event Reported</u>
July 4, 2023	Notice of Annual Stockholders' Meeting
July 25, 2023	<ul style="list-style-type: none">• Results of the Annual Stockholders' Meeting held on July 25, 2023• Results of the Organizational Meeting of the Board of Directors held on July 25, 2023
September 22, 2023	Promotion of Ms. Ma. Theresa A. Defensor
December 7, 2023	Cash Dividend Declaration


SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on APR 18, 2024

By:


CESAR C. ZALAMEA
Chairman


ROLANDO S. SANTOS
Chief Operating Officer and Exec. Vice-President


DALE A. TONGCO
Treasurer


BEFORE ME, Notary Public for and in the above-named locality, personally appeared the following, with their respective residence certificates and competent evidence of identity, to wit:

<u>Name</u>	<u>Competence Evidence of Identity</u>	<u>Place Issued/Valid Until</u>
Cesar C. Zalamea	TIN 137-712-551	Makati City
Rolando S. Santos	TIN 127-551-084	Makati City
Dale A. Tongco	TIN 125-401-967	Makati City

known to me and to me known as the same persons who executed the foregoing 2023 SEC Form 17-A Annual Report, and they acknowledge to me that the same is their free and voluntary act and deed as well as of the corporations they respectively represent.

WITNESS MY HAND AND SEAL on the date and in the place above written.

Doc. No. 154
Page No. 32
Book No. III
Series of 2024.


KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0018666; 04/12/2022
IBP Membership No. 414793; 01/10/2024
PTR No. PC 8457508; 01/03/2024
4F BDO Towers, 6741 Paseo de Roxas, Makati City



Jommel Ramos <jommel.ramos@marcventures.com.ph>

Fw: Your BIR AFS eSubmission uploads were received

renita ty <renitasty2000@yahoo.com>
To: Jommel Ramos <jommel.ramos@marcventures.com.ph>

Tue, Apr 16, 2024 at 8:51 AM

Regards,

Renita S. Ty
Quezon City

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

From: "eafs@bir.gov.ph" <eafs@bir.gov.ph>
To: "renitasty2000@gmail.com" <renitasty2000@gmail.com>
Cc: "renitasty2000@yahoo.com" <renitasty2000@yahoo.com>
Sent: Monday, April 15, 2024 at 07:52:16 PM GMT+8
Subject: Your BIR AFS eSubmission uploads were received

Hi MARCVENTURES HOLINGS INC,

Valid files

- EAFS000104320RPTTY122023.pdf
- EAFS000104320ITRTY122023.pdf
- EAFS000104320AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-89EGHBL80B9LJ9E89NSXNNRX06L96EG9E**
Submission Date/Time: **Apr 15, 2024 07:52 PM**
Company TIN: **000-104-320**

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

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

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



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of Marcventures Holdings, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.


Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: 

CESAR C. ZALAMEA
Chairman of the Board

Signature: 

ROLANDO S. SANTOS
Chief Operating Officer and Executive Vice-President

Signature: 

DALE A. TONGCO
Treasurer

Signed this 14th day of March, 2024

SUBSCRIBED AND SWORN TO BEFORE ME this APR 12 day of 2024 in the City of Makati, affiant(s) exhibiting to their evidence of identity, as follows:

Names	Competent Evidence of Identity	Date of Issue	Place of Issue
Cesar C. Zalamea	137-712-551		
Rolando S. Santos	127-551-054		
Dale A. Tongco	125-401-967		

Doc. No. 133 ;
Page No. 28 ;
Book No. III ;
Series of 2024.



KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0015660; 04/12/2022
IBP Membership No. 414798; 01/10/2024
PTR No. PC 8457666; 01/03/2024
4F BDO Towers, 8741 Paseo de Roxas, Makati City

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Marcventures Holdings, Inc.
4th Floor, BDO Towers Paseo
8741 Paseo de Roxas Makati City

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Marcventures Holdings, Inc. (the Company), which comprise the separate statements of financial position as at December 31, 2023 and 2022, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

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

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



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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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



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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information on taxes and licenses in Note 19 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such information is the responsibility of the management of Marcventures Holdings, Inc. The information has been subjected to the auditing procedures applied in our audits of the basic separate financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 14, 2024

Makati City, Metro Manila

MARCVENTURES HOLDINGS, INC.
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱336,871,510	₱36,032,895
Dividends and other receivables	5	162,636,493	530,350,549
Advances to related parties	11	283,131,703	278,813,377
Other current assets	6	58,712,716	57,837,623
Total Current Assets		841,352,422	903,034,444
Noncurrent Assets			
Investments in subsidiaries	7	2,746,546,182	2,746,546,182
Property and equipment	8	51,531,054	75,270,660
Investment property	9	17,395,833	–
Other noncurrent assets		–	512,174
Total Noncurrent Assets		2,815,473,069	2,822,329,016
		₱3,656,825,491	₱3,725,363,460
LIABILITIES AND EQUITY			
Current Liabilities			
Dividends and other current liabilities	10	₱328,445,244	₱32,222,859
Advances from a related party	11	–	317,422,318
Total Current Liabilities		328,445,244	349,645,177
Noncurrent Liabilities			
Retirement benefit liability	12	6,622,613	1,705,885
Deferred tax liability	16	–	321,942
Total Noncurrent Liabilities		6,622,613	2,027,827
Total Liabilities		335,067,857	351,673,004
Equity			
Capital stock	13	3,014,820,305	3,014,820,305
Additional paid-in capital		269,199,788	269,199,788
Retained earnings		37,781,100	88,704,537
Remeasurement gain (loss) on retirement benefit liability	12	(43,559)	965,826
Total Equity		3,321,757,634	3,373,690,456
		₱3,656,825,491	₱3,725,363,460

See accompanying Notes to Separate Financial Statements.

MARCVENTURES HOLDINGS, INC.
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31		
		2023	2022	2021
DIVIDEND INCOME	7	₱301,482,029	₱–	₱–
RENTAL INCOME	15	1,380,000	300,000	–
INTEREST INCOME	4	686,029	39,981	7,823
OPERATING EXPENSES	14	(52,968,765)	(59,213,662)	(48,708,552)
INCOME (LOSS) BEFORE INCOME TAX		250,579,293	(58,873,681)	(48,700,729)
INCOME TAX EXPENSE	16	20,700	3,000	–
NET INCOME (LOSS)		250,558,593	(58,876,681)	(48,700,729)
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss -</i>	12			
Remeasurement gain (loss) on retirement benefit liability - net of deferred tax		(1,009,385)	316,899	44,217
Effect of change in tax rate		–	–	40,314
		(1,009,385)	316,899	84,531
TOTAL COMPREHENSIVE INCOME (LOSS)		₱249,549,208	(₱58,559,782)	(₱48,616,198)

See accompanying Notes to Separate Financial Statements.

MARCVENTURES HOLDINGS, INC.
SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2023	2022	2021
CAPITAL STOCK - ₱1 par value				
Authorized - 4,000,000,000 shares				
Issued, subscribed and outstanding	13	₱3,014,820,305	₱3,014,820,305	₱3,014,820,305
ADDITIONAL PAID-IN CAPITAL		269,199,788	269,199,788	269,199,788
RETAINED EARNINGS				
Balance at beginning of year		88,704,537	147,581,218	588,208,587
Net Income (loss)		250,558,593	(58,876,681)	(48,700,729)
Dividend declared	13	(301,482,030)	–	(391,926,640)
Balance at end of year		37,781,100	88,704,537	147,581,218
REMEASUREMENT GAINS (LOSSES) ON RETIREMENT LIABILITY - NET OF DEFERRED TAX				
Balance at beginning of year	12	965,826	648,927	564,396
Remeasurement gain (loss)		(1,009,385)	316,899	44,217
Effect of change in tax rate		–	–	40,314
Balance at end of year		(43,559)	965,826	648,927
		₱3,321,757,634	₱3,373,690,456	₱3,432,250,238

See accompanying Notes to Separate Financial Statements.

MARCVENTURES HOLDINGS, INC.
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		₱250,579,293	(₱58,873,681)	(₱48,700,729)
Adjustments for:				
Dividends income	7	301,482,029	–	–
Depreciation	14	6,411,835	6,058,385	6,190,340
Retirement benefit expense	12	6,085,401	373,986	442,728
Interest income	4	(686,029)	(39,981)	(7,823)
Operating income (loss) before working capital changes		563,872,529	(52,481,291)	(42,075,484)
Decrease (increase) in:				
Dividends and other receivables		367,714,056	12,832	20,250
Other current assets		(875,093)	(888,557)	(345,248)
Deferred input VAT		–	–	636,522
Decrease in other current liabilities		(5,259,645)	(6,379,265)	(199,136)
Net cash generated from (used for) operations		925,451,847	(59,736,281)	(41,963,096)
Contributions to plan asset	12	(2,500,000)	–	–
Interest received		686,029	39,981	7,823
Income tax paid		(20,700)	(3,000)	–
Net cash generated from (used in) operating activities		923,617,176	(59,699,300)	(41,955,273)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additional advances to related parties	11	(4,318,326)	(6,342,615)	(39,104,922)
Acquisition of property and equipment	8	(68,062)	(994,931)	–
Dividends received	7	(301,482,029)	–	215,739,789
Decrease in other noncurrent asset		512,174	–	–
Net cash provided by (used in) investing activities		(305,356,243)	(7,337,546)	176,634,867
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipt of advances from related parties		(317,422,318)	49,000,165	268,422,153
Dividends paid		–	(371,460,509)	–
Net cash provided by (used in) financing activities		(317,422,318)	(322,460,344)	268,422,153
NET INCREASE (DECREASE) IN CASH		300,838,615	(389,497,190)	403,101,747
CASH AT BEGINNING OF YEAR		36,032,895	425,530,085	22,428,338
CASH AT END OF YEAR		₱336,871,510	₱36,032,895	₱425,530,085
NONCASH FINANCIAL INFORMATION				
Dividend declaration	13	₱301,482,030	₱–	₱391,926,640

See accompanying Notes to Separate Financial Statements.

MARCVENTURES HOLDINGS, INC.

NOTES TO SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021

1. Corporate Information

General Information

Marcventures Holdings, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 7, 1957 with a primary purpose to acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to transfer any and all properties of every kind and description and wherever situated to the extent permitted by law provided it shall not engage in the business of an open-end or close-end investment company as defined in the Republic Act (R.A.) No. 2629, *Investment Company Act*, or act as a securities broker or dealer.

The Company's shares of stock were initially listed in the Philippine Stock Exchange, Inc. (PSE) on January 10, 1958. As at December 31, 2023 and 2022, the 3,014,820,305 shares of the Company's shares of stock, are listed in the PSE.

The following are the subsidiaries of the Company which are wholly-owned and accounted for under the cost method:

	Principal Place of Business	Status of Operations
Marcventures Mining and Development Corp. (MMDC)	Cantilan, Surigao del Sur	Operational
BrightGreen Resources Corporation (BGRC)	Carrascal, Surigao del Sur	Exploration Phase
Alumina Mining Philippines Inc. (AMPI)	Samar Island Natural Park (SINP)	Exploration Phase
Bauxite Resources Inc. (BARI)	Samar Island Natural Park (SINP)	Exploration Phase

All of the subsidiaries are incorporated in the Philippines and are engaged in mining operations.

Registered Address

The registered address of the Company is at 4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City.

Approval of Separate Financial Statements

The Company's separate financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issue by the Board of Directors on March 14, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The Company also prepares and issues consolidated financial statements for the same year as the separate financial statements. Users of these separate financial statements should read them together with the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the Group) in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole. The consolidated financial statements can be obtained in the registered office address of the Company or from SEC.

Measurement Bases

The separate financial statements are presented in Philippine Peso, which is the Company's functional currency. All amounts are in absolute values unless otherwise indicated.

The separate financial statements have been prepared on a historical cost basis (except retirement liability). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. The Company uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosures are included in Note 17, *Financial Risk Management Objectives and Policies*.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses

immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amended PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective or Adopted

Relevant amended PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

Under prevailing circumstances, the adoption of the foregoing amended PFRS issuances is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Financial asset or liability is recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability).

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Financial assets are derecognized when the right to receive cash flows from the asset has expired.

As at December 31, 2023 and 2022, the Company's cash and cash equivalents, dividends receivable, other receivables (excluding advances to officers and employees) and advances to related parties is considered as financial assets at amortized cost.

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

As at December 31, 2023 and 2022, the Company's advances from a related party, dividends payable and other current liabilities (excluding statutory payables) are classified financial liabilities at amortized cost.

Property and Equipment

Property and equipment, except land, are initially measured at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Cost also includes any asset retirement obligation and capitalized interest on borrowed funds used in the case of a qualifying asset.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expense in the period in which these are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	<u>Number of Years</u>
Building and improvements	5-20
Office furniture, fixtures and equipment	2-5
Computer equipment	5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation are credited or charged to current operations.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Investment Properties

Investment properties are stated at cost less accumulated depreciation and amortization and any impairment in value

Depreciation is calculated on a straight-line basis over 20 years as the estimated useful lives of the investment properties.

Transfers are made to investment properties when there are changes in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when there are changes in use, evidenced by commencement of owner-occupation, ending of operating lease or commencement of development with a view to sale.

Transfers between investment property, owner-occupied property and inventories do not change the carrying value of the property transferred and they do not change the cost of that property for measurement or disclosure purposes on the date of reclassification.

Investments in Subsidiaries

The Company's investments in subsidiaries are accounted for in the separate financial statements at cost less any impairment in value.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the subsidiaries after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost of the investment.

A subsidiary is an entity in which the Company has control. Specifically, the Company controls an investee if it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An assessment of the carrying amount of the investment in subsidiaries is performed when there is an indication that the investment has been impaired.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount, which is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction.

In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of any depreciation and depletion, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and depletion charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Equity

Capital Stock. Capital stock is measured at par value of the shares issued.

Additional Paid-in Capital (APIC). APIC is the excess over par value of consideration received for the subscription and issuance of shares of stock. Incremental costs directly attributable to the issuances of capital stock are recognized as a deduction from equity.

Retained Earnings. Retained earnings represent the cumulative balance of all current and prior period operating results, less any dividends declared in the current and prior periods.

Other Comprehensive Income (OCI). OCI comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. OCI pertains to remeasurement gain on retirement benefit liability.

Revenue Recognition

Dividend Income. Dividend income is recognized at declaration date of the Company's subsidiary.

Rental Income. Rental income is recognized on a straight-line basis over the lease term.

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Employee Benefits

Short-term Benefits. The Company provides short-term benefits to its employees in the form of basic 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits. The Company recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company has a non-contributory defined benefit plan covering all qualified employees. The retirement benefits expense is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, past service costs and interest cost in profit or loss. Interest cost is calculated by applying the discount rate to the retirement benefit liability.

Current service costs are the increase in the present value of the defined benefit obligation resulting from employee service and are recognized in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment; and the date that the Company recognizes restructuring related costs.

Net interest on the net retirement liability or asset is the change during the period in the net retirement liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net retirement liability or asset.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company nor can they be paid directly to the Company. Fair value of plan assets is based on market price information.

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding interest cost on retirement benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement benefit liability is the aggregate of the present value of the defined benefit obligation which is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the separate financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward benefits of unused MCIT and unused NOLCO can be utilized.

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as other comprehensive income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Transactions and Related Parties

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Company; (b) associates; and (c) individuals owning directly or indirectly, an interest in the voting power of the Company that give them significant influence over the Company and close members of the family of any such individual; and (d) members of the key management personnel of the Company.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

3. Significant Judgment, Accounting Estimates and Assumptions

PFRS requires management to make judgment, accounting estimates and assumptions that affect the amounts reported in the separate financial statements. The judgment, accounting estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgment

In the process of applying the Company's accounting policies, management has made certain judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Classification of a Property. The Company determines whether a property is classified as investment property or property and equipment as follows:

- Property and equipment comprise properties that are held for use in the ordinary course of business.
- Investment property is property not occupied and not used in the operations, nor for sale in the ordinary course of business, but are held primarily for earning rental income.

The carrying amounts of property, plant and equipment and investment property as at December 31, 2023 and 2022 are disclosed in Notes 8 and 9.

Evaluation of Lease Commitments - Company as Lessor. The Company has entered into operating lease agreements with a third party for the lease of office space. Considering that there will be no transfer of ownership of the leased properties to the lessees, the Company has determined that it retains all the significant risks and benefits of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

Rental income are disclosed in Note 14.

Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimating the Useful Lives of Property and Equipment and Investment Property. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in estimated useful lives of property and equipment in 2023 and 2022. The carrying amount of property and equipment are disclosed in Note 8.

Assessing the Impairment of Other Nonfinancial Assets. The Company assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

Recoverable amount of an asset is the higher of its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Company's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Based on management assessment, there are no impairment indicators on the Company's nonfinancial assets. Accordingly, no impairment loss was recognized in 2023, 2022 and 2021.

The carrying amounts of the Company's advances to officers and employees, other current assets (excluding financial assets), investment in subsidiaries, property and equipment and investment property are disclosed in Notes 6, 7, 8 and 9.

Estimating the Useful Lives of a Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in estimated useful lives of property and equipment in 2023, 2022, and 2021. The carrying amount of property and equipment are disclosed in Note 8.

Estimating Retirement Benefit Liability. The determination of the Company's retirement benefit obligation and costs is dependent on the selection by management of assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate.

Actual results that differ from the Company's assumptions are recorded as addition to or deduction from retirement benefit liability and recognized in profit or loss or other comprehensive income. One or more of the actuarial assumptions may differ significantly and as a result, the actuarial present value of the retirement benefit obligation estimated as at reporting date may differ significantly from the amount reported.

Retirement benefit expense and liability are disclosed in Note 11.

Contingencies. The Company is currently involved in various legal proceedings which the Company believes to have no material adverse effect on its financial position. It is possible however, that changes in estimates relating to these proceedings may materially affect the results of operations of the Company.

Recognizing Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

The Company's recognized and unrecognized deferred tax assets are disclosed in Note 16.

4. Cash and cash equivalents

This account consists of:

	2023	2022
Cash on hand	P9,708	P25,000
Cash in banks	4,196,502	36,007,895
Cash equivalents	332,665,300	–
	P336,871,510	P36,032,895

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the prevailing short-term investment rates.

Interest income earned from cash in bank and cash equivalents amounted to P686,029, P39,981, and P7,823 in 2023, 2022 and 2021, respectively.

5. Dividends and Other Receivables

This account consists of:

	Note	2023	2022
Dividends receivable	7	P162,334,441	P525,792,400
Advances to officers and employees		100,452	–
Others		201,600	4,558,149
		P162,636,493	P530,350,549

Advances to officers and employees are unsecured, noninterest-bearing and are subject to liquidation within one year.

Others include reimbursable expenses from third party and claims from regulatory agencies.

6. Other Current Assets

This account consists of:

	2023	2022
Prepaid income tax	P49,440,233	P49,400,933
Input VAT	8,864,134	8,231,509
Prepayments	–	205,181
Others	408,349	–
	P58,712,716	P57,837,623

7. Investments in Subsidiaries

This account consists of:

	2023	2022
MMDC	₱1,683,750,000	₱1,683,750,000
Acquired through merger:		
AMPI and BARI	612,027,480	612,027,480
BGRC	450,768,702	450,768,702
	₱2,746,546,182	₱2,746,546,182

Information about the Subsidiaries

The subsidiaries of the Company are all wholly-owned.

MMDC

MMDC was incorporated and registered with the SEC on January 18, 1995 primarily to engage and/or carry on the business of extracting, mining, smelting, refining and converting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and natural metallic or non-metallic resource.

MMDC's registered address is at Unit E, One Luna Place, E. Luna St., Butuan City, Agusan del Norte.

On November 20, 2023, MMDC declared cash dividends amounting to ₱301.5 million which was paid on December 1, 2023. Dividends receivable amounted to ₱162.3 million and ₱525.8 million as at December 31, 2023 and 2022 (see Note 5).

The credit facilities of MMDC are secured by a real estate mortgage on the condominium units of the Company, recorded under "Buildings and improvements".

MMDC has been receiving annual certifications from MGB that the Company is compliant with the terms and conditions of the MPSA and pertinent provisions of the R.A. no. 7942 or the Philippine Mining Act of 1995 and its implementing Rules and Regulations. MMDC has continued mining operations in areas covered in the MPSA.

BGRC

BGRC was incorporated and registered with the SEC on July 20, 1989 to engage in the mining business.

BGRC's registered office address is at 2nd Floor, One Luna Bldg., E. Luna St., Butuan City 8600.

On July 1, 1993, the DENR approved BGRC's application for MPSA No. 015-93-XI (SMR) covering an area of approximately 4,860 hectares located in the municipalities of Carrascal and Cantilan, Surigao del Sur. BGRC is undertaking its continuous exploratory drilling program to block mineral resources at indicated and measured category.

On April 11, 2022, MGB granted the extension of the 3rd Renewal of the Exploration Period (EP) of BRC for another period of two years effective from July 02, 2022 to July 01, 2024 to recover its unused term due to force majeure.

On July 13, 2023, BGRC have received from the MGB office a reply letter for intention to renew its MPSA agreement for another 25 years. The Company is now in the process and anticipative of obtaining the following permits, licenses, and approvals from the regulatory bodies:

- Free, Prior and Informed Consent and Certification Precondition from the National Commission on indigenous Peoples;
- Approval of the Declaration of Mining Project Feasibility from the MGB, including the required work programs: Environmental Protection and Enhancement Program, Social Development and Management Program, Safety and Health Program, Three (3)-Year Development/Utilization Work Program, Care and Maintenance Program and Project Feasibility Study; and
- Environmental Compliance Certificate from the Environmental Management Bureau.

AMPI

AMPI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business.

AMPI's principal address is at 4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City.

On December 5, 2002, the DENR approved AMPI's application for MPSA No. 179-2002-VIII-SBMR covering 6,694 hectares in the municipalities of San Jose de Buan and Paranas Samar in Eastern Visayas (Region VIII) valid for 25 years and renewable for another 25 years.

On July 04, 2023, AMPI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

BARI

BARI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business.

BARI's registered office address is at 4th Floor BDO Towers Paseo, Paseo de Roxas, Makati City.

On December 5, 2002, the DENR approved BARI's application for MPSA No. 180-2002-VIII-SBMR covering 5,519 hectares in the Municipalities of Gandara, San Jose de Buan, Matuguinao, and San Jorge, Province of Samar in Eastern Visayas (Region VIII) , valid for 25 years and renewable for another 25 years.

On July 04, 2023, BARI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

The summarized financial information of the subsidiaries are as follows:

	2023			
	MMDC	BGRC	AMPI	BARI
Current assets	₱646,051,891	₱4,007,185	₱3,680,922	₱565,075
Noncurrent assets	2,520,610,757	78,810,485	130,600,994	58,535,239
Current liabilities	424,518,257	153,713,605	107,175	1,289,070
Noncurrent liabilities	205,253,867	–	217,282,850	61,460,378
Equity (capital deficiency)	2,536,890,524	(70,895,935)	(83,108,109)	(3,649,134)
Revenue	2,005,237,006	–	–	–
Net income (loss)	300,524,272	(4,971,527)	(3,020,805)	(542,834)
Total comprehensive income (loss)	295,868,501	(4,971,527)	(3,020,805)	(542,834)
	2022			
	MMDC	BGRC	AMPI	BARI
Current assets	₱1,273,035,372	₱3,695,192	₱4,076,707	₱766,420
Noncurrent assets	2,374,711,009	77,490,832	131,178,398	58,605,924
Current liabilities	875,949,574	147,110,430	759,568	2,149,057
Noncurrent liabilities	229,292,754	–	214,582,841	60,329,587
Equity (capital deficiency)	2,542,504,053	(65,924,408)	(80,087,304)	(3,106,300)
Revenue	3,067,485,008	–	–	–
Net income (loss)	366,350,918	(19,015,114)	(3,863,375)	(1,088,462)
Total comprehensive income (loss)	370,719,989	(19,015,114)	(3,863,375)	(1,088,462)

8. Property and Equipment

The balances and movements in this account are as follows:

	Note	2023			Total
		Building and Improvements	Office Furniture, Fixtures and Equipment	Computer Equipment	
Cost					
Balances at beginning of year		₱125,665,001	₱5,997,751	₱985,040	₱132,647,792
Acquisitions		–	–	68,062	68,062
Reclassification	9	(25,000,000)	–	–	(25,000,000)
Balances at end of the year		100,665,001	5,997,751	1,053,102	107,715,854
Accumulated Depreciation					
Balances at beginning of year		51,549,187	5,827,945	–	57,377,132
Depreciation and amortization	14	4,799,073	163,485	199,277	5,161,835
Reclassification	9	(6,354,167)	–	–	(6,354,167)
Balances at end of year		49,994,093	5,991,430	199,277	56,184,800
Carrying Amount		₱50,670,908	₱6,321	₱853,825	₱51,531,054

	Note	2022			Total
		Building and Improvements	Office Furniture, Fixtures and Equipment	Computer Equipment	
Cost					
Balances at beginning of year		₱125,665,001	₱5,987,860	₱-	₱131,652,861
Acquisitions		-	9,891	985,040	994,931
Balances at end of the year		125,665,001	5,997,751	985,040	132,647,792
Accumulated Depreciation					
Balances at beginning of year		45,500,114	5,818,633	-	51,318,747
Depreciation and amortization	14	6,049,073	9,312	-	6,058,385
Balances at end of year		51,549,187	5,827,945	-	57,377,132
Carrying Amount		₱74,115,814	₱169,806	₱985,040	₱75,270,660

Fully depreciated property and equipment with cost of ₱10.3 million as at December 31, 2023 and 2022 are still being used by the Company and retained in the accounts.

A real estate mortgage was executed on the condominium units of the Company to secure the credit facilities of MMDC, recorded under "Buildings and improvements" (see Note 19).

Depreciation and amortization of property and equipment is as follows:

	Note	2023	2022	2021
Property and equipment		₱5,161,835	₱6,058,385	₱6,190,340
Investment property	9	1,250,000	-	-
		₱6,411,835	₱6,058,385	₱6,190,340

9. Investment Property

The Company's investment property pertains to the portion of its office space which is under lease with a third party. The movements in the account follows:

	Note	2023
Cost		
Balances at beginning of year		₱-
Reclassification	8	25,000,000
Balances at end of year		25,000,000
Accumulated Depreciation		
Balances at beginning of year		-
Reclassification	8	6,354,167
Depreciation	8	1,250,000
Balances at end of year		7,604,167
Net Carrying Amount		₱17,395,833

Rental income earned from investment property amounted to in ₱1,380,000 and ₱300,000 in 2023 and 2022, respectively (see Note 15).

The Company assessed that the fair value of its investment property approximates its original cost. The estimate is based on level 3 in the fair value hierarchy.

10. Dividends and Other Current Liabilities

This account consists of:

	Note	2023	2022
Dividend payables	11	₱311,966,875	₱10,484,846
Statutory payables		11,373,017	11,811,703
Accrued expenses		3,609,505	8,471,366
Others		1,495,846	1,454,944
		₱328,445,243	₱32,222,859

Statutory payables include deferred output VAT, other taxes payable and mandatory contributions. These are normally settled within one month after the end of the reporting period.

Accrued expenses primarily pertain to utilities which are normally settled within 30 days after the end of the reporting period.

Others include advances from a former related party.

11. Related Party Transactions

Transactions with related parties are summarized below:

	Transactions during the Year		Outstanding Balances		Nature
	2023	2022	2023	2022	
Dividends receivable					
<i>Subsidiary</i>	₱301,482,029	₱-	₱162,334,441	₱525,792,400	Dividends
Advances to related parties					
<i>Subsidiaries</i>	₱4,318,326	₱6,342,615	₱198,131,703	₱193,813,377	Working fund
	-	-	85,000,000	85,000,000	Management fee
			₱283,131,703	₱278,813,377	
Dividends payable*					
<i>Stockholders</i>	₱301,482,029	₱371,460,509	₱311,966,875	₱10,484,846	Dividends
Advances from a related party					
<i>Subsidiary</i>	₱-	₱49,000,165	₱-	₱317,422,318	Working fund

*Balance is net of final withholding tax

Outstanding balances are unsecured, noninterest bearing, and payable on demand in cash.

Compensation of Key Management Personnel

Compensation of key management personnel which consists of salaries and other benefits, amounted to ₱15.8 million, ₱6.9 million and ₱7.0 million in 2023, 2022 and 2021, respectively. Retirement benefit expense of key management personnel amounted to nil, ₱0.1 million, and ₱0.3 million and in 2023, 2022 and 2021, respectively.

12. Retirement Benefit Liability

The Company has an unfunded, noncontributory defined benefit plan covering all its permanent employees. Under this plan, the employees are entitled to retirement benefits ranging from 50% to 200% of the final monthly salary for each year of credited service. This plan is in accordance with R.A. No. 7641, which mandates a minimum retirement benefit equivalent to one-half month salary per year of service.

An independent actuary conducted a valuation of the retirement benefit obligation using the projected unit credit method. The latest actuarial valuation is for the year ended December 31, 2023.

The components of retirement benefit expense presented under "Operating expenses" account in profit or loss are as follows (see Note 14):

	2023	2022	2021
Transferred DB obligation	₱5,642,113	₱-	₱-
Current service cost	445,150	288,019	₱394,481
Net interest cost	(1,862)	85,967	48,247
	₱6,085,401	₱373,986	₱442,728

Transferred defined benefit obligation pertains to transferred employees from MMDC to MHI.

The components of net retirement benefit liability presented in the separate statements of financial position are as follows:

	2023	2022
Retirement benefit liability	₱9,254,293	₱1,705,885
Fair value of plan asset	2,631,680	-
	₱6,622,613	₱1,705,885

Movements in the present value of retirement benefit liability are as follows:

	2023	2022
Balance at beginning of year	₱1,705,885	₱1,754,431
Retirement benefit expense recognized in profit or loss:		
Transferred defined benefits obligation	5,642,113	-
Current service cost	445,150	288,019
Interest cost	129,818	85,967
Remeasurement losses (gains) recognized in OCI:		
Changes in financial assumptions	617,927	(586,177)
Deviations of experience from assumptions	713,400	163,645
Balance at end of year	₱9,254,293	₱1,705,885

Movements in the fair value of plan assets in 2023 are as follows:

Balance at beginning of year	₱-
Employer contribution	2,500,000
Gain on plan assets	131,680
Balance at end of year	₱2,631,680

The components of the Company's plan assets as at December 31, 2023 are as follows:

Cash	1.46%
Investments in debt securities	93.15%
Investments in unit investment trust fund	5.39%
	<u>100.00%</u>

The principal actuarial assumptions used to determine retirement benefit liability are as follows:

	2023	2022
Discount rate	6.25%	7.61%
Salary increase rate	4.00%	4.00%

The plan exposes the Company to actuarial risks, such as interest rate risk and salary rate risk. Sensitivity analysis on retirement benefit liability as at December 31, 2023 is as follows:

	Change in basis points	Effect on defined benefit obligation
Discount rate	+1%	(₱254,761)
	-1%	348,964
Salary increase rate	+1%	351,762
	-1%	(278,328)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit liability at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged.

The changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed more responsible.

The cumulative remeasurement gain recognized in other comprehensive income (loss) follows:

	2023		
	Cumulative Remeasurement Gain (Loss)	Deferred Tax Liability (Asset)	Net Remeasurement Gain (Loss)
Balance at beginning of year	₱1,287,768	₱321,942	₱965,826
Actuarial loss	(1,331,327)	(321,942)	(1,009,385)
Balance at end of year	(₱43,559)	₱-	(₱43,559)
	2022		
	Cumulative Remeasurement Gain	Deferred Tax Liability	Net Remeasurement Gain
Balance at beginning of year	₱865,236	₱216,309	₱648,927
Actuarial gain	422,532	105,633	316,899
Balance at end of year	₱1,287,768	₱321,942	₱965,826

The maturity analysis of the undiscounted benefit payments as at December 31, 2023 follow:

Less than one (1) year	₱73,743
One (1) year to less than five (5) years	667,940
Five (5) years to less than 10 years	2,403,726
10 years and above	16,314,537
	₱19,459,946

The average duration of the expected benefit payments at the end of the reporting period is 13 years.

13. Equity

Capital Stock

As at December 31, 2023, 2022 and 2021, the authorized capital stock with ₱1 par value remained at 4,000,000,000 shares while issued, subscribed and outstanding capital stock at 3,014,820,305 shares.

Retained Earnings

Cash dividends declared by the Company are as follows:

Date Approved	Per Share	Total Amount	Stockholders of Record Date	Payment Date
December 7, 2023	₱0.10	₱301,482,030	January 12, 2024	January 26, 2024
November 19, 2021	0.13	391,926,640	December 07, 2021	January 04, 2022
November 14, 2014	0.15	273,203,790	December 19, 2014	January 16, 2015
September 19, 2014	0.15	273,203,790	October 1, 2014	October 22, 2014

Dividends payable amounted to ₱312.0 million and ₱10.5 million as at December 31, 2023 and 2022, respectively (see Note 10).

14. Operating Expenses

This account consists of:

	Note	2023	2022	2021
Professional fees		₱17,772,883	₱22,661,462	₱15,970,833
Salaries and allowances		15,882,273	19,712,637	17,159,973
Depreciation and amortization	8	6,411,835	6,058,385	6,190,340
Retirement benefit expense	12	6,085,401	373,986	442,728
Insurance expense		2,227,071	2,318,438	1,222,162
Outside services		1,868,538	2,436,981	1,811,663
Dues and subscriptions		1,031,581	3,023,017	3,000,082
Taxes and licenses		277,251	50,100	77,580
Others		1,411,932	2,578,656	2,833,191
		₱52,968,765	₱59,213,662	₱48,708,552

The depreciation expense is composed of property and equipment and investment property amounting to ₱5.2 million and ₱1.3 million, respectively, for 2023.

15. Lease Commitments

Operating Lease Agreements - Company as a Lessor

In 2022, the Company has entered into an operating lease agreement with a third party for the lease of office space. The lease agreement has a term of 10 years with a scheduled escalation over the ten-year period. Considering that there will be no transfer of ownership of the leased property to the lessee, the Company has determined that it retains all the significant risks and benefits of ownership of the property. Accordingly, the lease is accounted for as an operating lease.

Rental income amounted to ₱1.4 million and ₱0.3 million in 2023 and 2022, respectively.

Future minimum lease receivables under the non-cancellable operating lease are as follows:

	2023
Within one year	₱1,440,000
After one year but not more than five years	7,941,839
Five years and above	5,914,528
	₱15,296,367

16. Income Taxes

The Company's current income tax expense amounting to ₱20,700 and ₱3,000 in 2023 and 2022, respectively, pertains to minimum corporate income tax (MCIT).

Details of unrecognized deferred tax assets are as follows:

	2023	2022
NOLCO	₱54,838,614	₱42,837,773
Retirement benefit liability	1,644,764	748,413
MCIT	23,700	3,000
	₱56,507,078	₱43,589,186

Management assessed that it may not be probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Details of NOLCO are as follows:

Year Incurred	Expiry Date	Amount	Incurred	Expired	Balance
2023	2026	₱-	₱48,003,364	₱-	₱48,003,364
2022	2025	58,309,537	-	-	58,309,537
2021	2026	47,971,353	-	-	47,971,353
2020	2025	65,070,203	-	-	65,070,203
		₱171,351,093	₱48,003,364	₱-	₱219,354,457

On September 30, 2020, BIR issued the RR No. 25-2020 to implement Section 4 of R.A. No. 11494, otherwise known as “Bayanihan to Recover as One Act”. This RR provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 are to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of Excess MCIT over RCIT of the Company are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2023	2026	₱20,700	₱–	₱–	₱20,700
2022	2025	3,000	–	–	3,000
		₱23,700	₱–	₱–	₱23,700

The reconciliation of income tax benefit computed at the applicable statutory tax rate to the income tax expense shown in the separate statements of comprehensive income is as follows:

	2023	2022	2021
Income tax at statutory rate	₱62,644,823	(₱14,718,420)	(₱12,175,182)
Change in unrecognized deferred tax assets	12,917,892	(3,545,554)	(17,787,444)
Effect of change in tax rate	–	–	10,820,364
Add (deduct) income tax effects of:			
Dividend income not subject to tax	(75,370,508)	–	–
Interest income subjected to final tax	(171,507)	(9,995)	(1,957)
Nondeductible expense	–	57,535	73,618
Expired NOLCO	–	18,219,434	19,070,601
	₱20,700	₱3,000	₱–

17. Financial Risk Management Objectives and Policies

General

The Company has financial risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company’s objectives are achieved. The Company’s risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company’s established business objectives.

Financial Risk Management Objectives and Policies

The Company’s principal financial instruments consist of cash and cash equivalents, dividends receivable and other receivables (excluding advances to officers and employees), advances to related parties, dividends payable and other current liabilities (excluding statutory payables) and advances from a related party. The primary purpose of these financial instruments is to finance the Company’s operations. The main risks arising from the use of these financial instruments are credit risk and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Credit Risk. Credit risk arising from the inability of counterparty to meet the terms of the Company's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Company. The Company established controls and procedures on its credit policy to determine and monitor the credit worthiness of counterparties.

As at December 31, 2023 and 2022, the Company's exposure to credit risk relates to its cash in banks and cash equivalents, dividends and other receivables, and advances to related parties.

Cash in banks and cash equivalents are classified as high grade since these are deposited in reputable banks having good credit rating and low probability of insolvency. While dividends receivable and advances to related parties is classified under high grade because these are from counterparties who pay their accounts and who have the financial capacity to pay. Standard grade receivables are other receivables for which settlement will be from the government agency or other third party.

Liquidity Risk. The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements, including debt principal and interest payments. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies.

As at December 31, 2023 and 2022, the Company's financial liabilities relates to dividends and other current liabilities (excluding statutory payables).

Fair Value of Financial Assets and Liabilities

Due to the short-term nature of cash and cash equivalents, dividends and other receivables (excluding advances to officers and employees), advances to related parties, dividends and other current liabilities (excluding statutory payable) and advances from related party, their carrying values approximate fair values at year-end.

18. Capital Management Objectives, Policies and Procedures

The Company considers its capital stock and APIC aggregating ₱3,284.02 million as at December 31, 2023 and 2022, as its core capital. The Company maintains its current capital structure and makes adjustments to it, if necessary, to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

There were no changes in the Company's objectives, policies or processes in 2023 and 2022.

19. Commitments

In 2021, MMDC entered into a six (6)-year ₱208.0 million term loan facility agreement with a local bank secured partly by a real estate mortgage on the Company's property and equipment. The loan is subject to an interest floor rate of 6% or prevailing interest rate at loan drawdown, whichever is higher. A real estate mortgage was executed on the condominium units of the Company to secure the credit facilities of its subsidiary (see Note 8).

20. Supplemental Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

The information required for 2023 by the above regulation is presented below.

Output VAT

Output VAT declared by the Company and the gross amount of income for the year ended December 31, 2023 amounted to ₱144,000 and ₱1,200,000, respectively.

Input VAT

Movements in input VAT for the year ended December 31, 2023 are shown below.

Balance at beginning of year	₱8,231,509
Input tax deferred on capital goods from previous period	107,692
Add:	
Domestic purchases of services	652,106
Domestic purchase of goods other than capital goods	16,826
Less:	
Applied to output VAT	144,000
<u>Balance at end of year</u>	<u>₱8,864,133</u>

All Other Local and National Taxes

All other local and national taxes paid and accrued for the year ended December 31, 2023 consist of the following:

Documentary stamp tax	₱233,850
Business tax	22,603
SEC filing fees	1,040
Others	19,758
	<u>₱277,251</u>

All other local and national taxes are presented as part of "Taxes and licenses" under "Operating expenses" account in the separate statements of comprehensive income.

Withholding Taxes

Withholding taxes paid and accrued (and/or withheld) for the year ended December 31, 2023 consist of:

	Paid	Accrued
Withholding tax on compensation	₱1,437,624	₱164,698
Expanded withholding tax	1,480,261	307,625
	<u>₱2,917,885</u>	<u>₱472,323</u>

Accrued withholding taxes are presented as part of "Statutory payables" under "Dividends and other current liabilities" account in the separate statements of financial position.

Tax Assessments and Cases

The Company has no outstanding tax assessments and tax cases as at December 31, 2023.

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 2 9 4 2

COMPANY NAME

M A R C V E N T U R E S H O L D I N G S , I N C . A N D S U B S I D I
A R I E S

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

4 t h F l o o r , B D O T o w e r s P a s e o , 8 7 4 1 P a s e o
d e R o x a s , M a k a t i C i t y

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

rommel.casipe@marcventures.com.ph

Company's Telephone Number/s

(02) 8831-4479

Mobile Number

0917-187-5742

No. of Stockholders

2,177

Annual Meeting (Month / Day)

last Friday of July
of each year

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Rolando S. Santos

Email Address

rolly.santos@marcventures.com.ph

Telephone Number/s

(02) 8831-4479

Mobile Number

0998-985-0229

CONTACT PERSON'S ADDRESS

4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

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

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

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

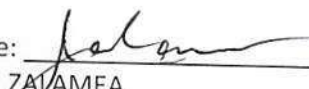
The management of Marcventures Holdings, Inc. and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.


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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: 
CESAR C. ZALAMEA
Chairman of the Board

Signature: 
ROLANDO S. SANTOS
Chief Operating Officer and Executive Vice-President

Signature: 
DALE A. TONGCO
Treasurer

Signed this 14th day of March, 2024

SUBSCRIBED AND SWORN TO BEFORE ME this APR 12 2024 day of _____ in the City of Makati, affiant(s) exhibiting to their evidence of identity, as follows:

Names	Competent Evidence of Identity	Date of Issue	Place of Issue
Cesar C. Zalamea	137-712-551		
Rolando S. Santos	127-551-054		
Dale A. Tongco	125-401-967		

Doc. No. 177 ;
Page No. 29 ;
Book No. III ;
Series of 2024.



KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0018666; 04/12/2022
IBP Membership No. 414799; 01/10/2024
PTR No. PC 8457508; 01/03/2024
4F BDO Towers, 5741 Paseo de Roxas, Makati City

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Marcventures Holdings, Inc. and Subsidiaries
4th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

Opinion

We have audited the consolidated financial statements of Marcventures Holdings, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Mining Rights and Deferred Exploration Costs

The Group's mining rights and deferred exploration costs pertaining to mining areas that are still under exploration phase amounted to ₱1.6 billion and ₱0.2 billion as at December 31, 2023, respectively. The ability of the Group to recover its mining rights and deferred exploration costs would depend on the discovery of commercially viable quantities of mineral resources and of extracting the resulting ore reserves. This is a key audit matter because of the significance of the combined carrying amount of the mining rights and deferred exploration cost as it represents 30% of the total assets of the Group and the significant management judgment required in assessing whether there is any indication of impairment on these accounts.



We obtained management's assessment on whether there are any indications that the mining rights and deferred exploration costs may be impaired. We reviewed the Group's Mineral Production Sharing Agreement, including permits and licenses for each exploration project, to determine that the period to which the Group has rights to explore in the specific area has not expired and the Group has the right to renew the agreement and permits after expiration. We reviewed the Group's budget for exploration and development costs. We also assessed the adequacy of the disclosures in the consolidated financial statements.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



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

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

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

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



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

The engagement partner on the audit resulting in this independent auditors' report is Carolina P. Angeles.

REYES TACANDONG & CO.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 14, 2024

Makati City, Metro Manila

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱603,877,818	₱546,893,643
Trade and other receivables	5	22,310,475	101,197,320
Advances to related parties	14	2,383,253	26,280,675
Inventories	6	169,124,694	151,114,261
Other current assets	7	100,487,705	91,739,656
Total Current Assets		898,183,945	917,225,555
Noncurrent Assets			
Property and equipment	8	140,927,905	179,647,033
Investment property	9	17,395,833	–
Mining rights and other mining assets	10	4,339,841,259	4,327,257,856
Net deferred tax assets	21	16,266,227	31,990,307
Other noncurrent assets	11	637,163,833	484,484,557
Total Noncurrent Assets		5,151,595,057	5,023,379,753
		₱6,049,779,002	₱5,940,605,308
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	₱223,313,444	₱281,209,564
Current portion of loans payable	13	27,804,328	80,345,623
Advances from related parties	14	5,000,000	4,936,715
Dividends payable	17	311,966,875	10,484,846
Income tax payable		30,444,663	18,246,030
Total Current Liabilities		598,529,310	395,222,778
Noncurrent Liabilities			
Loans payable - net of current portion	13	104,800,529	130,401,077
Provision for mine rehabilitation and decommissioning	15	62,847,468	60,122,100
Retirement benefit liability	16	44,228,484	40,475,462
Deferred tax liability	21	441,999,621	441,999,621
Total Noncurrent Liabilities		653,876,102	672,998,260
Total Liabilities		1,252,405,412	1,068,221,038
Equity			
Capital stock	17	3,014,820,305	3,014,820,305
Additional paid-in capital	17	269,199,788	269,199,788
Retained earnings		1,478,425,453	1,547,770,977
Cumulative remeasurement gains on retirement benefit liability - net of deferred tax	16	34,928,044	40,593,200
Total Equity		4,797,373,590	4,872,384,270
		₱6,049,779,002	₱5,940,605,308

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31		
		2023	2022	2021
NET SALES		₱2,050,416,186	₱3,067,485,008	₱3,891,592,774
COST OF SALES	18	1,203,096,120	2,043,607,876	2,166,660,973
GROSS INCOME		847,320,066	1,023,877,132	1,724,931,801
OPERATING EXPENSES	19	507,165,400	692,669,901	689,934,226
INTEREST EXPENSE	13	(15,055,521)	(26,859,047)	(50,525,191)
INTEREST INCOME	4	10,303,511	799,726	601,633
OTHER INCOME - Net	20	3,056,154	34,437,260	26,966,806
INCOME BEFORE INCOME TAX		338,458,810	339,585,170	1,012,040,823
INCOME TAX EXPENSE	21	106,322,304	137,004,390	255,597,967
NET INCOME		232,136,506	202,580,780	756,442,856
OTHER COMPREHENSIVE INCOME (LOSS)	16			
<i>Not to be reclassified to profit or loss -</i>				
Remeasurement gain (loss) on retirement				
benefit liability - net of deferred income				
tax		(5,665,156)	4,685,970	4,022,392
TOTAL COMPREHENSIVE INCOME		₱226,471,350	₱207,266,750	₱760,465,248
Basic and diluted earnings per share	23	₱0.077	₱0.067	₱0.251

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2023	2022	2021
CAPITAL STOCK - ₱1 par value	17			
Authorized - 4,000,000,000 shares				
Issued and outstanding		₱3,014,820,305	₱3,014,820,305	₱3,014,820,305
ADDITIONAL PAID-IN CAPITAL	17	269,199,788	269,199,788	269,199,788
RETAINED EARNINGS				
Balance at beginning of year		1,547,770,977	1,345,190,197	980,673,981
Dividends	17	(301,482,030)	–	(391,926,640)
Net income		232,136,506	202,580,780	756,442,856
Balance at end of year		1,478,425,453	1,547,770,977	1,345,190,197
CUMULATIVE REMEASUREMENT GAINS ON RETIREMENT BENEFIT LIABILITY - NET OF DEFERRED TAX	16			
Balance at beginning of year		40,593,200	35,907,230	31,884,838
Remeasurement gain (loss)		(5,665,156)	4,685,970	4,022,392
Balance at end of year		34,928,044	40,593,200	35,907,230
		₱4,797,373,590	₱4,872,384,270	₱4,665,117,520

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱338,458,810	₱339,585,170	₱1,012,040,823
Adjustments for:				
Depletion	10	45,522,156	273,600,030	197,202,195
Depreciation and amortization	8	25,548,962	26,704,408	47,225,847
Interest expense	13	15,055,521	26,859,047	50,525,191
Interest income	4	(10,303,511)	(799,726)	(601,633)
Retirement expense	16	8,214,000	8,474,663	8,322,247
Provision for mining supplies obsolescence	7	532,856	–	15,558,092
Unrealized foreign exchange loss (gain)		84,244	(10,355,208)	(2,852,800)
Provision for expected credit loss	5	–	75,516,127	159,402,782
Operating income before working capital changes		423,113,038	739,584,511	1,486,822,744
Decrease (increase) in:				
Trade and other receivables		78,886,845	185,990,572	32,510,155
Inventories		(18,010,433)	46,194,875	(70,091,352)
Other current assets		(9,280,905)	32,089,480	(6,575,154)
Increase (decrease) in trade and other payables		(57,896,120)	(169,622,743)	26,023,135
Net cash generated from operations		416,812,425	834,236,695	1,468,689,528
Income tax paid		(76,525,726)	(119,243,889)	(410,145,997)
Retirement benefits paid	16	(12,000,000)	(907,210)	–
Interest received		10,303,511	799,726	601,633
Net cash provided by operating activities		338,590,210	714,885,322	1,059,145,164
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Mining rights and other mining assets	10	(58,105,559)	(208,220,899)	(154,749,413)
Property and equipment	8	(4,225,667)	(29,588,863)	(14,619,094)
Decrease (increase) in:				
Other noncurrent assets		(152,679,276)	(80,986,815)	(4,676,612)
Advances to related parties		23,897,422	(15,513,634)	28,412,516
Net cash used in investing activities		(₱191,113,080)	(₱334,310,211)	(₱145,632,603)

(Forward)

		Years Ended December 31		
	Note	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loans	13	(₱79,682,643)	(₱239,281,882)	(₱362,778,837)
Interest	26	(12,330,153)	(26,543,903)	(43,982,710)
Dividends		–	(371,460,509)	–
Proceeds from availment of loans	13	1,540,800	9,660,396	179,728,730
Increase (decrease) in advances from related parties		63,285	(6,381,887)	(128,954,072)
Net cash used in financing activities		(90,408,711)	(634,007,785)	(355,986,889)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		57,068,419	(253,432,674)	557,525,672
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(84,244)	(725,527)	1,575,098
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		546,893,643	801,051,844	241,951,074
CASH AND CASH EQUIVALENTS AT END OF YEAR		₱603,877,818	₱546,893,643	₱801,051,844
NONCASH FINANCIAL INFORMATION				
Dividend declaration	17	₱301,482,030	₱–	₱391,926,640

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 and 2022
AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021

1. Corporate Information

General Information

Marcventures Holdings, Inc. (the Parent Company), singly and collectively with its subsidiaries, is referred herein as “the Group”. The Parent Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 7, 1957. Its primary purpose is to deal with properties of every kind and description to the extent permitted by law without engaging in the business of an investment company as defined in the Investment Company Act (Republic Act (R.A.) No. 2629), or act as a securities broker or dealer.

The Parent Company’s shares of stock were initially listed in the Philippine Stock Exchange, Inc. (PSE) on January 10, 1958. As at December 31, 2023 and 2022, 3,014,820,305 shares of the Parent Company’s shares of stock are listed in The Philippine Stock Exchange, Inc. (PSE).

Registered Address

The registered address of the Parent Company is 4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City.

Approval of Financial Statements

The consolidated financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issue by the Board of Directors (BOD) on March 14, 2024, as reviewed and recommended for approval by the Audit Committee on the same date.

Information about the Subsidiaries

All of the subsidiaries of the Parent Company are wholly-owned and are domiciled in the Philippines.

Marcventures Mining and Development Corp. (MMDC)

MMDC was incorporated and registered with the SEC on January 18, 1995 primarily to engage and/or carry on the business of extracting, mining, smelting, refining and converting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource.

MMDC was granted by the Department of Environment and Natural Resources (DENR) Mineral Production Sharing Agreement (MPSA) No. 016-93-X Surigao Mineral Reservation (SMR) covering an area of approximately 4,799 hectares located in the municipalities of Carrascal, Cantilan and Madrid, Surigao Del Sur.

Originally, the MPSA was granted to Ventura Timber Corporation (VTC). In January 1995, VTC executed a deed of assignment (the Deed) to transfer to the Group all its rights and interest in MPSA No. 016-93-XI. On March 11, 2008, the DENR issued an Order approving the Deed of MPSA No. 016-93-XI from VTC to MMDC.

On June 24, 2016, the DENR issued an Order approving the extension of MPSA for a period of 9 years starting from the expiration of the first 25-year term or from July 1, 2018 to June 30, 2027.

On March 17, 2022, Mine and Geosciences Bureau (MGB) issued a certification to MMDC attesting to the validity and existence of its MPSA and that MMDC has an approved Declaration of Mining Project Feasibility (DMPF) dated October 15, 2014 covering its entire contract mining area.

MMDC has been receiving annual certifications from MGB that it is compliant with the terms and conditions of the MPSA and pertinent provisions of the R.A. no. 7942 or the Philippine Mining Act of 1995 and its implementing Rules and Regulations. MMDC has continued mining operations in areas covered in the MPSA.

BrightGreen Resources Corporation (BGRC)

BGRC was incorporated and registered with the SEC on July 20, 1989 to engage in the mining business. The Parent Company acquired BGRC from its merger with Brightgreen Resources Holdings, Inc. (BRHI) in 2017.

On July 1, 1993, the DENR approved BGRC's application for MPSA No. 015-93-XI (SMR) covering an area of approximately 4,860 hectares located in the municipalities of Carrascal and Cantilan, Surigao del Sur. On February 7, 2019, the MGB approved the extension of the MPSA for a period of six years starting from the expiration of its 25-year term until June 30, 2024.

On April 11, 2022, the MGB granted the extension of the 3rd Renewal of the exploration period of BGRC for another period of two years effective from July 2, 2022 to July 1, 2024 to recover its unused term due to force majeure.

On July 13, 2023, BGRC have received from the MGB office a reply letter for intention to renew its MPSA agreement for another 25 years. The Group is now in the process and anticipative of obtaining the following permits, licenses, and approvals from the regulatory bodies:

- Free, Prior and Informed Consent and Certification Precondition from the National Commission on indigenous Peoples;
- Approval of the Declaration of Mining Project Feasibility from the MGB, including the required work programs: Environmental Protection and Enhancement Program, Social Development and Management Program, Safety and Health Program, Three (3)-Year Development/Utilization Work Program, Care and Maintenance Program and Project Feasibility Study; and
- Environmental Compliance Certificate from the Environmental Management Bureau.

Alumina Mining Philippines, Inc. (AMPI)

AMPI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business. The Parent Company acquired AMPI from its merger with Asia Pilot Mining Phils. Corp. (APMPC) in 2017.

On December 5, 2002, the DENR approved AMPI's application for MPSA No. 179-2002-VIII-SBMR covering 6,694 hectares in the municipalities of Paranas, Motiong and San Jose de Buan, Samar in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On July 04, 2023, AMPI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

Bauxite Resources, Inc. (BARI)

BARI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business. The Parent Company acquired BARI from its merger with APMPC in 2017.

On December 5, 2002, the DENR approved BARI's application for MPSA No. 180-2002-VIII-SBMR covering 5,519 hectares in the Municipalities of Gandara, San Jose de Buan, Matuguinao, and San Jorge, Province of Samar (formerly known as Western Samar) in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On July 4, 2023, BARI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency. All values are in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for retirement benefit liability which is measured at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosures are included in Note 24, *Financial Risk Management Objectives and Policies and Fair Value Measurement*.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The adoption of the amended PFRS did not materially affect the consolidated financial statements of the Group, except for the Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies*. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective or Adopted

Relevant amended PFRS, which are not yet effective as at December 31, 2023 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.
- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

Under prevailing circumstances, the adoption of the foregoing amended PFRS issuances is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its wholly owned subsidiaries as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021.

A subsidiary is an entity that is controlled by the Parent Company and is consolidated from the date on which control is transferred to the Parent Company directly or through the holding companies. Control is achieved when the Group is exposed or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is deconsolidated from the date on which control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Group using uniform accounting policies. Significant intercompany transactions and balances, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in ownership interest in a subsidiary, without a change in control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, the Group: (a) derecognizes the assets and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair value of consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; and (g) reclassifies the Group's share of components previously recognized in other comprehensive income (OCI) to profit or loss.

Financial Assets and Liabilities

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability).

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at December 31, 2023 and 2022, the Group's cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), advances to related parties, and final mine rehabilitation fund (FMRF), rehabilitation cash fund (RCF), rental deposit and monitoring trust fund (MTF) (included under "Other noncurrent assets") accounts are classified under this category (see Notes 4, 5, 11 and 14). Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and in banks and cash equivalents, excluding any restricted cash. Restricted cash, which includes FMRF, RCF and MTF, is not available for use by the Group and therefore is not considered highly liquid.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Financial assets are derecognized when the right to receive cash flows from the asset has expired.

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group's having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

As at December 31, 2023 and 2022, the Group's trade and other payables (excluding advances from customers and excise tax and other statutory payables), loans payable, advances from related parties and dividends payable are classified under this category (see Notes 12, 13, 14 and 17).

Inventories

Inventories, which consist of ore stockpiles, are physically measured or estimated and valued at the lower of cost and net realizable value (NRV). Cost consists of contractual services, personnel costs, depletion, depreciation and other costs that are directly attributable in bringing the ore in its saleable conditions. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

Other Current Assets

Other current assets include prepaid income tax, mining and office supplies, advances to contractors and suppliers and prepaid expenses.

Advances to Contractors and Suppliers. Advances to contractors and suppliers represent advance payments on goods or services to be purchased in connection with the mining operations. The advances are reclassified to proper asset account in the consolidated statements of financial position or charged to expense in profit or loss upon actual receipt of goods or services, which is normally within 12 months or within the normal operating cycle. Otherwise, these are classified as noncurrent assets.

Mining and Office Supplies. Mining and office supplies are stated at lower of cost or NRV. The NRV of mining and office supplies represents their current replacement cost. In determining NRV, the Group considers any adjustments necessary for obsolescence. The costs of mining and office supplies comprise all costs of purchase and other costs incurred in bringing the mining and office supplies to their present location and condition. The purchase cost is determined on a moving average method. These are charged to expense in profit or loss upon use.

Prepaid Expenses. Prepaid expenses represent expenses not yet incurred but paid in advance and are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting period are classified as current assets. Otherwise these are classified as noncurrent assets.

Property and Equipment

Property and equipment, except land, are initially measured at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Cost also includes any asset retirement obligation and capitalized interest on borrowed funds used in the case of a qualifying asset.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expense in the period in which these are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	<u>Number of Years</u>
Building and improvements	5-20
Office furniture, fixtures and equipment	2-5
Heavy and transportation equipment	4-10

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation are credited or charged to current operations.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Mining Rights and Other Mining Assets

Mining Rights. Mining rights include costs incurred in connection with the acquisition of rights over mineral reserves. Rights over mineral reserves, which are measured, indicated or inferred, are capitalized as part of mining rights on explored resources if the reserves are commercially producible and that geological data demonstrate with a specified degree of certainty that recovery in future years is probable.

Mining rights are subject to amortization or depletion from the commencement of production on a unit-of-production method, based on proven and probable reserves. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future development costs. Changes in the estimates of mineral reserves or future development costs are accounted for prospectively.

Deferred Exploration Costs. Deferred exploration costs include costs incurred in connection with exploration activities. Deferred exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activities include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Once the reserves are established and development is sanctioned, deferred exploration costs are tested for impairment and reclassified to mine development costs.

Mine and Mining Properties. Upon start of commercial operations, mine development costs are reclassified as part of mine and mining properties. These costs are subject to depletion, which is computed using the units-of-production method based on proven and probable reserves, which is reviewed periodically to ensure that the estimated depletion is consistent with the expected pattern of economic benefits from the mine and mining properties.

Deferred exploration costs and construction-in-progress related to an already operating mine are reclassified to mine and mining properties and stated at cost. Such costs pertain to expenses incurred in sourcing new resources and converting these into reserves, which are not depleted or amortized until the development has been completed and become available for use.

Investment Properties

Investment properties are stated at cost less accumulated depreciation and amortization and any impairment in value

Depreciation is calculated on a straight-line basis over 20 years as the estimated useful lives of the investment properties.

Transfers are made to investment properties when there are changes in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when there are changes in use, evidenced by commencement of owner-occupation, ending of operating lease or commencement of development with a view to sale.

Transfers between investment property, owner-occupied property and inventories do not change the carrying value of the property transferred and they do not change the cost of that property for measurement or disclosure purposes on the date of reclassification.

Other Noncurrent Assets

Other noncurrent assets include input value-added tax (VAT), deferred input VAT and other financial assets (FMRF, RCF, rental deposit and MTF).

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of input VAT recoverable from the taxation authority is presented as "Input VAT". Input VAT claimed for refund are presented separately as "Input VAT for refund".

Deferred Input VAT. Represents amount of input VAT on trade payables arising from purchase of services.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount, which is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction.

In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of any depreciation and depletion, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and depletion charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Employee Benefits

Short-term Benefits. The Group provides short-term benefits to its employees in the form of basic and 13th month pay, bonuses, employer's share on government contribution and other short-term benefits.

Retirement Benefits. The Group has an unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits expense is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and interest cost in profit or loss. Interest cost is calculated by applying the discount rate to the retirement benefit liability.

Current service costs are the increase in the present value of the defined benefit obligation resulting from employee service and are recognized in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment; and the date that the Group recognizes restructuring related costs.

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are directly recognized in equity or in OCI and are not reclassified to profit or loss in subsequent periods.

The retirement benefit liability is the present value of the defined benefit obligation which is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding. Incremental costs directly attributable to the issuances of capital stock are recognized as a deduction from equity.

Additional Paid-In Capital (APIC). APIC is the excess over par value of consideration received for the subscription and issuance of shares of stock.

Retained Earnings. Retained earnings represent the cumulative balance of the Group's operating results, dividend distributions and effect of change in accounting policy. Cash dividends are deducted from retained earnings and recognized as liability when these are approved by the BOD.

Other Comprehensive Income (OCI). OCI comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. OCI pertains to cumulative remeasurement gains or losses on retirement benefit liability.

Revenue Recognition

Sale of Ore. Sale of ore is recognized at a point in time upon delivery of goods to and acceptance by the customers, net of any sales adjustments based on the contracts with the customers.

The following specific recognition criteria must also be met before other revenue items are recognized:

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Rental Income. Rental income is recognized on a straight-line basis over the lease term.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Cost and Expense Recognition

Cost of Sales. Cost of sales is recognized when the related goods are sold.

Operating Expenses. Operating expenses constitute costs of administering the business and costs incurred to sell and market goods and services. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee

The Group has elected to apply the recognition exemption on its short-term lease. The Group recognized the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

Group as Lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Leases where the Group retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease income is recognized in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income.

Foreign Currency-Denominated Transactions

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date.

Exchange rate differences arising from the translation or settlement of monetary items at rates different from those at which these were initially recorded during the period are recognized in the profit or loss in the period these arise.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and unused NOLCO can be utilized.

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Transactions and Related Parties

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with the Group's related party transactions policy.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; and (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Provision for Mine Rehabilitation and Decommissioning. The Group recognizes provision when there is partial fulfillment of obligation to restore operating locations at the end of the reporting period. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste site and restoration, reclamation and revegetation of affected areas. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location.

Where applicable, the Group recognizes a mine rehabilitation asset under the mine and mining properties related to the obligation arising from the mine rehabilitation and decommissioning. The cost of such asset corresponds to the present value of future cost of rehabilitation and decommissioning and amortized over expected settlement of the obligation using units of production method. The estimated future costs of rehabilitation and decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Any amount deducted from the cost of asset shall not exceed its carrying amount. In case the decrease in the obligation exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.

Contingencies

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

Earnings Per Share

Basic. Basic earnings per share is calculated by dividing the net income by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Group and held as treasury shares, if any.

Diluted. Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential dilutive common shares during the period.

Events After the Reporting Date

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

Segment Reporting

The Group has one operating segment which consists of mining exploration, development and production. The Group's asset producing revenues are located in the Philippines.

3. Significant Judgments, Accounting Estimates and Assumptions

PFRS requires management to exercise judgments, make accounting estimates and use assumptions that affect the amounts reported in the consolidated financial statements. The judgments and accounting estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effects on the amounts recognized in the consolidated financial statements.

Determining Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Philippine Peso, which is the currency of the primary economic environment in which the Group operates.

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when contractual payments are 90 days past due. The Group also considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the determination of ECL.

Classification of a Property. The Group determines whether a property is classified as investment property or property and equipment as follows:

- Property and equipment comprise properties that are held for use in the ordinary course of business.
- Investment property is property not occupied and not used in the operations, nor for sale in the ordinary course of business, but are held primarily for earning rental income.

The carrying amounts of property, plant and equipment and investment property are disclosed in Notes 8 and 9 to the financial statements.

Accounting for Operating Lease - Group as Lessee. The Group's lease agreement for its office space qualifies as a short-term lease with a lease term of less than 12 months. The Group has elected to apply the recognition exemption on its short term leases.

Rental expense recognized by the Group is disclosed in Note 22.

Evaluation of Lease Commitments - Group as Lessor. The Group has entered into operating lease agreements with a third party for the lease of office space. Considering that there will be no transfer of ownership of the leased properties to the lessees, the Group has determined that it retains all the significant risks and benefits of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

Rental income is disclosed in Note 22.

Accounting Estimates and Assumptions

The key estimates concerning the future and other key sources of estimation uncertainties at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimating the Allowance for ECL on Trade and Other Receivables. The Group uses a provision matrix based on historical default rates for trade and other receivables (excluding advances to officers and employees). The provision matrix specifies provision rates depending on the number of days that receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information such as forecasted economic conditions. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual experience.

Information on the provision and allowance for ECL and the carrying amounts of trade and other receivables (excluding advances to officers and employees) are disclosed in Note 5.

Estimating the Allowance for ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions;
- actual or expected significant adverse changes in the operating results of the borrower; and
- significant changes in credit spread, rates or terms such as more stringent covenants and increased amount of collateral or guarantees.

For cash in banks, cash equivalents and advances to related parties, the Group assessed that these financial assets have low credit risk because the counterparties are reputable banks and related parties which possess good credit standings. Thus the ECL on these financial assets in 2023, 2022 and 2021 are not significant and not recognized.

The carrying amounts of the Group's other financial assets at amortized cost subjected to impairment testing are disclosed in Note 24.

Estimating the NRV of Inventories. The Group recognizes loss on inventories whenever NRV becomes lower than costs due to damage, physical deterioration, obsolescence, changes in price levels or other causes. NRV is reviewed on a monthly basis to reflect the accurate valuation in the financial records.

No provision for inventory obsolescence was recognized in 2023, 2022 and 2021. The carrying amount of inventories, which is measured at the lower of cost and NRV, are disclosed in Note 6.

Estimating the Realizability of Input VAT. The Group assesses the realizability of input VAT based on its ability to utilize the asset. The assessment is made on a continuing basis year on year.

No provision for impairment loss was recognized in 2023, 2022 and 2021. The carrying amount of noncurrent input VAT is disclosed in Note 11 to the consolidated financial statements.

Estimating the Useful Lives of a Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in estimated useful lives of property and equipment in 2023, 2022, and 2021. The carrying amount of property and equipment are disclosed in Note 8.

Estimating the Depletion Rate and Recoverable Reserves. Depletion rates used to amortize mine and mining properties and mining rights under "Mining rights and other mining assets" account presented in the consolidated statements of financial position are assessed on an annual basis based on the results of latest estimate of recoverable reserves, which is subject to future revisions. Recoverable reserves and resource estimates for development project are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of cost based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, estimated climatic conditions and other factors. Proven reserve estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been

secured or are reasonably certain to be secured. The Group's reserves are estimated based on local regulatory guidelines provided under the Philippine Mineral Reporting Code and duly reviewed and verified by a competent person.

The carrying amounts of mining rights and other mining assets are disclosed in Note 10.

Estimating the Provision for Mine Rehabilitation and Decommissioning. The Group recognizes provision for its obligation to decommission and rehabilitate mine sites at the end of term of its MPSA. The provision represents the best estimate of the expenditures required to settle the present obligation at the current reporting date. The amount of provision depends on the completeness of rehabilitation and decommissioning activities performed by the Group during and immediately after every mining operation. Changes in rehabilitation and decommissioning costs are recognized as additions or charges to the corresponding provision when these occur.

While the Group has made its best estimate in establishing the decommissioning and rehabilitation provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning and rehabilitation activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates. The obligation to rehabilitate and decommission a mine generally arises when the ground/environment is disturbed at the production location.

Mine rehabilitation asset, recognized under the mine and mining properties are disclosed in Note 10.

Provision for mine site rehabilitation and decommissioning are disclosed in Note 15.

Assessing the Impairment of Mining Rights and Deferred Exploration Costs. The Group assesses mining rights and deferred exploration costs for impairment only when there are indicators that impairment exists. Indicators of impairment include, but are not limited to:

- Rights to explore in an area have expired or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted;
- A decision to discontinue exploration and evaluation in an area because of the absence of commercial reserves; and
- Sufficient data exists to indicate that the carrying value will not be fully recovered from future development and production.

Based on management assessment, there are no impairment indicators on the Group's mining rights and deferred exploration costs. Management has determined that (a) the Group's rights to explore in the mining area are not expired and the Group was granted extension of its exploration permits until 2024, (b) the Group continuous to conduct exploration and evaluation activities based on its approved Exploration Work Programs and Environmental Work Programs, and (c) based on the Mineral Resource Validation Report by the MGB, the Group has measured and indicated resource of nickel laterite and alumina bauxite resources. Accordingly, no impairment loss was recognized in 2023, 2022 and 2021.

The carrying amounts of mining rights and deferred exploration costs are disclosed in Note 10.

Assessing the Impairment of Other Nonfinancial Assets. The Group assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

Recoverable amount of an asset is the higher of its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Based on management assessment, there are no impairment indicators on the Group's nonfinancial assets. Accordingly, no impairment loss was recognized in 2023, 2022 and 2021.

The carrying amounts of the Group's advances to officers and employees, other current assets, property and equipment, investment property, mine and mining properties, other noncurrent assets (excluding financial assets) are disclosed in Notes 5, 7, 8, 9, 10 and 11.

Estimating the Retirement Benefit Liability. The determination of the Group's retirement benefit liability and costs is dependent on the selection by management of assumptions used by the actuary in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate.

Actual results that differ from the Group's assumptions are recorded as addition to or deduction from retirement benefit liability and recognized in profit or loss or OCI. One or more of the actuarial assumptions may differ significantly and as a result, the actuarial present value of the retirement benefit obligation estimated as at reporting date may differ significantly from the amount reported.

Retirement benefit liability is disclosed in Note 16.

Recognizing Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

The Group's recognized and unrecognized deferred tax assets are disclosed in Note 21.

4. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash equivalents	₱332,665,301	₱202,410,015
Cash in banks	271,074,483	344,274,235
Cash on hand	138,034	209,393
	₱603,877,818	₱546,893,643

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits with terms of varying periods of up to three (3) months depending on the immediate cash requirements of the Group. Cash equivalents earn interest at the prevailing special savings and time deposit rates.

Interest income pertains to the following sources:

	Note	2023	2022	2021
Cash in banks and cash equivalents		₱10,098,015	₱777,012	₱541,901
Other noncurrent assets	11	205,496	22,714	59,732
		₱10,303,511	₱799,726	₱601,633

5. Trade and Other Receivables

This account consists of:

	2023	2022
Trade receivables	₱-	₱113,024,369
Advances to officers and employees	18,673,150	58,409,425
Others	3,637,325	5,279,653
	22,310,475	176,713,447
Allowance for ECL	-	(75,516,127)
	₱22,310,475	₱101,197,320

Trade receivables pertain to MMDC's receivables arising from shipments of nickel and iron concentrates to its customers which are covered by yearly sales agreements, these are initially paid based on 90% of their provisional value after shipment date. The 10% final balance does not bear any interest until final settlement based on ore grade upon receipt of the customer which usually take three (3) months from shipment date.

Advances to officers and employees are unsecured and noninterest-bearing cash advances for business-related expenditures subject to liquidation within the following year.

Movements in allowance for ECL are as follows:

	Note	2023	2022
Balance at beginning of year		₱75,516,127	₱152,226,571
Provision	19	–	75,516,127
Write-off		(75,516,127)	(152,226,571)
Balance at end of year		₱–	₱75,516,127

6. Inventories

This account consists of beneficiated nickel ore amounting to ₱169.1 million and ₱151.1 million as at December 31, 2023 and 2022, respectively, which is stated at cost. The cost of inventories is lower than its NRV.

Cost of inventories charged to “Cost of sales” account in the consolidated statements of comprehensive income amounted to ₱1,203.1 million, ₱2,043.6 million and ₱2,166.7 million in 2023, 2022 and 2021, respectively (see Note 18).

7. Other Current Assets

This account consists of:

	2023	2022
Prepaid income tax	₱49,529,033	₱49,489,733
Advances to contractors and suppliers	33,048,108	18,574,393
Mining and office supplies - net of allowance for obsolescence	6,505,007	11,659,227
Prepaid expenses	3,071,476	3,296,771
Others	8,334,081	8,719,532
	₱100,487,705	₱91,739,656

Prepaid income tax represents creditable withholding tax and other tax credits.

Advances to contractors and suppliers include materials and fuel and oil to be supplied for the use of the heavy equipment and are deductible against contractors’ future billings.

Mining and office supplies include mechanical, electrical and other materials that will be used in the Group’s mining operations. The movements of the allowance for obsolescence follows:

	2023	2022
Balance at beginning of year	₱15,558,092	₱15,558,092
Provision	532,856	–
Balance at end of year	₱16,090,948	₱15,558,092

The provision for obsolescence is presented as part of “Others” in the “Operating expenses” account in the consolidated statements of comprehensive income (see Note 19).

Prepaid expenses pertain to insurance, excise tax and rent. Others include advances made to NCIP.

8. Property and Equipment

The balances and movements of this account are as follows:

	Note	2023				Total
		Land	Building and Improvements	Office Furniture, Fixtures and Equipment	Heavy and Transportation Equipment	
Cost						
Balances at beginning of year		₱58,597,484	₱174,313,770	₱137,672,753	₱392,794,543	₱763,378,550
Additions		–	–	2,704,457	1,521,210	4,225,667
Reclassification	9	–	(25,000,000)	–	–	(25,000,000)
Balances at end of year		58,597,484	149,313,770	140,377,210	394,315,753	742,604,217
Accumulated Depreciation and Amortization						
Balances at beginning of year		–	98,265,189	113,851,585	371,614,743	583,731,517
Depreciation and amortization		–	5,749,862	10,821,595	7,727,505	24,298,962
Reclassification	9	–	(6,354,167)	–	–	(6,354,167)
Balances at end of year		–	97,660,884	124,673,180	379,342,248	601,676,312
Carrying Amount		₱58,597,484	₱51,652,886	₱15,704,030	₱14,973,505	₱140,927,905

	Note	2022				Total
		Land	Building and Improvements	Office Furniture, Fixtures and Equipment	Heavy and Transportation Equipment	
Cost						
Balances at beginning of year		₱58,597,484	₱174,240,051	₱120,661,852	₱395,860,956	₱749,360,343
Additions		–	73,719	17,010,901	12,504,243	29,588,863
Disposal		–	–	–	(15,570,656)	(15,570,656)
Balances at end of year		58,597,484	174,313,770	137,672,753	392,794,543	763,378,550
Accumulated Depreciation and Amortization						
Balances at beginning of year		–	91,112,661	106,814,687	374,670,417	572,597,765
Depreciation and amortization		–	7,152,528	7,036,898	12,514,982	26,704,408
Disposal		–	–	–	(15,570,656)	(15,570,656)
Balances at end of year		–	98,265,189	113,851,585	371,614,743	583,731,517
Carrying Amount		₱58,597,484	₱76,048,581	₱23,821,168	₱21,179,800	₱179,647,033

Depreciation and amortization are allocated to profit or loss as follows:

	Note	2023	2022	2021
Charged to:				
Cost of sales	18	₱17,047,551	₱12,285,185	₱6,208,768
Operating expenses	19	8,501,411	14,419,223	41,017,079
		₱25,548,962	₱26,704,408	₱47,225,847

Depreciation and amortization of property and equipment is as follows:

	Note	2023	2022	2021
Property and equipment		₱24,298,962	₱26,704,408	₱47,225,847
Investment property	9	1,250,000	–	–
		₱25,548,962	₱26,704,408	₱47,225,847

The portion of the Group's property and equipment with carrying amounts of ₱36.5 million and ₱40.0 million as at December 31, 2023 and 2022, respectively, is pledged as security under a real estate mortgage on its loans payable (see Note 13).

Fully depreciated property and equipment with cost of ₱523.0 million and ₱522.0 million as at December 31, 2023 and 2022, respectively, are still being used by the Group.

9. Investment Property

The Group's investment property pertains to the portion of its office space which is under lease with a third party. The movements in the account follows:

	Note	2023
Cost		
Balance at beginning of year		₱–
Reclassification	8	25,000,000
Balances at end of year		25,000,000
Accumulated Depreciation		
Balances at beginning of year		–
Reclassification	8	6,354,167
Depreciation		1,250,000
Balances at end of year		7,604,167
Net Carrying Amount		₱17,395,833

The Group's investment property is pledged as security under a real estate mortgage on its loans payable (see Note 13). Rental income earned from investment property amounted to ₱1.4 million and ₱0.3 million in 2023 and 2022, respectively (see Note 20).

The Group assessed that the fair value of its investment property approximates its original cost. The estimate is based on level 3 in the fair value hierarchy.

10. Mining Rights and Other Mining Assets

The balances and movements of this account are as follows:

	Note	2023					Total
		Mine and Mining Properties					
		Mining Rights	Deferred Exploration Costs	Mine Development Costs	Mine Rehabilitation Asset	Total Mine and Mining Properties	
Cost							
Balances at beginning of year		₱2,935,579,522	₱174,541,506	₱2,510,070,307	₱44,167,841	₱2,554,238,148	₱5,664,359,176
Additions		–	1,687,023	56,418,536	–	56,418,536	58,105,559
Balances at end of year		2,935,579,522	176,228,529	2,566,488,843	44,167,841	2,610,656,684	5,722,464,735
Accumulated Depletion							
Balances at beginning of year		551,787,446	–	767,811,340	17,502,534	785,313,874	1,337,101,320
Depletion	18	13,168,909	–	31,966,692	386,555	32,353,247	45,522,156
Balances at end of year		564,956,355	–	799,778,032	17,889,089	817,667,121	1,382,623,476
Net Carrying Amount		₱2,370,623,167	₱176,228,529	₱1,766,710,811	₱26,278,752	₱1,792,989,563	₱4,339,841,259

2022							
Mine and Mining Properties							
Note	Mining Rights	Deferred Exploration Costs	Mine Development Costs	Mine Rehabilitation Asset	Total Mine and Mining Properties	Total	
Cost							
Balances at beginning of year	₱2,935,579,522	₱169,416,318	₱2,306,974,596	₱44,167,841	₱2,351,142,437	₱5,456,138,277	
Additions	–	5,125,188	203,095,711	–	203,095,711	208,220,899	
Balances at end of year	2,935,579,522	174,541,506	2,510,070,307	44,167,841	2,554,238,148	5,664,359,176	
Accumulated Depletion							
Balances at beginning of year	470,860,671	–	579,694,372	12,946,247	592,640,619	1,063,501,290	
Depletion	18 80,926,775	–	188,116,968	4,556,287	192,673,255	273,600,030	
Balances at end of year	551,787,446	–	767,811,340	17,502,534	785,313,874	1,337,101,320	
Net Carrying Amount	₱2,383,792,076	₱174,541,506	₱1,742,258,967	₱26,665,307	₱1,768,924,274	₱4,327,257,856	

Mining Rights

Mining rights of the Group consist of:

	2023	2022
Mining rights on explored resources of MMDC	₱729,809,802	₱742,978,711
Mining rights of BGRC, AMPI and BARI	1,640,813,365	1,640,813,365
	₱2,370,623,167	₱2,383,792,076

Mining Rights on Explored Resources of MMDC. This represents the excess of the fair value of the shares issued by the Parent Company over the book value of the net assets of MMDC when the Parent Company acquired 100% ownership in MMDC.

Mining rights of BGRC, AMPI and BARI. This represents the mining rights resulting from the merger of the Parent Company with BHI and APMPC in 2017 (see Note 1).

Deferred Exploration Costs

Deferred exploration costs pertain to the capitalized expenditures associated with finding specific mineral resources such as acquisition of rights to explore, geological and geophysical studies and exploration drilling and sampling.

Mine and Mining Properties

Mine Development Costs. Mine development costs include the costs incurred on an already operating mine area. Such costs pertain to expenses incurred in sourcing new resources and converting these into reserves, road developments and developing additional mine yards.

Mine Rehabilitation Asset. Mine rehabilitation asset is the estimated rehabilitation cost of MMDC's mine site upon termination of its ore extraction activities, as required in its MPSA (see Note 15).

11. Other Noncurrent Assets

This account consists of:

	Note	2023	2022
Input VAT		₱374,373,978	₱336,157,326
Input VAT for refund		163,015,056	35,037,687
Final mine rehabilitation fund (FMRF)		87,262,429	87,029,694
Rehabilitation cash fund (RCF)	22	5,632,371	5,590,616
Deferred input VAT		5,579,514	19,540,694
Rental deposit	22	1,133,050	961,850
Monitoring trust fund (MTF)		167,435	166,690
		₱637,163,833	₱484,484,557

Input VAT for refund pertains to input VAT incurred on the purchase of goods or services and subsequently reported to the Bureau of Internal Revenue (BIR) for refund. This will be collected through cash or tax credit, with the final amount to be determined upon review and inspection of the BIR.

Final mine rehabilitation fund pertains to deposits to a Government depository bank in compliance with the requirements of regulatory agencies.

RCF is reserved as part of the Group's compliance with the approved rehabilitation activities and schedules for specific mining project phase, including research programs as defined in the Environmental Protection and Enhancement Program (see Note 22).

MTF is exclusively used in activities approved by the Mine Rehabilitation Fund Committee.

Interest income earned from FMRF, RCF and MTF is disclosed in Note 4.

12. Trade and Other Payables

This account consists of:

	Note	2023	2022
Trade payables		₱139,250,478	₱140,497,177
Advances from customers		–	68,780,592
Accrued expenses:			
Compliance		17,348,898	16,321,086
Interest	13	972,009	972,009
Salaries and rent		561,609	28,896,117
Excise tax and other statutory payables		56,264,353	16,780,128
Others		8,916,097	8,962,455
		₱223,313,444	₱281,209,564

Trade payables primarily consist of liabilities arising from transactions with contractors and suppliers related to the normal course of business and are generally noninterest bearing. Trade payables are generally on a 90-day credit term.

Advances from customers pertain to noninterest bearing advances and refundable deposit made by customers for future ore shipments.

Accruals for compliance pertain to accrual of expenditures for Social Development Management Program, Community Development Program and other regulatory fees as required by the MGB, among others.

Other statutory payables include other taxes payable and mandatory contributions. These are normally settled within one (1) month after the reporting period.

13. Loans Payable

This account consists of:

	2023	2022
Long-term loans	132,604,857	210,746,700
Less: Current portion	27,804,328	80,345,623
Noncurrent portion	₱104,800,529	₱130,401,077

In 2021, the Group entered into a six (6)-year ₱208.0 million term loan facility agreement with a local bank secured partly by a real estate mortgage on items of its property and equipment with carrying amounts of ₱36.5 million and ₱40.0 million as at December 31, 2023 and 2022, respectively (see Note 8), and its investment property with carrying amounts of ₱17.4 million and ₱18.6 million as at December 31, 2023 and 2022, respectively (see Note 9). The loan is subject to an interest floor rate of 6% or prevailing interest rate at loan drawdown, whichever is higher.

Movements in the loans payable follows:

	2023	2022
Balance at beginning of year	₱210,746,700	₱440,368,186
Payments	(79,682,643)	(239,281,882)
Availments	1,540,800	9,660,396
Balance at end of year	₱132,604,857	₱210,746,700

Interest expense of the Group was incurred from the following sources:

	Note	2023	2022	2021
Loans payable		₱12,330,153	₱24,251,864	₱47,772,840
Provision for mine rehabilitation and decommissioning	15	2,725,368	2,607,183	1,839,625
Debt issue cost		-	-	912,726
		₱15,055,521	₱26,859,047	₱50,525,191

Accrued interest payable amounted to ₱1.0 million as at December 31, 2023 and 2022 (see Note 12).

The maturity of the long-term loans are as follows:

	2023	2022
Not later than one (1) year	₱27,804,328	₱80,345,623
Later than one year but not more than five (5) years	104,800,529	130,401,077
	₱132,604,857	₱210,746,700

14. Related Party Transactions

Significant transactions with related parties include the following:

Related Parties under Common Management

	Transaction Amounts		Outstanding Balances		Nature and Terms
	2023	2022	2023	2022	
Advances to related parties	P-	₱15,513,634	₱2,383,253	₱26,280,675	Working fund; unsecured; noninterest-bearing; Collectible on demand
Advances from related parties	P-	P-	₱5,000,000	₱4,936,715	Working fund; unsecured; noninterest-bearing; payable on demand

As at December 31, 2023 and 2022, the Group has not provided any allowance for ECL for amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

Compensation of Key Management Personnel

Compensation of key management personnel, which consists of salaries and other benefits, amounted to ₱48.6 million, ₱46 million and ₱48.7 million in 2023, 2022 and 2021, respectively. Retirement benefit expense of key management personnel amounted to ₱2.9 million, ₱1.5 million and ₱2.6 million in 2023, 2022, and 2021, respectively.

15. Provision for Mine Rehabilitation and Decommissioning

Movements in this account are as follows:

	Note	2023	2022
Balance at beginning of year		₱60,122,100	₱57,514,917
Accretion of interest	13	2,725,368	2,607,183
Balance at end of year		₱62,847,468	₱60,122,100

A provision is recognized for the estimated rehabilitation costs of the Group's mine site upon termination of the Group's ore extraction activities, which is about 13 years. There has been no change in material estimates, operations and requirements to warrant a change in previously estimated provision for mine rehabilitation and decommissioning.

The provision is calculated by the Group's engineers based on an estimate of the expected cost to be incurred to rehabilitate the mine site. The provision is presented at discounted value using the Philippine bond yield of 4.53% as the effective interest rate.

16. Retirement Benefit Liability

The Group has an unfunded, noncontributory defined benefit plan covering all its permanent employees. Under this plan, the employees are entitled to retirement benefits ranging from 50% to 200% of the final monthly salary for each year of credited service. This plan is in accordance with R.A. No. 7641, which mandates a minimum retirement benefit equivalent to one-half month salary per year of service.

An independent actuary conducted a valuation of the retirement benefit obligation using the projected unit credit method. The latest actuarial valuation is for the year ended December 31, 2023.

The principal actuarial assumptions used to determine retirement benefit liability for 2023 and 2022 are as follows:

	2023	2022
Discount rates	6.25% - 6.26%	7.61% - 7.66%
Salary increase rates	4.00% - 5.00%	4.00%

The plan exposes the Group to actuarial risks, such as interest rate risk and salary risk.

The components of retirement benefit expense presented under "Operating expenses" account in profit or loss are as follows (see Note 19):

	2023	2022	2021
Current service cost	₱ 5,591,927	₱6,518,619	₱7,116,859
Net interest cost	2,622,073	1,956,044	1,205,388
	₱8,214,000	₱8,474,663	₱8,322,247

The components of net retirement benefit liability presented in the statements of financial position is as follows:

	2023	2022
Retirement benefit liability	₱51,901,439	₱40,475,462
Fair value of plan asset	7,672,955	-
	₱44,228,484	₱40,475,462

The retirement benefit liability recognized in the consolidated statements of financial position as at December 31, 2023 and 2022 and changes in the present value of defined benefit obligation are as follows:

	2023	2022
Balance at beginning of year	₱40,475,462	₱39,155,969
Retirement benefits expense recognized in profit or loss:		
Current service cost	5,591,927	6,518,619
Interest cost	3,099,568	1,956,044
Remeasurement losses (gains) recognized in OCI:		
Changes in financial assumptions	9,200,973	(10,780,686)
Deviations of experience from assumptions	(1,661,951)	4,532,726
Benefits paid	(4,804,540)	(907,210)
Balance at end of year	₱51,901,439	₱40,475,462

Movements in the fair value of plan assets are as follows:

	2023
Balance at beginning of year	₱-
Employer contribution	12,000,000
Benefits paid	(4,804,540)
Gain on plan assets	477,495
Balance at end of year	₱7,672,955

Sensitivity analysis on defined benefit obligation as at December 31, 2023 is as follows:

	Change in basis points	Effect on defined benefit obligation	
		2023	2022
Discount rate	+1%	(₱3,130,815)	(₱3,043,419)
	-1%	3,689,476	3,530,735
Salary increase rate	+1%	₱3,842,586	₱3,687,247
	-1%	(3,377,812)	(3,275,698)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit obligation at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged.

The changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed more responsive.

The cumulative remeasurement gains recognized in OCI are as follows:

	2023		
	Cumulative Remeasurement Gains	Deferred Tax Liability (see Note 21)	Net Remeasurement Gain
Balance at beginning of year	₱54,124,267	(₱13,531,067)	₱40,593,200
Actuarial loss	(7,539,022)	1,873,866	(5,665,156)
Balance at end of year	₱46,585,245	(₱11,657,201)	₱34,928,044

	2022		
	Cumulative Remeasurement Gains	Deferred Tax Liability (see Note 21)	Net Remeasurement Gain
Balance at beginning of year	₱47,876,307	(₱11,969,077)	₱35,907,230
Actuarial gain	6,247,960	(1,561,990)	4,685,970
Balance at end of year	₱54,124,267	(₱13,531,067)	₱40,593,200

The average duration of the expected benefit payments at the end of the reporting period is 15 years.

17. Equity

Details of the Group's capital stock with ₱1 par value as at and for the years ended December 31, 2023, 2022 and 2021 follows:

	Shares	Amount
Authorized	4,000,000,000	₱4,000,000,000
Issued and Outstanding		
Balance at beginning and end of year	3,014,820,305	₱3,014,820,305
Additional Paid-in Capital		
Balance at beginning and end of year		₱269,199,788

Cash Dividends

Date of Declaration	Date of Record	Date of Payment	Dividend per Share	Total Cash Dividends
December 7, 2023	January 12, 2024	January 26, 2024	₱0.10	₱301,482,030
November 19, 2021	December 7, 2021	January 4, 2022	₱0.13	₱391,926,640

Dividends payable amounted to ₱312.0 million and ₱10.5 million as at December 31, 2023 and 2022.

18. Cost of Sales

This account consists of:

	Note	2023	2022	2021
Contractual services		₱683,239,017	₱1,073,358,838	₱1,363,580,313
Production overhead		252,582,330	344,035,909	349,036,990
Salaries and allowances		142,405,268	173,838,071	165,120,325
Excise tax		80,310,231	120,294,968	155,603,734
Depletion	10	45,522,156	273,600,030	197,202,195
Depreciation	8	17,047,551	12,285,185	6,208,768
		1,221,106,553	1,997,413,001	2,236,752,325
Net movements in inventories		(18,010,433)	46,194,875	(70,091,352)
		₱1,203,096,120	₱2,043,607,876	₱2,166,660,973

Contractual services pertain to activities directly related to mining. The services include, among others, mine extraction, loading, hauling, barging and stevedoring.

Production overhead consists of repairs and maintenance of heavy equipment, utilities, mining supplies used, among others.

Excise tax pertains to the Government's share in an MPSA which is equivalent to 4.0% of gross output on mineral products.

19. Operating Expenses

This account consists of:

	Note	2023	2022	2021
Salaries and allowances		₱76,214,379	₱83,358,913	₱79,609,228
Taxes and licenses		71,320,235	90,717,164	80,105,584
Environmental expenses	22	64,549,954	113,317,128	94,305,139
Professional fees		57,686,868	62,428,090	51,456,531
Repairs and maintenance		41,179,908	8,503,444	–
Social development programs	22	26,831,606	34,919,120	24,144,382
Representation		22,890,225	62,475,322	9,807,890
Royalties	22	21,054,988	31,577,429	40,845,980
Outside services		20,837,443	21,026,776	13,804,099
Community relations		16,466,498	19,602,502	19,192,957
Fines and penalties		14,819,074	28,864,772	26,636,780
Depreciation and amortization	8	8,501,411	14,419,223	41,017,079
Retirement benefit expense	16	8,214,000	8,474,663	8,322,247
Rent expense	22	7,048,675	4,728,914	2,142,641
Communication, light and water		3,840,888	3,528,353	4,104,100
Transportation and travel		1,669,864	1,875,284	1,234,043
Provision for ECL	5	–	75,516,127	159,402,782
Others		44,039,384	27,336,677	33,802,764
		₱507,165,400	₱692,669,901	₱689,934,226

Others include dues and subscriptions, regulatory fees, and office supplies expense.

The Group's salaries and employee benefits consists of:

	Note	2023	2022	2021
Included in "Cost of sales" -				
Salaries and allowances	18	₱142,405,268	₱173,838,071	₱165,120,325
Included in "Operating expenses":				
Salaries and allowances		76,214,379	83,358,913	79,609,228
Retirement expense	16	8,345,680	8,474,663	8,322,247
		₱226,965,327	₱265,671,647	₱253,051,800

20. Other Income

This account consists of:

	Note	2023	2022	2021
Rent income	22	₱1,380,000	₱300,000	₱–
Unrealized foreign exchange gain		1,117,682	10,355,208	2,852,800
Others		558,472	23,782,052	24,114,006
		₱3,056,154	₱34,437,260	₱26,966,806

Other income includes penalties charged to contractors for certain delays and suppliers' discount.

21. Income Taxes

The components of income tax expense (benefit) are shown below:

	2023	2022	2021
Current	₱88,724,359	₱118,401,340	₱314,908,863
Deferred	17,597,945	18,603,050	(14,266,280)
Effect of change in tax rate	-	-	(45,044,616)
	₱106,322,304	₱137,004,390	₱255,597,967

The Group's net deferred tax assets arising from temporary differences are summarized as follows:

	2023	2022
Deferred tax assets:		
Retirement benefit liability	₱9,401,467	₱9,370,452
Provision for mine rehabilitation	4,762,334	4,080,992
Allowance for obsolescence on mining supplies	4,022,737	3,889,523
Allowance for ECL on receivables	-	17,238,142
	18,186,538	34,579,109
Deferred tax liability -		
Unrealized foreign exchange gain	(1,920,311)	(2,588,802)
	₱16,266,227	₱31,990,307

The presentation of net deferred tax assets are as follows:

	Note	2023	2022
Through profit or loss		₱27,923,428	₱45,521,374
Through other comprehensive income	16	(11,657,201)	(13,531,067)
		₱16,266,227	₱31,990,307

The Group's deferred tax liability amounting to ₱442.0 million as at December 31, 2023 and 2022, is attributable to the mining rights of BGRC, AMPI and BARI, as a result of business combination.

Management believes that it may not be probable for future taxable profit to be available in the future against which the benefits of the following deferred tax assets can be utilized.

	2023	2022
NOLCO	₱69,012,562	₱55,762,149
Retirement benefit liability	2,302,684	748,413
Excess MCIT over RCIT	26,171	5,471
	₱71,341,417	₱56,516,033

Details of NOLCO of the Group are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2023	2026	₱53,001,652	₱-	₱-	₱53,001,652
2022	2025	64,605,091	-	-	64,605,091
2021	2026	69,189,004	-	-	69,189,004
2020	2025	89,254,499	-	-	89,254,499
		₱276,050,246	₱-	₱-	₱276,050,246

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 of R.A. No. 11494, otherwise known as “Bayanihan to Recover as One Act”. This RR provides that net operating loss of a business or enterprise for taxable years 2020 and 2021 are to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of Excess MCIT over RCIT of the Group are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2023	2026	₱20,700	₱—	₱—	₱20,700
2022	2025	3,000	—	—	3,000
2021	2024	2,471	—	—	2,471
		₱26,171	₱—	₱—	₱26,171

The reconciliation of income before tax computed at the statutory income tax rate to the income tax expense are as follows:

	2023	2022	2021
Income tax at statutory rate	₱84,614,702	₱84,896,293	₱253,010,206
Changes in unrecognized deferred tax assets	14,825,384	(8,497,143)	(21,978,012)
Effect of change in tax rate	—	—	(22,241,822)
Add (deduct) income tax effects of:			
Nondeductible expenses	9,491,016	36,060,259	22,062,655
Interest income subjected to final tax	(2,608,798)	(199,931)	(150,372)
Expired NOLCO	—	24,730,112	24,877,552
Expired MCIT	—	14,800	17,760
	₱106,322,304	₱137,004,390	₱255,597,967

22. Commitments and Contingencies

Social and Environmental Responsibilities

Social Development and Management Programs (SDMP)

SDMP are five (5)-year projects identified and approved for implementation in the communities covered by the MPSA. The Group provides an annual budget for SDMP projects that focus on health, education, livelihood, public utilities and socio-cultural preservation. The implementation of the program is monitored by the MGB.

The Group’s implemented social development programs to host communities amounted to ₱26.8 million, ₱34.9 million and ₱24.1 million in 2023, 2022 and 2021, respectively (see Note 19).

Environmental Protection and Enhancement Program (EPEP)

EPEP refers to the comprehensive and strategic environmental management plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the affected environment within the Group’s mining areas. This program is monitored by the Multipartite Monitoring Team, a group headed by a representative from the Regional MGB and representatives of Local Government Units (LGU), other government agencies, non-government organizations, the church sector and the representatives of the Group.

The Group is required to set up a fund to ensure compliance with the program. The balance of the fund, presented as RCF under “Other noncurrent assets” account, amounted to ₱5.6 million for December 31, 2023 and 2022 (see Note 11).

The Group implemented projects amounting to ₱64.5 million, ₱113.3 million and ₱94.3 million in 2023, 2022 and 2021, respectively (see Note 19).

Royalty Agreement

In July 2008, the Group entered into a memorandum of agreement with Indigenous Cultural Communities/Indigenous People (ICC/IP) and NCIP pursuant to the requirements of its MPSA. The Group pays royalties equivalent to a certain percentage of gross revenue to the ICC/IP.

Royalty expense amounted to ₱21.1 million, ₱31.6 million, ₱40.8 million in 2023, 2022 and 2021, respectively (see Note 19).

Operating Lease Agreements – Group as a Lessee

The Group leases an office space for its operations. Rental deposit amounted to ₱1.1 million and ₱1 million as at December 31, 2023 and 2022 (see Note 11).

Rental expense arising from short-term leases amounted to ₱7.0 million, ₱4.7 million and ₱2.1 million in 2023, 2022 and 2021, respectively (see Note 19).

Operating Lease Agreements – Group as a Lessor

In 2022, the Group has entered into operating lease agreements with a third party for the lease of its office space. Considering that there will be no transfer of ownership of the leased property to the lessee, the Group has determined that it retains all the significant risks and benefits of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

Rental income amounted to ₱1.4 million and ₱0.3 million in 2023 and 2022, respectively (see Note 20).

Other Claims

The Group is either a defendant or plaintiff in other claims and disputes which are normal to its business. The management believes that the ultimate liability, if any, with respect to such claims, and disputes will not materially affect the financial position of the Group.

23. Earnings Per Share

Earnings per share are computed as follows:

	2023	2022	2021
Net income shown in the consolidated statements of comprehensive income (a)	₱232,136,506	₱202,580,780	₱756,442,856
Weighted average number of common shares (b)	3,014,820,305	3,014,820,305	3,014,820,305
Basic earnings per share (a/b)	₱0.077	₱0.067	₱0.251

The Group does not have potentially dilutive common shares.

24. Financial Risk Management Objectives and Policies and Fair Value Measurement

General

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group's objectives are achieved. The Group's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Group's established business objectives.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, and loans payable. The primary purpose of these financial instruments is to finance the Group's operations. The Group has other financial instruments such as trade and other receivables (excluding advances to officers and employees), FMRF, RCF, rental deposit, MTF, trade and other payables (excluding excise tax and other statutory payables and advances from customers), dividends payable and advances to and from related parties, which arise directly from operations. The main risks arising from the use of these financial instruments are foreign currency risk, credit risk, and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Foreign Currency Risk. The Group's foreign exchange risk results primarily from movements of the Philippine peso against the US dollar with respect to US dollar-denominated financial assets. The Group's transactional currency exposures arise from its cash in banks and trade receivables which are denominated in US dollar. The Group periodically reviews the trend of the foreign exchange rates to address its exposure in foreign currency risk.

The following table shows the Group's US dollar-denominated financial assets and their Philippine Peso equivalent as at December 31, 2023 and 2022:

	2023		2022	
	Philippine Peso	US Dollar	Philippine Peso	US Dollar
Cash in banks	₱24,899,961	\$448,107	₱50,250,716	\$901,196
Trade receivables	–	–	113,044,392	2,027,338
	₱24,899,961	\$448,107	₱163,295,108	\$2,928,534

For purposes of restating the outstanding balances of the Group's US dollar-denominated financial assets as at December 31, 2023 and 2022, the exchange rates applied were ₱55.57 per US\$1 and ₱55.76 per US\$1, respectively.

The table below demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's income before tax for the years ended December 31, 2023, 2022 and 2021 (due to changes in the fair value of financial assets). There is no other impact on the Group's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate	Effect on Income before Tax
December 31, 2023	+1.23%	₱307,391
	-1.23%	(307,391)
December 31, 2022	2.61	₱4,262,002
	-2.61	(4,262,002)
December 31, 2021	+2.15	₱5,676,378
	-2.15	(5,676,378)

Credit Risk. Credit risk arising from the inability of a counterparty to meet the terms of the Group's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Group. With respect to credit risk arising from the other financial assets of the Group, which comprise cash in banks and cash equivalents, trade and other receivables (excluding advances to officers and employees) and advances to related parties, RCF, MTF and rental deposit, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The tables below show the credit quality per class of financial assets as at December 31.

	2023						Total
	High Grade	Standard Grade	Past Due but not Impaired			Impaired	
			1 – 30 Days	31 – 90 Days	More than 90 Days		
Lifetime ECL - Trade and other receivables*	₱-	₱-	₱-	₱3,637,325	₱-	₱-	₱3,637,325
12-month ECL:							
Cash in banks and cash equivalents	603,739,784	-	-	-	-	-	603,739,784
Advances to related parties	-	2,383,253	-	-	-	-	2,383,253
RCF and MTF	5,799,806	-	-	-	-	-	5,799,806
Rental deposit	-	1,133,050	-	-	-	-	1,133,050
	609,539,590	3,516,303	-	-	-	-	613,055,893
	₱609,539,590	₱3,516,303	₱-	₱3,637,325	₱-	₱-	₱616,693,218

*Excluding advances to officers and employees amounting to ₱18.7 million as at December 31, 2023

	2022						Total
	High Grade	Standard Grade	Past Due but not Impaired			Impaired	
			1 – 30 Days	31 – 90 Days	More than 90 Days		
Lifetime ECL - Trade and other receivables*	₱-	₱-	₱-	₱5,556,449	₱37,231,446	₱75,516,127	₱118,304,022
12-month ECL:							
Cash in banks and cash equivalents	546,684,250	-	-	-	-	-	546,684,250
Advances to related parties	-	26,280,675	-	-	-	-	26,280,675
RCF and MTF	5,757,306	-	-	-	-	-	5,757,306
Rental deposit	-	961,850	-	-	-	-	961,850
	552,441,556	27,242,525	-	-	-	-	579,684,081
	₱552,441,556	₱27,242,525	₱-	₱5,556,449	₱37,231,446	₱75,516,127	₱697,988,103

*Excluding advances to officers and employees amounting to ₱58.4 million as at December 31, 2022

Customer credit risk from trade and other receivables is managed by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation of provision rates reflects the information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. Generally, trade receivables are written-off if the Group has actually ascertained that these are worthless and uncollectible as of the end of the year.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other financial assets consisting of cash in banks, advances to related parties, RCF, MTF and rental deposit, the Group established controls and procedures on its credit policy to determine and monitor the credit worthiness of counterparties.

The credit quality of the financial assets is managed by the Group using internal credit quality ratings. High grade accounts consist of receivable from debtors with good financial condition and with relatively low defaults. Financial assets having risks of default but are still collectible are considered standard grade accounts. Past due but not impaired accounts are still collectible but require persistent effort from the Group to collect.

Cash in banks, RCF and MTF are classified as high grade since these are deposited in reputable banks having good credit rating and low probability of insolvency. While the advances to related parties is classified under standard grade since the counterparties are reputable related parties with low credit risk.

Liquidity Risk. The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements, including debt principal and interest payments. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, 2023 and 2022, based on contractual undiscounted payments. Loans payable consist of principal and estimated future interest payments.

	2023					Total
	On Demand	Less than three months	Three to six months	More than six months to one year	More than one year	
Trade and other payables*	₱26,826,604	₱972,009	₱139,250,478	₱-	₱-	₱167,049,091
Dividends payable	311,966,875	-	-	-	-	311,966,875
Loans payable**	-	8,829,932	8,699,350	16,789,554	116,841,340	151,160,176
Advances from related parties	5,000,000	-	-	-	-	5,000,000
	₱343,793,479	₱9,801,941	₱147,949,828	₱16,789,554	₱116,841,340	₱635,176,142

*Excluding excise tax and other statutory payables and advances from customers aggregating to ₱56.3 million as at December 31, 2023.

**Including interest payable up to maturity amounting to ₱18.6 million as at December 31, 2023.

	2022					Total
	On Demand	Less than three months	Three to six months	More than six months to one year	More than one year	
Trade and other payables*	₱54,179,658	₱972,009	₱140,497,177	₱-	₱-	₱195,648,844
Dividends payable	10,484,846	-	-	-	-	10,484,846
Loans payable**	-	56,039,809	19,416,843	17,524,238	149,490,179	242,471,069
Advances from related parties	4,936,715	-	-	-	-	4,936,715
	₱69,601,219	₱57,011,818	₱159,914,020	₱17,524,238	₱149,490,179	₱453,541,474

*Excluding excise tax and other statutory payables and advances from customers aggregating to ₱85.6 million as at December 31, 2022.

**Including interest payable up to maturity amounting to ₱31.7 million as at December 31, 2022.

Fair Value of Financial Assets and Financial Liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the consolidated financial statements:

	2023		2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash	₱603,877,818	₱603,877,818	₱546,893,643	₱546,893,643
RCF and MTF	5,799,806	5,799,806	5,757,306	5,757,306
Trade and other receivables*	3,637,325	3,637,325	42,787,895	42,787,895
Advances to related parties	2,383,253	2,383,253	26,280,675	26,280,675
Rental deposit	1,133,050	1,133,050	961,850	961,850
	₱616,831,252	₱616,831,252	₱622,681,369	₱622,681,369
Financial Liabilities				
Dividends payable	₱311,966,875	₱311,966,875	₱10,484,846	₱10,484,846
Trade and other payables**	167,049,091	167,049,091	195,648,844	195,648,844
Loans payable	132,604,857	132,262,442	210,746,700	213,102,230
Advances from related parties	5,000,000	5,000,000	4,936,715	4,936,715
	₱616,620,823	₱616,278,408	₱421,817,105	₱424,172,635

*Excluding advances to officers and employees amounting to ₱18.7 million and ₱58.4 million as at December 31, 2023 and 2022, respectively.

**Excluding excise tax and other statutory payables and advances from customers amounting to ₱56.3 million and ₱85.6 million as at December 31, 2023 and 2022, respectively.

Cash, Trade and Other Receivables (excluding advances to officers and employees), Advances to Related Parties, RCF, MTF, Trade and Other Payables (excluding excise tax and other statutory payables and advances from customers), Dividends Payable and Advances from Related Parties. Due to the short-term nature of transactions, the fair values approximate the amount of consideration at reporting period.

Rental Deposit. The fair value of rental deposit has not been determined using observable market data because management believes that the difference between fair value and carrying amount is not significant.

Loans Payable. Estimated fair values have been calculated on the instruments' expected cash flows using the prevailing PDST-R2 rates ranging from 1.79% to 4.37% that are specific to the tenor of the instruments' cash flows at reporting dates (Level 2).

25. Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The Group manages its capital structure and makes adjustments to it, whenever there are changes in economic conditions. The Group monitors its capital using debt to equity ratio. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or by conversion of related party advances to an equity component item.

26. Notes to Consolidated Statements of Cash Flows

The table below details changes in the liabilities and equity of the Group arising from financing activities, including both cash and non-cash changes.

	2023		
	Loans Payable (see Note 13)	Accrued (Prepaid) Interest (see Note 12)	Total
Balance at beginning of year	₱210,746,700	₱972,009	₱211,718,709
Cash flows from financing activities:			
Availments	1,540,800	-	1,540,800
Payments of:			
Loans payable	(79,682,643)	-	(79,682,643)
Interest	-	(12,330,153)	(12,330,153)
Noncash changes:			
Interest expense	-	12,330,153	12,330,153
Balance at end of year	₱132,604,857	₱972,009	₱133,576,866
	2022		
	Loans Payable (see Note 13)	Accrued (Prepaid) Interest (see Note 12)	Total
Balance at beginning of year	₱440,368,186	₱3,264,048	₱443,632,234
Cash flows from financing activities:			
Availments	9,660,396	-	9,660,396
Payments of:			
Loans payable	(239,281,882)	-	(239,281,882)
Interest	-	(26,543,903)	(26,543,903)
Noncash changes:			
Interest expense	-	24,251,864	24,251,864
Balance at end of year	₱210,746,700	₱972,009	₱211,718,709

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE
OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Marcventures Holdings, Inc. and Subsidiaries
4th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Marcventures Holdings, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022, and 2021, and have issued our report thereon dated March 14, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022, and 2021 and no material exceptions were noted.

REYES TACANDONG & Co.



CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 14, 2024
Makati City, Metro Manila

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

Ratio	Formula	2023	2022
Current ratio	Total Current Assets	₱898,183,945	₱917,225,555
	Divided by: Total Current Liabilities	598,565,310	395,222,778
	Current ratio	1.50:1	2.32:1
Acid test ratio	Total Current Assets less Inventory	₱729,059,251	₱766,111,294
	Divided by: Total Current Liabilities	598,565,310	395,222,778
	Current ratio	1.22:1	1.94:1
Solvency ratio	Net Income Before Depreciation and Amortization, and Depletion	₱303,207,624	₱502,885,218
	Divide by: Total liabilities	1,252,441,412	1,068,221,038
	Solvency ratio	0.24:1	0.47:1
Debt-to-equity ratio	Total Liabilities	₱1,252,441,412	₱1,068,221,038
	Divide by: Total equity	4,797,373,590	4,872,384,270
	Debt-to-equity ratio	0.26:1	0.22:1
Asset-to-equity ratio	Total Assets	₱6,049,815,002	₱5,940,605,308
	Divide by: Total equity	4,797,373,590	4,872,384,270
	Asset-to-equity ratio	1.26:1	1.22:1
Interest rate coverage ratio	Pretax income before interest	₱353,514,331	₱366,444,217
	Divided by: Interest expense	15,055,521	26,859,047
	Interest rate coverage ratio	23.48:1	13.64:1
Return on asset	Net income	₱232,136,506	₱202,580,780
	Divide by: Total average assets	5,995,192,155	6,225,119,202
	Return on asset ratio	0.04:1	0.03:1
Return on equity	Net income	₱232,136,506	₱202,580,780
	Divide by: Total average equity	4,834,878,930	4,768,750,895
	Return on equity ratio	0.05:1	0.04:1
Net profit margin ratio	Net income	₱232,136,506	₱202,580,780
	Divide by: Total revenue	2,050,416,186	3,067,485,008
	Net profit margin ratio	0.11:1	0.07:1

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Marcventures Holdings, Inc. and Subsidiaries
4th Floor, BDO Towers Paseo
8741 Paseo de Roxas, Makati City

We have audited in accordance with the Philippine Standards on Auditing, the consolidated financial statements of Marcventures Holdings, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 included in this Form 17-A and have issued our report thereon dated March 14, 2024. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Schedule of Parent Company's Retained Earnings Available for Dividend Declaration for the year ended December 31, 2023
- Schedules Required under Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 as at December 31, 2023
- Conglomerate Map as at December 31, 2023

These schedules are presented for purposes of complying with the Revised SRC Rule 68, and are not part of the consolidated financial statements. This information have been subjected to the auditing procedures applied in the audit of the consolidated financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. In our opinion, the information are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

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Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 14, 2024

Makati City, Metro Manila

**PARENT COMPANY'S RECONCILIATION OF
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023**

MARCVENTURES HOLDINGS, INC.

4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

	Amount
Unappropriated retained earnings, beginning of reporting period available for dividend declaration	₱88,704,537
Less: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the period	(301,482,030)
Unappropriated retained earnings, as adjusted	(212,777,493)
Add: Net income for the current year	250,558,593
Adjusted net income	250,558,593
Total retained earnings, end of the reporting period available for dividend declaration	₱37,781,100

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULES REQUIRED UNDER ANNEX 68-J OF THE REVISED
SECURITIES REGULATION CODE RULE 68
DECEMBER 31, 2023

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<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>1</u>
D	Long-Term Debt	<u>2</u>
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>3</u>

Schedule C. Amounts Receivable from Related Parties Eliminated during the Consolidation of Financial Statements
December 31, 2023

Name of debtor	Balance of beginning of period	Additions	Amounts collected	Amounts written-off	Current	Noncurrent	Balance at the end of the period
Marcventures Mining and Development Corp.	₱316,867,849	₱-	₱316,867,849	₱-	₱-	₱-	₱-
BrightGreen Resources Corporation	5,628,288	-	-	-	5,628,288	-	5,628,288
Alumina Mining Philippines Inc.	213,996,628	3,286,222	-	-	217,282,850	-	217,282,850
Bauxite Resources Inc.	59,090,772	1,129,793	-	-	60,220,565	-	60,220,565
	₱595,583,537	₱4,416,015	₱316,867,849	₱-	₱283,131,703	₱-	₱283,131,703

Schedule D. Long - term Debt
December 31, 2023

Title of issue and type of obligation	Amount shown under caption "Current portion of Loans payable"	Amount shown under caption "Loans payable - net of current"
<i>Notes Payable</i>		
China Banking Corporation	24,000,000	103,728,730
Orix Metro Leasing and Finance Corp.	3,804,328	1,071,799
	<u>₱27,804,328</u>	<u>₱104,800,529</u>

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by related parties	Directors officers and employees	Others
Common Stock	4,000,000,000	3,014,820,305	–	–	195,630,020	2,819,190,285

MARVENTURES HOLDINGS, INC. AND SUBSIDIARIES

CONGLOMERATE MAP

DECEMBER 31, 2023

Stockholders



Parent Company



Subsidiaries





Driving Sustainable Solutions

2023 Sustainability Report

BOARD STATEMENT

DELIVERING LONG TERM VALUE

We, at MHI, believe in building a business model that delivers long-term values to our stakeholders and promotes sustainable considerations in our mining practices. We believe that sustainability will become even more integral to the Group as we move forward and therefore:

- We honor our stewardship of the environment as we continue to work on implementing responsible mining methods, providing a sustainable solution to mine rehabilitation, and instituting long-term livelihood opportunities for future generations. Our rehabilitation programs are a testament to this stewardship mindset.
- We also put utmost emphasis on the health, security, and safety of our employees as well as partnering with our host communities to facilitate economic and social growth and development.
- Lastly, but equally as important, MHI remains committed to complying with national and local government laws and regulations bearing in mind that good governance is at the heart of our future as an organization.

Based on such factors, the scope of this Sustainability Report encompasses the MHI Group’s performance (including its subsidiaries) – its actions, challenges, results, and achievements. Although some measures apply across the board

to other types of industries, the scope and manner of presentation of this Sustainability Report will be unique to MHI’s industry-specific risks, concerns, and sustainable development goals.

Our overall approach to sustainability is guided by our Sustainability Framework, and the conduct of our business is based on our Code of Conduct and Corporate Governance policies. This approach establishes our sustainability vision, topics deemed material to the Company, and our future commitments which we strive to align with the United Nations Sustainable Development Goals. Mindful that there is a need to increase focus on non-financial and sustainability reporting, this Report was prepared following Principle 10 of the Code of Corporate Governance for Publicly Listed Companies (PLCs) stating that companies should ensure that material and reportable non-financial and sustainability issues are disclosed.

With the foregoing considerations in mind, the Board of MARCVENTURES HOLDINGS, INC. (“MHI” or the “Group” or the “Company”) proudly presents its third Sustainability Report under the Securities and Exchange Commission (SEC) Memorandum Circular (MC) No. 4, Series of 20192 for the period 1 January to 31 December 2022. This Report is prepared for all stakeholders with an interest in the mining industry and/or sustainability performance of the Company and is recommended to be read in conjunction with its Annual Report.

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OUR SUSTAINABLE PATHWAY

We continue to evolve as we persevere in our commitment to supply mine products, rudimentary to environmental preservation, and community support. With the world economy influencing the commodity process and inflation, our sustainability pathway remains stable with active social programs for our communities in Carrascal, Cantillan, and Madrid.

Our initiatives under the SDMP are guided by the United Nations Sustainable Development Goals (UNSDG), an urgent call for action by all countries. The global partnership recognizes strategies that improve health and education, reduce inequality, and increase economic growth while tackling climate change and preserving natural resources.

Our programs in MHI support quality education, good health and well-being, economic growth, preservation of biodiversity, and climate action. We continued our initiatives to nurture communities, empower development, and minimize environmental impact.

We are proud to support the education of students from low-income families and members of Indigenous communities through our Social Development Management Program (SDMP) and our Corporate Responsibility Projects. We also empower communities by providing resources to help organizations start their own enterprise.

Our sustainability journey is a commitment, embedded in our values and strategy. And we believe in giving back to the communities that helped us grow.

We thank God almighty for blessing us with a productive year.



ROLANDO SANTOS

Director & Treasurer
 Marcventures Mining and Development Corporation
 Executive Vice President
 Marcventures Holdings, Inc.



OUR GROUP STRUCTURE AND BUSINESS CONTEXT

Marcventures Holdings, Inc (“MHI”) formerly AJO.net Holdings, Inc. was incorporated on August 7, 1957 and became a publicly-listed company in 1958. On March 30, 2010, the Securities and Exchange Commission (SEC) approved the change to the present one and further approved the change in its primary purpose to include land ownership. On December 29, 2017, the Securities and Exchange Commission approved MHI’s merger with Asia Pilot Mining Philippines Corp. (APMPC) and BrightGreen Resources Holdings, Inc. (BRC) with MHI as the surviving entity. The merger resulted in MHI’s acquisition of APMPC’s subsidiaries, namely Alumina Mining Philippines, Inc. (AMPI) and Bauxite Resources, Inc. (BARI), the only two (2) bauxite mines in the Philippines, as well as MHI’s subsidiary, Bright Green Resources Corporation (BRC). Through its subsidiaries, MHI conducts business by investing in mining and associated activities. Currently, it has investments in four (4) wholly-owned subsidiaries: Marcventures Mining and Development Corporation (MMDC), BrightGreen Resources Holdings, Inc. (BHI), Alumina Mining Philippines, Inc. (AMPI), and Bauxite Resources, Inc. (BARI).

MARCVENTURES MINING AND DEVELOPMENT CORPORATION

Location: Surigao Del Sur (Cantilan, Carrascal, and Madrid)

Ownership: 100% MHI

MPSA No.: 016-93- XIII (approved on July 01, 1993)

Area: 4,799 hectares

Mining Method: Contour Mining

Ore Type: Nickel (Saprolite and Limonite)

Market/ Buyers: Direct shipment to China (primarily); Japan and Asia (prospective)

Mineral Resource Report as of December 31, 2023:

- Total Measured and Indicated Saprolite Mineral Resource: 8.66 Million Wet Metric Tonnes (WMT) with an average grade of 1.32% Ni and 12.89% Fe
- Total Measured and Indicated Limonite Mineral Resource: 57.76 Million Wet Metric Tonnes (WMT) with an average grade of 0.89% Ni and 43.75% Fe



SUBSIDIARIES



Bright Green Resources Corporation
Location: Surigao del Sur (Carrascal, Cantilan, and Madrid)
Ownership: 100% MHI
MPSA No.: 015-93-XIII was approved on July 01, 1993, with MPSA extension valid up to June 30, 2024
Area: 4,860 hectares
Mining Method: Contour Mining
Ore Type: Nickel (Saprolite and Limonite)
Mineral Resource Report signed by a Competent Person in March 2016:

- Total Measured and Indicated Mineral Resources are 16.03M WMT with an average grade of 1.17% Ni and 34.98% Fe.
- This is further broken down to 3.06M WMT saprolite with an average grade of 1.59% Ni and 14.85% Fe, and 12.97M WMT limonite with an average grade of 1.07% Ni and 39.73% Fe.

Mineral Resources have been validated by the MGB and is deemed acceptable and compliant with the Philippine Mineral Reporting Code (PMRC) 2007 guidelines which set out minimum standards and guidelines for public reporting of exploration results, mineral resources, ore reserves and metallurgical assessments, and DENR DAO No. 2010-09 which provides for the classification and reporting standards of exploration results, mineral resources, and ore reserves.

BRC has secured the extension of the 3rd renewal of its Exploration Period for another two (2) years effective July 02, 2022, to July 01, 2024. It was also included in the list of priority projects by the Mines and Geosciences Bureau (MGB). Preparation for all mandatory reports for the Declaration of Mining Project Feasibility application is ongoing. The team has completed public and technical scoping (a requirement for Environmental Compliance Certificate application), baseline gathering, IEC consultation for SDMP and EPEP, and FPIC MOA with NCIP and other concerned indigenous groups.

Bauxite Resources Inc.
Location: Samar (Matuguinao, Gandara, San Jose de Buan, San Jorge)
MPSA No.: 180-2002 VIII (SBMR) was issued on December 5, 2002.
Area: 5,519.01 hectares.
Ownership of AMPI & BARI: 100% MHI through a merger and acquisition deal with Asia Pilot Mining Philippines Corporation (APMPC)
Ore Type: Bauxite, the raw material of Aluminum Mineral Resource Report signed by a Competent Person in March 2016 reviewed and certified by a Philippine Mineral Reporting Code (PMRC) Competent Person (CP) for Geology in June 2017: 73.18 Million Wet Metric Tonnes (WMT) with an average grade of 41.66% Al₂O₃

Alumina Mining Philippines, Inc.
Location: Samar (Paranas, Motiong)
MPSA No.: 179-2002 VIII (SBMR) (issued on December 5, 2002)
Area: 6,694 hectares
 Both AMPI and BARI are in the process of securing an Environmental Compliance Certificate (ECC) for the planned development and mine operation of the Samar Bauxite Project. Notwithstanding the imposed country-wide lockdown due to the COVID-19 pandemic, AMPI and BARI were able to complete the public scoping and technical scoping stages of the Environmental Impact Assessment (EIA) process in January 2021.

MATERIALITY PROCESS

The 2023 MHI Sustainability Report is an account of MHI’s economic, environmental, and social contributions as guided by the United Nations Sustainable Development Goals. The material topics were based on Global Reporting Initiative (GRI) Standards. These indicators reflect the company’s impact that could substantially influence the assessments and decisions of stakeholders. The material topics were identified during the Sustainability Reporting workshop in 2019. The topics are reviewed every year and regularly assessed and evaluated by the members of the technical working group.

Sustainability Context

MHI is committed to contributing to the socio-economic development of the communities surrounding its mining tenements. As it pursues its corporate goals, the Company aims to be a catalyst for the upliftment of the lives of its host communities and aspires to be a responsible steward of mineral resources.

Sustainability is one of the main drivers of MHI’s businesses. As a responsible miner, process efficiency is geared towards protecting the environment while generating value for stakeholders. The day-to-day operations, community concerns, and stakeholders’ relationships were instrumental in directing the Company’s efforts in identifying and evaluating material topics for this year’s report.

Group-wide Reporting Process

In preparing the very first MHI Sustainability Report in 2019, key officers and staff attended a Sustainability Reporting workshop, facilitated by Atty. Teodoro Y. Kalaw IV, is a certified sustainability trainer by the Global Reporting Initiative and a sustainability report assurer by the Institute of Certified Sustainable Practitioners. Atty. Kalaw led the extensive sustainability orientation and materiality assessment process, which the Technical Working Group adapts every year, in preparing the report.

Defining Materiality

The report covers significant material topics consisting of current issues as well as topics and business aspects deemed important to its

stakeholders. These were identified during the Sustainability Reporting workshop and analyzed based on the current business model and strategic plans. The process consists of the assessment, topic identification and categorization, focus prioritization, validation, and reporting.

Topics Deemed Non-Material

Upon review and appropriate deliberation, there were some topics deemed non-material for the report. Discussions on Customer Management, Product Health and Safety, and Product Marketing and Labeling were not material to the business model from a sustainability perspective.

The Company’s current main product is nickel ore, which is commonly used for nickel-based alloys for high-quality stainless steel and batteries and is exported in raw form. While relationships with customers are vital to any organization, Customer Management and Marketing were deemed not material topics from a sustainability perspective. The increasing demand for nickel products worldwide outweighs supply availability. Prices are based primarily on market rates. Moreover, nickel products are extracted and shipped in raw form with pre-agreed characteristics subject to independent third-party testing.

Strengthening Our Process

As with this year’s material topic assessment, the Company aims to institute a regular review to strengthen the materiality matrix and encourage participation and collaborative validation from its stakeholders. This comes with a vision to improve the process behind the preparation of the Sustainability Report as stakeholders track its development in the coming years.



HIGHLIGHTS OF 2023 MATERIAL TOPICS

As a publicly-listed company, MHI ensures continuous adherence to corporate governance rules, regulations, and requirements imposed by the Philippine Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).



GOOD CORPORATE GOVERNANCE

Good Corporate Governance

The Board of Directors exercises its oversight functions through the Executive Committee which meets regularly. It provides an independent check on management corollary to setting the policies for the accomplishment of the corporate objectives.

Economic Performance

By achieving its financial goals, MHI can create and generate value for its employees, suppliers, stockholders, community, and government.

Climate-related Risks and Opportunities

Disruption in the supply chain is largely affected by changes in rainfall rate and extreme weather events which are the top climate-related risk that causes delays, suspension of operations, prevention of shipments, or loading process.

Environmental Impact Management

MHI continues to review its historical data to determine steps to reduce its operations' environmental impact. Regular inspections and monitoring of the Company's tenement areas are conducted to identify existing and potential environmental hazards for early detection and remediation.

Procurement Procedure

MHI, through MMDC, supports local suppliers and directly contributes to the growth of the local economy. It follows a systematic procurement process through competitive bidding to promote fair, economic, efficient, and effective competition and determine the market price of materials and services.



RESPONSIBLE MINING

Resource Management

The environmental team has established a system for managing energy, water, and material consumption. We recognize the critical importance of water as a shared resource with our local stakeholders and view water management as one of our most material sustainable issues.

Ecosystem and Biodiversity

MMDC continues to lead in the propagation of bamboo as a sustainable and rewarding livelihood project for mined-out areas. We also consider the overall ecofootprint of our projects when we design and evaluate their viability. Mine planning considers optimal land use and mitigation measures to the impact on land, flora, and fauna.

Environmental Impact

Emissions, wastes, and effluents are regularly monitored and regulated to manage environmental threats, risks, and hazards and to ensure that environmental impacts are within prescribed standards.

Environmental Compliance

The Company has a Legal and Compliance team that monitors relevant laws, rules, and regulations enforced by the Mines and Geosciences Bureau (MGB) and the Department of Environment and Natural Resources (DENR) to ensure the Company's compliance with environmental laws and the protection of the country's natural resources.



COMMUNITY ENGAGEMENT

Employee Management

MHI firmly believes that its people are its primary asset in attaining its business objectives. As partners in providing value to its stakeholders, MHI ensures that their well-being is well cared for; and that in the conduct of its business, its employees are respected, rewarded, and secured. This viewpoint extends to members of Indigenous Peoples (IP) and members of host communities whom the Company also employs. The Company understands that recruiting and hiring from the communities where it operates is foundational to local economic and social development.

Workplace Conditions, Labor Standards, and Human Rights

MMDC is committed to the safety, health, security, and welfare of all the people involved in the mining operation. Apart from ensuring compliance with government-mandated benefits, MHI also offers extra compensation that fulfills its employees' medical, livelihood, and educational needs. These extend to their family members in the form of food subsidies, educational assistance, and health insurance.

Supply Chain Management

The Company has a Supplier Accreditation Policy which evaluates an organization's business integrity and compliance with labor laws, particularly Department Order No. 174 Series of 2017 of the Department of Labor and Employment (DOLE).

Data Privacy and Security

The entire organization complies with Republic Act No. 10173 or the "Data Privacy Act of 2012." This is a vital material topic as the Company continues to search for other investment opportunities to diversify its sources of revenue and add to shareholder value. All assets are secure and kept confidential, with data security measures properly enforced.

RESPONSIBLE MINING

The Company prioritizes sustainability procedures in laying the groundwork for its operational plan. Global sustainability focuses on addressing current needs without compromising the needs of future generations. In mining, it is crucial to safeguard both the environment and the long-term livelihood prospects of host communities. The overall goal is to reduce the negative impact.



CONTRIBUTION TO SUSTAINABLE GOALS

The United Nations (UN) Sustainable Development Goals (SDG) stand, alongside the Company's corporate goals, ensuring the welfare of host communities and protecting the environment. Several initiatives are in place to build, nurture, and empower communities, promote social development and management, improve health and safety practices, and minimize environmental impact.



15 LIFE ON LAND
CONSERVING LIFE ON LAND
 Life on Land is one of the 17 Sustainable Development Goals (SDGs) established by the United Nations in 2015. It aims to protect, restore, and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt land degradation, and halt biodiversity loss by 2030.

In mining, it is important to leave a sustainable livelihood for the community even after operations have stopped. Progressive mine rehabilitation is an important factor in sustainability as it restores and enhances mined-out areas to its natural state. This served as the guiding principle of Marcventures when it embarked on its Bamboo Plantation Development program in 2017. The goal was to provide an enterprise for communities after mining operations.

With the addition of new environmental policies stipulated under DAO 2018-19 or the Guidance for Additional Environmental Measures for Operating Surface Metallic Mine, the establishment and maintenance of temporary revegetation was implemented.

For 2023, the revegetation area measuring 38.02 hectares was planted with assorted grass,

creeping vines, and crops such as upland rice, mung beans, and corn. The temporary revegetation area serves as a soil erosion control measure and supports the nitrogen fixation process of the topsoil. The latter is used for the engineered slopes for the mine rehabilitation in Cabangahan and Sipangpang. Under the Mining Forest Program (MFP) the mined-out area measuring 36.79 hectares was covered with 39,955 seedlings of Agoho, Narra, Bani, Magkono, Auri, and Mangium. To stabilize river embankments, and in line with erosion control bamboo seedlings were planted along the Carac-an River and Alamio River. For 2023, about 4.95 hectares were planted with bamboo while the existing 9.25 hectares planted area continues to be maintained through ring weeding, and fertilizer application. As of December 2023, MMDC maintains 201,609 seedlings of various species in its Sipangpang and Banban nurseries.

3 GOOD HEALTH AND WELL-BEING
ENSURING HEALTHY LIVES AND WELL-BEING
 The commitment to the safety, health, and well-being of all people involved in its business remains at the forefront of its operations. The Company focuses on maintaining safe and healthy working conditions by promoting safety training and following standard operating procedures. Environmental protection measures that are economically feasible are also applied to safeguard the health of employees and community members.

Promoting healthy lives and well-being is essential to sustainable development. The Company continues to strictly follow health and safety measures side by side with health-related projects under its Social Development Management Program (SDMP).



CONTRIBUTION TO SUSTAINABLE GOALS

For the year 2023, the Company provided health and emergency assistance to emergency patients in Cabangahan, Bon-ot, Bacolod, and Cabas-an, supported the medical missions in Cabangahan, Bayugo, and Panikian, purchased health equipment for Panikian and Babuyan, and ambulance for Gamutan and Parang.



Cabangahan, Bon-ot, Babuyan, Bacolod, Cabas-an, and Parang.

The Company also provided resources for the renovation of Cabangahan Integrated School and Day Care Center, Panikian High School classroom, Panikian Day Care Center, the school stage for Antonio Yu Carcel Primary School in Bon-ot, Banban-Panikian school bus, graduation assistance for the students of Babuyan, and school supplies for the child development center in Maslog, Banban, and Malcan.



8 DECENT WORK AND ECONOMIC GROWTH SUSTAINABLE ECONOMIC GROWTH

Inclusive economic growth is required for sustainable development to improve community livelihood. Through its Social Development and Management Program (SDMP) Enterprise Development and Networking Program, the Company supported the rice trading enterprise of NAGMAKA (Nagkahlusang Maguuma Alang sa Klambuan) an association of 77 farmers in Panikian. The project cost was one hundred thousand pesos (Php 100,000). Aside from sustainable livelihood, the program aims to instill teamwork, unity, and community spirit.

17 PARTNERSHIPS FOR THE GOALS PARTNERSHIP TO FACILITATE SUSTAINABLE DEVELOPMENT

The journey towards sustainable development requires strong partnerships between the government, the private sector, and civil society. Since the beginning of company operations, Marcventures has been fully committed to working hand in hand with local government units and regulatory bodies for seamless operations and the

proper implementation of its livelihood programs. Sustainable goals can only be achieved with strong commitment and cooperation by all parties.

The expenditures for suppliers and other operating costs in 2023 amounted to Php 1.14 billion. Based on the results for the year in review, the Company paid interest to loan providers totaling Php 15.06 million. Profitability from enhanced business models in 2023 translated to over Php 533.55 million in government payments in the form of royalties and taxes. This includes excise and withholding taxes, quarterly income taxes, as well as permits and licenses. The generated profit allowed optimal returns for shareholders with enough resources for future investments. The Company's expenditure on host and neighboring communities in 2023 totaled Php 48.33 million.



DIRECT ECONOMIC VALUE GENERATED

MHI's consolidated income for 2023 increased by 12% from Php 202.58 million in 2022 to Php 227.33 million in 2023. MMDC's revenues decreased by 33% from Php 3.07 billion in 2022 to Php 2.05 billion in 2023. MMDC completed 28 shipments in 2023 with a total of 410 shipments year-to-date. Operationally, MMDC had a positive year generating a direct economic value of Php 300.52 million in 2023 despite the unstable weather conditions, weakening ore market, and the rise in fuel cost. Operating Costs and Expenses were at Php 1.62 billion in 2023. The decrease was primarily due to the shortfall of ore produced and sold. The Company also spent over Php 201.71 million on employee wages and benefits in 2023.

CLIMATE-RELATED RISKS

Mining companies operate amid unfriendly conditions and the frequent warnings of excessive

heat, drought, and heavy rains increase the physical challenges at the site.

Large diesel trucks and loaders used during operations emit carbon dioxide, the main contributor to anthropogenic climate change. To reduce emissions, trucks, and loaders must be always kept in perfect running condition.

Operations also involve cutting down trees which reduces carbon dioxide absorption. The Company is obligated to replant trees in line with its mine rehabilitation program.

The biggest climate-related risk is rainfall. The amount and frequency remain unknown and the risk impacts production and shipment operations. When rainfall frequency is low, mining and shipment operations can be efficient. However, high precipitation impacts the working conditions on the ground. This causes a delay in operations and makes it unsafe for haul trucks to freely traverse the mining area.

The additional water also increases ore moisture which affects shipment specification. Rainfall increases mining and production costs. The work schedule gets distorted and deviates from the strategic plan for the year causing the additional cost of maintenance for the mine, roads, and stockyards.

Prolonged dry weather with less precipitation is ideal for efficient operations. This reduces moisture content thereby befitting ore sales revenue. The Company's unconsolidated deposit can add resilience to operations during lower temperatures, however, precipitation and foggy conditions would still impact road conditions. It remains unsafe for haul trucks, considering the terrain and gradient of the haulage road from the pit down to the stockyard.

To identify and assess climate-related risks, MMDC uses historical rainfall data. This is gathered daily from strategic locations of the site operations. The combination of statistical projections and long-term weather forecasts allows the Company to identify and project rainy days for operational use.

The process of managing climate-related risks is integrated into the organization's overall risk management. Forecasting and projecting operational working days for strategic planning results in the probability of attaining production and shipment targets for the budgeted year. To assess and manage risks, the number of working days,

4 QUALITY EDUCATION QUALITY EDUCATION FOR ALL

Quality education is fundamental to a stable and prosperous future. Education gives people the knowledge and skills needed to stay healthy, get jobs, and foster mental strength for coping with challenges.

Financial assistance was given to college students in barangays Cabangahan, Babuyan, Bayugo, Gamutan, Bon-ot, Babuyan, Cabas-an, including students from the non-mining communities of Taganito, Calayag, and Doyos. A total of 198 students were given financial assistance throughout the school year.

The Company also supported the college education of 18 students under the Company's Development of Mining and Geoscience Technology program. The students are taking up Mining and other courses related to the environment. The program also covered the support for the Mining Technology and Geosciences Library in Caraga and ongoing research on viable livelihood for host and neighboring communities.

Most public schools do not have the means to provide additional educators for the growing number of students every year. The volunteers help the teachers with their day-to-day work to ensure quality education for all. MMDC also subsidized the monthly fees of 20 volunteer teachers in

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the intensity and the frequency of rainfall in a week are used as metrics for operations. The metrics of monthly working days determine the tonnage that can be produced per budget. An actual comparison of the metric and the rainfall intensity necessitates adjustment for forecasting and determining revised production and shipment tonnages.

The Company can manage the risk with weekly stewardship of the intensity and frequency of precipitation. The task is very challenging because of the localized rainfall, and this includes implementing a drainage plan in the mine area, the haul roads, mine yards, and the stockyards.

Climactic conditions also impact infrastructure stability and environmental protection practices. Warm temperatures will increase water scarcity, and this inhibits water-dependent operations and mine rehabilitation, and can even result in problems with communities for water resources.

The Company also strives to reduce mining disturbance, energy and water consumption, and waste generation. More importantly, it continues to plant more trees, revegetate, and rehabilitate mined-out areas to reduce the Company's carbon footprint. Other initiatives that help manage climate-related risk are pre-deployment inspections of mining equipment to confirm that it is in good running condition, reduction of energy consumption in offices and campsites, reduction of water consumption, and reusing and recycling of materials to reduce solid wastes.



CONSERVING WATER RESOURCES

Water is a vital resource for mining operations. It is used in every process, from power generation and dust management to sanitation of facilities and daily health intake.

In 2023, the Company's total water consumption was 93,701.58 cubic meters. Water conservation and has been in place since the company began its operations.

Soil movement during mining operations and road construction can cause the siltation of nearby water systems.

When vegetation is removed in a certain area, the soil can erode easily causing particles to fall straight into the natural water system. The siltation

particles increase in volume during heavy rains. Likewise, soil run-off from hauling roads also causes the siltation of nearby canals.

To mitigate potential water discoloration brought by runoff waters coming from the mine site, settling ponds were constructed to allow the settling of sediments before discharge and ensure effluents are compliant with DENR standards.

For the year 2023, a total of 13 new settling ponds were constructed—2 in the Cabangahan mine area and 11 in the Sipangpang mine area. A total of 114,358.63 silt materials were desilted as part of the maintenance and improvement of settling ponds. Silt curtains were installed in the port area to maintain good water quality while shipment is ongoing. Also, a total of 127,501 cu.m of silt materials were desilted as part of the maintenance and improvement of settling ponds.



ADDRESSING EFFLUENTS

The water quality of MMDC's causeway bay, creeks, and rivers including the discharge points of settling ponds are being monitored regularly. In-house water sampling for these locations is done monthly using HORIBA U-50 water monitoring device and HACH colorimeter. MMDC also tapped Ostrea Minerals Laboratory Incorporated-CDO to conduct a quarterly 3rd party analysis of the water samples. Test parameters cover temperature, pH, DO, BOD, TSS, and heavy metals such as arsenic, cadmium, lead, manganese, and nickel.

For TSS, the water samples are analyzed by MMDC's assay laboratory chemists. Bacteriological analysis of domestic water sources at the facility is done at the Department of Health (DOH) regional office in Caraga.

The total volume of water withdrawals, abstractions taken from ground surface water sources, is 93,701.58 cubic meters. According to the DENR classification, the Company's usage is under Class C for industrial water supply.

The quality is measured according to TSS or Total Suspended Solids (TSS). These are solid materials in water that are captured when filtered. The acceptable TSS for Class C is below 80 milligrams (mg) per liter (L).

For 2023 the average TSS for effluent or wastewater is 5.31 mg/L and the average TSS for ambient or open water is 15.91 mg/L. The analysis by both the in-house team and third-party Ostrea Mineral Laboratories shows that ambient, effluent, and process-related water quality in all stations were within the DENR Standard under DAO 2016-08 for freshwater/marine water bodies and General Effluent Standards. Potable Water Analysis also shows that all required parameters are within the Philippine National Standards for Drinking Water (PNSDW 2017).

Mine operation impact three water catchment systems: Carrac-an, Alamio, and Panikian catchments. To control possible water contamination and sedimentation, catch drainages and road canals are to be constructed and maintained whole year round. Catch drainages and road canals direct runoff waters to ponds.

PROACTIVE WATERSHED PROTECTION

The operating mine sites have protected areas in the form of the following watersheds:

- Panikian, Alamio, and Carac-an. Declared "critical forest reserves" subject to prior existing rights (such as MMDC's MPSA) by Presidential Proclamation No. 1747 dated March 29, 2009.
- Bacolod-Tibabakod Panikian (Carrascal). Adjacent to MMDC's haulage road with a minor overlap at the northeastern section.
- Bon-ot-Gamuton (Carrascal). Located north of Bacolod-Tibabakod Panikian and west of MMDC haulage road. The site also covers sensitive areas like the community water sources of barangay Bon-ot, Gamuton, and Panikian (Carrascal) situated west of the MMDC haulage road. All water sources are enclosed in concrete.
- Community water of Sitio Pili, in Barangay Panikian (Carrascal)

- Community water wells of barangay Cabangahan (Cantillan). Mining area downslope to Panikian, Alamio, and Carac-an Rivers.
- Cabas-an Community Irrigation System (CIS) with Alamio River as a water source and servicing an agricultural area measuring 150 ha. Cantillan Irrigation System with Carac-an River as a water source.
- Habitation sites of barangay Bon-ot, Gamuton, and Panikian in Carrascal, and barangay Cabangahan in Cantillan.
- Within Lanuza bay, where the Carac-an River discharges about 18.7 downslope of Area 2 mine, are the San Pedro Marine Protected Area in Cantillan and the Lanuza Marine Park and Sanctuary in Lanuza.

POSITIVE FOR TERRESTRIAL WILDLIFE VERTEBRATES

Our Environmental Performance Report and Management Plan (EPRMP) cited the 2011 assessment of the terrestrial wildlife vertebrates within the MPSA area. It recorded a total of eighty-two (82) wildlife species representing five (5) species of amphibians, six (6) species of reptiles, sixty (60) species of birds, and eleven (11) species of mammals.

According to the assessment, based on the composition of the species, the area was considered relatively good for terrestrial wildlife. This indicates that the area has ample forest cover and the species are not disturbed by the operations.

MHI, through MMDC, practices due diligence and regular monitoring to ensure minimal environmental impact. It has an active mine rehabilitation plan that transforms mined-out areas into arable lands that can provide a livelihood for the communities.

MHI works closely with the Mine Environmental Protection and Enhancement Office (MEPEO) in rehabilitating disturbed lands through soil amelioration, a process of improving soil consistency by adding amendments. Organic substances are mixed with the soil to aid healthy plant growth.



ENERGY CONSERVATION

The Environmental Team follows a process to ensure that energy data is reviewed regularly. This is supplemented by an energy

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conservation campaign that would motivate employees. Informational materials on energy-saving tips are posted in strategic locations around the office to encourage everyone to help the Company achieve its energy management goals.

Fuel and electricity consumption, as well as carbon emissions, are periodically monitored. A Quarterly Energy Consumption Report is regularly submitted to the Mines And Geosciences Bureau and carbon emissions is monitored and analyzed by an independent third party. This is on top of the regular monitoring conducted by the Environmental Management Bureau of the DENR.

In 2023, MMDC consumed a total of 5,102,000 liters of diesel fuel, a significant drop of 4,517,329 liters from last year's 9,619,329.00 liters. The decrease is due to inactivity of the site's Cabangahan area.

The Company continues to explore other conservation and energy efficiency measures to cut operating and product costs. Apart from the major improvement in revenue for customers and shareholders, it will be a significant contribution to the environment and for the generations to come.

For now, the Company is not using energy from renewable sources, but it continues to study the possibility of shifting to a more earth-friendly energy source to reduce potential GHG emissions.



WASTE AND POLLUTION: RESPONSIBLE CONSUMPTION AND PRODUCTION

The Company's operational efficiency is supported by sustainable consumption and production. It values doing more and doing better with the least possible impairment to resources.

Overproduction is a waste of resources and causes harmful consequences to the

environment. The Company's nickel stockpile is kept commensurate to the quantity requirements of its foreign buyers. Residual materials are utilized for mine rehabilitation and mine operations preparation. Mined-out areas are transformed into healthy planting grounds which can provide food and livelihood to residents from nearby communities. Through these measures, lasting positive contributions to MHI's host and the neighboring communities are ensured.



MANAGING EMISSIONS AND ADAPTING CLIMATE IMPACT

Mining activities like exploration and production activities cause air emissions like GHG emissions and hazardous air pollutants as those activities can send laterite particles up in the air. The dust material is so fine that it stays in the air during hot weather, and turns into mud during the rainy season. Dust generation is a primary concern in every operation, especially during dry weather conditions.

Mitigation and control of dust must be given utmost consideration. The main haulage road is well-maintained to minimize excessive dust during ore transport from the mine pit to the port. Prior to operations, the team makes sure that roads are paved and in good condition. Regular road watering is done during the dry season. The company deploys water trucks to control the dust from haulage roads.

DUST SUPPRESSION

Dust is a prevalent problem in nickel mining. Aside from air pollution, it can affect the health of the people in the communities. To minimize dust, roads are paved and in good condition all year round. The main haulage road is maintained regularly to

control the dust during the hauling of ore from the mine pit to the port. Street sweepers were also deployed to clean community roads and highways.

Vehicle speed is managed and disturbed areas are minimized to lessen the spread of dust. Revegetation initiatives are immediately done in disturbed areas to minimize the generation of windblown dust. Trees were also planted along the roadside and mine access road to act as dust bio-filters.

Suspended particulates are suppressed by spraying water on the main haulage roads and at mining areas such as mine pits, mine yards, ports, and stockyards. The water ensures the concentration of pollutants in the project area is within the limits set by the DENR stipulated in the National Ambient Air Quality Standards (NAAQS).

Dust and other suspended particulate matter cause air quality degradation during mining operations. To suppress fugitive dust the operations team strives to:

- limit the area of disturbance;
- perform re-vegetation immediately to limit wind-blown dust;
- control vehicle speed; and
- regularly spray water on unpaved roads and other affected areas like the mine pit, mine yard, port, and stockyard.

AIR QUALITY MONITORING

Air quality sampling is done monthly by the in-house technical personnel, while the quarterly analysis is carried out by a DENR-accredited laboratory. Suspended particles are measured with the gravimetric method using high-volumetric samplers. The monitoring parameters are defined by Total Suspended Particulates (TSP). PM10 are particulate matters that are less than 10 micrometers while PM 2.5 are particulate matters that are less than 2.5 micrometers.

The Total Suspended Particulates (TSP) are the solid matter in the atmosphere and the primary contributors to air pollution, smog formation, and environmental contamination. PM10 refers to particulate matter that is 10 micrometers and below. PM10 can reach the upper regions of the lungs. PM2.5 measures 2.5 micrometers and below. It can cause lung problems because it reaches the deeper parts of the lungs. The standard for TSP is below 300 micrograms (ug) / Nanocentimeter (Ncm). In 2023, the maximum TSP

reached 76 ug/Ncm, which is within the specified National Ambient Air Quality Standards (NAAQS) for Source-Specific Air Pollutants from Industrial Sources/ Operations.

These monitoring results are submitted to the Environmental Management Bureau (EMB) through the Self-Monitoring Report (SMR) and Compliance Monitoring Report (CMR).

RESPONSIBLE SOLID AND HAZARDOUS WASTE DISPOSAL

Improper handling of solid and hazardous wastes brings harmful consequences. Environmental management begins with proper disposal and the Company has a waste management system to protect its employees and the communities.

Solid wastes are separated at the source before recycling. Regular collection and proper segregation are always observed. Food scraps and other biodegradable wastes are brought to the onsite vermicomposting facility while materials for recycling like metals, plastics, and glass are sorted and stored at an onsite materials recovery facility. The Company has also been utilizing recycled materials for landscaping purposes.

Residuals are disposed of at the Carrascal Eco Park, an LGU-designated waste disposal area. For everyone's safety, the wastes collected from the mine site are not reused or incinerated. It is disposed of by a DENR-accredited waste collector and treatment plant.

A total of 15,236 kilograms of segregated waste was collected and disposed of in 2023. Total recyclable waste sent to the Materials Recovery Facility (MRF) was 5,604 kg, Biodegradable waste disposed at the compost pit was 2,924 kg and the residual waste sent to Carrascal Eco Park was 6,708 kg.

Hazardous waste is transported by Genetron International Marketing from Bulacan, a DENR Accredited Transporter and Treater for the disposal, transportation, and treatment of hazardous waste. A total of 11.45 tons of waste material was disposed of in 2023.

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REINFORCING MATERIALS MANAGEMENT CAPABILITIES

Nickel production involves the use of heavy equipment, process chemicals, fuel, and utility vehicles. The Company's operating model requires the efficiency of large-scale infrastructure. Apart from its in-house team, the Company works closely with general contractors for extraction, hustling, and hauling services.

MHI, through MMDC, actively engages its contractors by holding regular planning sessions to effectively plan the mine operations and efficiently use existing resources. Now, the percentage of recycled input materials used for its mining operations is zero, but it recognizes its responsibility to reduce the environmental impact for future generations. The Company takes into account the condition of materials, the expiration date of process chemicals the proper maintenance of equipment, and the condition of vehicles to minimize environmental impact.

The utilization of recycled and renewable materials to maximize resource efficiency has been suggested on several occasions. The Company is looking into the possibility of utilizing renewable materials and their benefits in the current operational setup.

ENHANCING STRICT ENVIRONMENTAL COMPLIANCE

After a successful audit conducted by NQA Philippines Inc., MMDC successfully received certification for ISO 9002:2015 (Quality Management System); ISO 14001: 2015 (Environmental Management System) & ISO 45001:2018, (Occupational Health & Safety). The Company passed the surveillance audit in 2023 and received

the certification in January 2024.

NQA Philippines is a leading assessment, verification, and certification body that works and evaluates an organization's performance in quality, environment, and health and safety management. MMDC was certified for ISO 9002:2015, also known as the Quality Management System. The standard signifies improved performance, the ability to address customer expectations, and commitment to quality. It calls for the establishment, implementation, maintenance, and continuous improvement of a quality management system (QMS).

Another certification was earned for ISO 14001:2015 or the Environmental Management System. The standard defines the organization's improved environmental performance through efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders. It also calls for the management of environmental aspects and ensures conformity to compliance obligations while addressing risks associated with threats and opportunities.

Lastly the ISO 14001:2015 certification or the Occupational Health & Safety Management System. This is mandated to all mining contractors as per Department of Environment and Natural Resources (DENR) Administrative Order No. 2015-07 and is also known as Mandating Mining Contractors to Secure ISO 14001 Certification. MMDC was initially certified in 2017 and was subsequently recommended for recertification in 2020 and 2023.



ENERGIZING COMMUNITY ENGAGEMENT



ENERGIZING COMMUNITY ENGAGEMENT

Operational efficiency proactively reduces wasted resources, time, and money.

It also enhances the Company's commitment to the development of its host and neighboring communities.

The Company's expenditure on host and neighboring communities in 2023 totaled Php 48.33 million. These include educational assistance to members of indigenous communities, health programs, livelihood development, and other initiatives to help meet the needs of mining communities.

These initiatives aim to optimize empowerment, provide opportunities for sustainable livelihood, and protect socio-cultural values and local customs while improving economic conditions and human advancement.

EDUCATIONAL ASSISTANCE

As discussed in the section on UNSDG #4 Quality Education for All, the Company continues to extend assistance to deserving students from various communities including members of indigenous groups.

A total of 383 students were given financial assistance throughout the 2021-2022 school year. The Company also supports the college education of 22 students under the Company's Development of Mining and Geoscience Technology program. MMDC also supported the 55 scholars from IP (Indigenous Peoples) communities while Bright Green Resources Inc. (BRC) another subsidiary of MHI, supported the education of 5 scholars from IP communities.

STAKEHOLDER ENGAGEMENT

The society is represented by stakeholders who play a key role in setting the course and defining the actions of the business. During a stakeholder engagement exercise, companies can address expectations and create benefits within the communities they operate. This becomes a crucial component of a company's sustainability approach.

HOST COMMUNITY PROCUREMENT PRACTICES

The Company's procurement practices significantly benefit the businesses in the region. MHI believes in shared sustainable prosperity. From construction, automotive, and electrical supplies, a big percentage of the materials used for mining operations are purchased from local entrepreneurs in Surigao del Sur.

Living quarters for male and female employees are maintained on-site, relying heavily on local produce and other suppliers for its board and lodging requirements. Given the remote location of its mining operations and its significant role in economic growth, the Company continues to support local entrepreneurs.

In 2023, the Company procured approximately Php 320 Million worth of goods and services from local suppliers in Caraga, Cebu, Davao, and Davao de Oro. Local businesses employ workers from different communities which helps boost the local economy. The growth in the business sector opens more opportunities for employment and local enterprise.

ENHANCING EMPLOYMENT MANAGEMENT

Management needs to work hand-in-hand with employees to achieve their corporate goals. It entails finding and hiring the right candidates to fill positions so that operations run smoothly. Once onboard, employee performance is measured and evaluated regularly. Regular interaction is also encouraged to effectively communicate expectations, job culture, and feedback.

In 2023, MHI, through MMDC, had a total of two hundred seventy (274) regular employees: 78 female and 196 male employees all with SSS, PhilHealth, Pag-IBIG, and HMO benefits. During the mining season (March-November 2022), the Company hired an additional 746 project-based employees. Most of them are assigned to work at the stockyard, barge, and cargo areas.

When assessing the capability of current and prospective employees, the Company takes into account not just their technical skills and knowledge acquired through experience, equal value is given to their mental and social skills, commitment, and drive to succeed.

MHI aligns workforce aspirations with the organization's mission and vision. Workforce planning and overall management is measured by the attrition rate. The average rate for workers in the mining and quarrying industry, according to Philippine Statistics Authority (PSA) is 10.6%.

For 2023, MMDC's attrition rate is 10% which is close to the average rate. This is attributed to several organizational changes that were implemented to improve operational efficiency.

ENERGIZING COMMUNITY ENGAGEMENT

EMPLOYEE DEVELOPMENT

For 2023, the Company's Legal Department organized its yearly Corporate Governance Seminar for the Company's Board of Directors (BOD) and key officers in compliance with SEC MC Nos. 20-2013 and 2-2015.

The workshop covered discussions on Risk Assessment, Risk Management, BOD's Duties, Responsibilities, and Liabilities, and Safeguard Against Fraud. The training was conducted by the Center for Training and Development, Inc., an accredited training provider on Corporate Governance.

This year's Annual Safety and Health program covered first aid, water search and rescue, mine rescue, and firefighting. The Construction Occupational Safety and Health program (COSH) included analysis of hazards and risks, accident investigation and corresponding action plans, and safety audits. The HR Department also organized the behavior based safety training, designed to influence employees towards safety outcomes and the yearly seminar on nutrition, sanitation, and food handling.

All in all, for the year 2023, a total total of 1,958 hours were spent on training and development, with an average of 53 hours for every employee.

NURTURING LABOR-MANAGEMENT RELATIONS

The Company continues to nurture good relations with its senior officers, employees, organized labor groups, and the host communities within its Mineral Production Sharing Agreement (MPSA) area.

MHI, through MMDC, maintains a cooperative and healthy relationship with the Associated Professional Supervisory Office and Technical Employee Union (APSOTEU) and the Samahan ng Responsableng Manggagawa ng Marcventures Mining and Development Corporation-Associated Labor Unions-Trade Union Congress of the Philippines (SRMMMD-CALU-TUCP). The latter is the exclusive bargaining agent of MMDC's rank-and-file employees.

For 2023, a total of 124 employees are members of SRMMMD-CALU-TUCP, and 32 employees are members of APSOTEU. MMDC's existing rate of employees covered by the Collective Bargaining Agreement is 67%.

In 2023, the HR team successfully finalized the terms of the Collective Bargaining Agreement (CBA) for rank and file union in May. The CBA for Supervisory Union followed in July of the same year.

PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

MHI provides equal opportunity in recruitment and career development regardless of gender.

In 2023, female workers represented about twenty-four percent (24%) of the workforce. This is very significant considering that mining is still a male-dominated industry, and across the globe, women make up only 5% to 15% of workers.

The Company upholds its legal obligation to prioritize the talents in the community. Before the start of operations, the Free, Prior, and Informed Consent (FPIC) Memorandum of Agreement was signed together with the members of IP communities. One of the conditions is priority hiring for IP members.

MHI works closely with its host and neighboring communities, including Indigenous Cultural Communities (ICC) / Indigenous Peoples (IP). A total of eighty-four (82) employees from indigenous communities are currently working in MMDC. There are 46 (forty-six) employees from the IP community of Cabangahan, 22 (twenty-two) from Panikian, 9 (nine) from Lubo, and 1 (one) from Agusan, Babuyan, Banban, Bayogo, and Madrid.

The terms and conditions of the Company's Mineral Product Sharing Agreement (MPSA) are duly respected. This includes guarding against gender discrimination and recognizing the rights of women workers to participate in policy and decision-making processes affecting their rights and benefits.

The Company's business strategy reinforces safe and responsible operations. The Central Safety Meeting is conducted every month and conducted by the Resident Mine Manager together with the Mine Safety and Health Manager. A vital component of regulatory compliance, it also encourages interaction between contractors and the company's operations team. Issues and concerns are addressed during the meeting which contributes to the improvement of the company's safety performance.

The Safety and Health plan covers training on Basic Occupational Safety and Health, Fire Fighting, Defensive Driving, Basic First Aid and Life Support, Food Handling and Sanitation, and Safety Orientation for employees and visitors. Under the Annual Safety and Health Program, the Company conducts annual training sessions on Occupational Safety and Health, First Aid and Basic Life Support, and Fire Safety. Earthquake drills on a quarterly basis, while the annual Fire Brigade training focuses on mine rescue and firefighting.

SAFE MAN HOURS

As of 2023, the Company achieved a total of 2,059,500.42 safe hours with zero lost time accidents. The Company remains unwavering in its commitment to achieving the vision of zero harm.

GOOD CORPORATE GOVERNANCE



MHl's commitment to Good Corporate Governance is aligned with its vision to pursue its corporate goals while ensuring the welfare of its host communities and protecting the environment. The commitment supports the principles of transparency, honesty, integrity, fairness, and accountability.

The Company acknowledges that to enhance shareholder value, operations must abide by corporate governance principles and practices as well as regulatory reporting to provide investors with an accurate and balanced overview of the Group's performance.

In the course of business operations and in dealing with local government, local suppliers, and partners, the Company is exposed to various risks including corruption. Policies and internal processes are in place to manage such risks. The Company maintains standards of procurement that undergo rigorous scrutiny and a zero-tolerance policy for all forms of unethical practices.

As part of the Whistle Blowing Policy, employees are encouraged to report unethical behaviors to Management without fear of repercussions. Management does not hesitate to pursue disciplinary actions which may even result in the replacement of key executives for actions detrimental to and in contravention of the Company's corporate governance practices.

TRANSPARENCY IN SUPPLY CHAIN MANAGEMENT

MHI's subsidiary, MMDC, has a Supplier Accreditation Policy which lists documentary requirements from both contractors and suppliers who wish to do business with the Company. It evaluates an organization's business integrity and compliance with labor laws, particularly Department Order No. 174 Series of 2017 of the Department of Labor and Employment.

Contractors and suppliers are required to submit to an accreditation process and MMDC retains the right to audit and verify practices. An accredited credit investigation agency will also check for derogatory records such as collection cases against the Company, its major stockholders, and key officers.

The accreditation is renewed every year and suppliers are expected to submit updated records upon renewal.

MHI values its relationships with contractors and suppliers who adhere to the policy. As the Company optimizes the approach to responsible procurement, it is also looking into expanding our contractual remedies to include environmental performance, social commitments, and even the investments of contractors and suppliers.

ANTI-CORRUPTION MEASURE

The Company also practices a zero-tolerance policy on misappropriation of assets and properties, fraudulent acts and reporting, corruption, and bribery in any form, and unethical practices. It supports the emphasis on integrity, transparency, and accountability in the conduct of its operations by providing a mechanism for individuals to raise concerns that they perceive as wrong, irregular, and illegal within the organization.

The Company has a policy that encourages and allows any individual to promptly report any observed risk, danger, malpractice, wrong-doing, or any questionable business practice that may affect others, the Company, or the public without fear of discrimination, harassment, and or retaliation, provided it is made in good faith and without malice.

DATA PRIVACY AND SECURITY PROTECTION

The Company strictly complies with the national data privacy law. A data privacy officer is assigned to strictly implement confidentiality measures at all levels. The Company along with its external stakeholders abides by the rules and regulations of the Data Privacy Act of 2012 which "protects the fundamental human right of privacy, of communication while ensuring free flow of information to promote innovation and growth." Risks related to the collection, retention, and use of information are managed by the Company's policy on the Protection of Confidential Information (MC-002-19). Upon hiring, employees are asked to sign a Deal of Undertaking to certify that all information is solely for performing functions. No information will be disclosed to anyone outside the Company unless cleared by the data privacy officer and the Company's legal team.

DATA INTEGRITY AND REPORTING TRANSPARENCY

Hand in hand with securing data privacy is the need to increase the comprehensiveness and accuracy of our data-gathering processes to improve our capability to effectively monitor our progress and timely reporting. The Company is committed to improving systems and procedures to better address operational needs.

INDEX OF MATERIAL TOPICS

Pursuant to Annexes A (Reporting Template) and B (Topic Guide) of the SEC Memorandum Circular No. 4, Series of 2019 (Sustainability Reporting Guidelines for publicly-listed Companies), the following are the topics MHI has identified as material for the reporting period and which were addressed in this Report:

Topic	Page # in SEC Memorandum Circular #4 series of 2019	Page # in 2023 Sustainability Report
Air Emissions	27	14
Anti-Corruption	21	19
Climate-Related Risks and Opportunities	20	11
Data Privacy and Security Protection	41	19
Diversity and Equal Opportunity	35	18
Economic Performance	19	11
Effluents	30	12
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Employee Training	34	18
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Corporate Information

Name of Organization:

Marcventures Holdings, Inc. (MHI)

Principal Office:

4th Floor BDO Towers Paseo (formerly Citibank Center)
8741 Paseo de Roxas, Makati City

Report Boundary:

Subsidiaries:

- Marcventures Mining and Development Corporation
- BrightGreen Resources Corporation
- Alumina Mining Philippines, Inc.
- Bauxite Resources, Inc.

Business Model:

Holding company listed in the Philippine Stock Exchange (PSE) and whose shares are actively traded on the PSE under the stock symbol "MARC" Mineral Production Service Agreements (MPSA) with the Government for mining and export of mineral products.

Activities:

Primary: To engage in the purchase, exchange, assignment, and hold investments and all properties.

Secondary: To embark in the discovery, exploration, and development of mineral oils, petroleum in its natural state, rock or carbon oils, natural gas, other volatile mineral substances and salt, as well as other minerals of whatever nature; to mine, dig, refine, prepare for market, buy, sell, and transport the same, their products compounds, and derivatives.

Reporting Period:

January 1 to December 31, 2023

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

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

1. For the quarterly period ended: **March 31, 2024**
2. Commission identification number **12942**
3. BIR Tax Identification No. **000-104-320-000**
4. Exact name of registrant as specified in its charter: **MARCVENTURES HOLDINGS INC.**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: **(SEC Use Only)**
7. Address of registrant's principal office:

Unit 4-3 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City
8. Registrant's telephone number, including area code: **(63 2) 831-4479**
9. Former name, former address and former fiscal year, if changed since last report. **N A.**
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Stock (₱1.00 par value)	3,014,820,305 shares

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes. The common shares are listed on the Philippine Stock Exchange.
12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 12 months (or for such shorter period the registrant was required to file such reports)

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

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PART I - FINANCIAL INFORMATION

Item 1. - Management’s Discussion and Analysis of Financial Condition and Results of Operation

The following discussion is based on the unaudited interim consolidated financial statements for the 1st quarter period ended March 31, 2024, with comparative figures for the corresponding periods in 2023 and audited consolidated financial statements as of December 31, 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 consolidated financial statements.

Financial Condition as of March 31, 2024 and December 31, 2023 and Results of Operation for the Three months ended March 31, 2024 and March 31, 2023

STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in thousands ('000)</i>	For the Three-months Ended		Variance	
	March 31		Increase	%Change
	2024	2023	(Decrease)	
	(Unaudited)	(Unaudited)		
REVENUE	₱ -	₱ 117,723	₱ (117,723)	(100.0%)
COST OF SALES	-	82,696	(82,696)	(100.0%)
GROSS INCOME	₱ -	₱ 35,027	₱ (35,027)	(100.0%)
OPERATING EXPENSES	(113,291)	(78,310)	(34,981)	44.7%
INCOME FROM OPERATIONS	₱ (113,291)	₱ (43,283)	₱ (70,008)	161.7%
INTEREST EXPENSE	(3,939)	(2,708)	(1,231)	45.5%
INTEREST INCOME	1,400	49	1,351	2,755.1%
OTHER INCOME (CHARGES) - Net	1,021	(1,149)	2,170	(188.9%)
INCOME BEFORE INCOME TAX	₱ (114,809)	₱ (47,091)	₱ (67,718)	143.8%
INCOME TAX BENEFIT	23,308	10,941	12,367	113.0%
NET INCOME	₱ (91,501)	₱ (36,150)	₱ (55,351)	153.1%

Revenues

For the three-month period ended March 31, 2024, Marcventures Holdings, Inc.’s (MHI) subsidiary, Marcventures Mining and Development Corporation (MMDC), has no shipment during the period. The subsidiary has been doing the preparatory activities consisting primarily of restoration of mine pit, waste dump site, and settling pond, road widening, repair of haul roads and causeway improvement. As compared to the three-month period ended March 31, 2023, having one (1) boatload shipped with 54,050 wet metric tons (wmt) of nickel ore, the result of operations was a net loss of ₱91.50 million in 2024 and ₱36.15 million in 2023.

Cost of Sales

No cost of sales was incurred during the three (3)-month period ended March 31, 2024 compared to ₱82.66 million in 2023.

Operating expenses

Operating expenses increased by 44.7% or ₱34.98 million from ₱78.31 million for the 1st quarter period last year to ₱113.29 million this year. The increase was mainly accounted for as follows:

- **Increase in Taxes and Licenses** by ₱9.99 million or 56% from ₱17.64 million to ₱27.54 million due to payment of various local and national taxes.
- **Increase in Salaries and Wages** by ₱1.99 million or 12.0% from ₱16.03 million to ₱18.03 million due to higher cost of manpower for the operation.
- **Increase in Other Expenses** such as supplies, utilities, repairs and other operating expenses by ₱23.59 million or equivalent to 234% from ₱10.07 million to ₱33.66 million.
- **Increase in Depreciation** by ₱0.98 million or equivalent to 45.0% from ₱2.19 million to ₱3.16 million due to additional purchases of transportation equipment.
- **Increase in Social Development and Management Program (SDMP)** by ₱0.61 million or equivalent to 76.0% from ₱0.80 million to ₱1.41 million, to comply with the directives and regulations issued by the Department of Environment and Natural Resources (DENR) which require 1.5% of prior year operating cost to be allocated for the development of host and neighboring mining communities.

The above cost increases were partly offset by the following:

- **No IP Royalties** incurred due to no shipment during the period.
- **Decrease in Environmental Expenses** amounting to ₱3.08 million or equivalent to 37.0% from ₱8.28 million to ₱5.20 million. This pertains to the implementation of projects on the Environmental Protection and Enhancement Program (EPEP), including the protection and rehabilitation of the affected mined environment.
- **Decrease in Representation Expenses** by ₱4.00 million or equivalent to 69.0% from ₱5.77 million to ₱1.76 million due to the few dialogues and meetings with stakeholders during the period.

STATEMENT OF FINANCIAL POSITION

Assets

The consolidated total assets of the Company decreased by ₱362.54 million from ₱6.05 billion as of December 31, 2023 to ₱5.69 billion as of March 31, 2024. The 6.0% decrease was mainly due to the following:

- **Cash** decreased by ₱426.78 million or 70.7% from ₱603.88 million in 2023 to ₱177.09 million in 2024 mainly due to the payment of dividends and suppliers.
- **Advances to related parties** decreased by ₱0.13 million or 5.5% from ₱2.38 million in 2023 to ₱2.25 million in 2024 due to partial settlement of previous advances.
- **Mining rights and other mining assets** decreased by ₱7.11 million or 0.2% from ₱4.34 billion in 2023 to ₱4.33 billion in 2024 due to depletion and lower expenditure for the maintenance of haulage road and cause way.
- **Other noncurrent assets** decreased by ₱45.81 million or 7.2% from ₱637.16 million in 2023 to ₱591.36 million in 2024. This is due to the claimed VAT refund during the period.

The above decreases were partly offset by the following:

- **Trade and other receivables** increased by ₱18.61 million or 83.4% from ₱22.31 million in 2023 to ₱40.92 million in 2024 due to higher supplier and contractors cash advances.
- **Ore inventories** increased by ₱63.37 million or 37.5% from ₱169.12 million in 2023 to ₱232.49 million in 2024 due to no shipments made during the period.
- **Net deferred tax assets** increased by ₱23.31 million or 143.3% from ₱16.27 million in 2023 to ₱39.57 million in 2024 due to higher tax benefits during the period.
- **Property and equipment** increased by ₱2.88 million or 2.0% from ₱140.93 million in 2023 to ₱143.81 million in 2024 due to additional acquisition of transportation equipment.

Liabilities

The total consolidated liabilities of the Company decreased by ₱271.04 million or 21.6% from ₱1.25 billion in 2023 to ₱981.37 million in 2024. The decrease was primarily due to the net effect of the following:

- **Loans payable** decreased by ₱6.68 million or 24% from ₱27.8 million in 2023 to ₱21.12 million in 2024 due to partial settlement of loan's principal.
- **Dividends payable** decreased by ₱297.06 million or 95.2% from ₱311.97 million in 2023 to ₱14.91 million in 2024 due to payment of dividends declaration last December 2023.
- **Trade and other payables** to suppliers, contractors and government agencies increased by ₱29.64 million or 13.3% from ₱223.31 million in 2023 to ₱252.96 million in 2024 due to unpaid current billings from suppliers and contractors.

Equity

The stockholders' equity of the Company decreased by ₱91.50 million or 1.9% from ₱4.80 billion in 2023 to ₱4.71 billion as of March 31, 2024. This was due to the net loss incurred during the period.

STATEMENT OF CASH FLOWS

As of March 31, 2024, the net cash used from operating activities amounting to ₱164.52 million was mainly due to the increase in inventories and net loss for the period.

Net cash provided for investing activities amounting to ₱44.91 million was mainly due to decrease in input VAT due to claims for refund.

Net cash used for financing activities amounting to ₱307.20 million was primarily for payment of dividends.

The net effect of the foregoing operating, investing, and financing activities is a decrease of ₱426.78 million in cash, leaving a balance of ₱177.09 million in cash during the period.

Item 2 - Financial Statements

The unaudited Consolidated Financial Statement of Marcventures Holdings, Inc. and Subsidiaries as of March 31, 2024, and for the three-month period ended March 31, 2024 with comparative audited figure as of December 31, 2023 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Horizontal and Vertical Analysis:

<i>Amounts in thousands ('000)</i>			Horizontal Analysis		Vertical Analysis	
	Mar. 31, 2024 (Unaudited)	2023 (Audited)	Change	% Change	2024	2023
ASSETS						
Current Assets						
Cash	₱ 177,093	₱ 603,878	₱ (426,785)	(70.7%)	3.1%	10.0%
Trade and other receivables	40,921	22,310	18,611	83.4%	0.7%	0.0%
Advances to related parties	2,252	2,383	(131)	(5.5%)	0.0%	0.0%
Inventories	232,493	169,125	63,368	37.5%	4.1%	3.0%
Other current assets	109,619	100,488	9,131	9.1%	1.9%	2.0%
Total Current Assets	₱ 562,378	₱ 898,184	₱ (335,806)	(37.4%)	9.9%	15.0%
Non-current Assets						
Property and equipment	₱ 143,808	₱ 140,928	₱ 2,880	2.0%	2.5%	2.0%
Investment Property	17,396	17,396	-	0.0%	0.3%	0.0%
Mining rights & other mining assets	4,332,728	4,339,841	(7,114)	(0.2%)	76.2%	72.0%
Net deferred tax assets	39,575	16,266	23,308	143.3%	0.7%	0.0%
Other noncurrent assets	591,357	637,164	(45,807)	(7.2%)	10.4%	11.0%
Total Noncurrent Assets	₱ 5,124,864	₱ 5,151,595	₱ (26,732)	(0.5%)	90.1%	85.0%
	₱ 5,687,242	₱ 6,049,779	₱ (362,537)	(6.0%)	100.0%	100.0%
LIABILITIES & EQUITY						
Current Liabilities						
Trade & other payables	₱ 252,956	₱ 223,313	₱ 29,643	13.3%	4.4%	4.0%
Loans payable	21,120	27,804	(6,684)	(24.0%)	0.4%	0.0%
Advances from related parties	5,478	5,000	478	9.6%	0.1%	0.0%
Dividends payable	14,911	311,967	(297,056)	(95.2%)	0.3%	5.0%
Income tax payable	30,445	30,445	-	0.0%	0.5%	1.0%
Total Current Liabilities	₱ 324,911	₱ 598,529	₱ (273,619)	(45.7%)	5.7%	10.0%
Non-current Liabilities						
Long-term debt	₱ 104,801	₱ 104,801	₱ -	0.0%	1.8%	2.0%
Provision for mine rehabilitation and decommissioning	62,847	62,847	-	0.0%	1.1%	1.0%
Retirement benefit liability	44,200	44,228	(28)	(0.1%)	0.8%	1.0%
Deferred tax liability	444,610	442,000	2,611	0.6%	7.8%	7.0%
Total Noncurrent Liabilities	₱ 656,458	₱ 653,876	₱ 2,582	0.4%	11.5%	11.0%
Total Liabilities	₱ 981,369	₱ 1,252,405	₱ (271,036)	(21.6%)	17.3%	21.0%
Equity						
Capital stock	₱ 3,014,820	₱ 3,014,820	₱ -	0.0%	53.0%	50.0%
Additional paid-in capital (APIC)	269,200	269,200	-	0.0%	4.7%	4.0%
Retained earnings	1,386,925	1,478,425	(91,501)	(6.2%)	24.4%	24.0%
Remeasurement gain on retirement benefit liability	34,928	34,928	-	0.0%	0.6%	1.0%
Total Equity	₱ 4,705,873	₱ 4,797,374	₱ (91,501)	(1.9%)	82.7%	79.0%
	₱ 5,687,242	₱ 6,049,779	₱ (362,537)	(6.0%)	100.0%	100.0%

<i>Amounts in thousands</i>	For the Three-months ended		Horizontal Analysis		Vertical Analysis	
	March 31,		Increase		2024	2023
	2024 (Unaudited)	2023 (Unaudited)	(Decrease)	% Change		
REVENUE	₱ -	₱ 117,723	₱ (117,723)	(100.0%)	0.0%	100.0%
COST OF SALES	-	82,696	(82,696)	(100.0%)	0.0%	70.2%
GROSS INCOME	₱ -	₱ 35,027	₱ (35,027)	(100.0%)	0.0%	29.8%
OPERATING EXPENSES	(113,291)	(78,310)	(34,981)	44.7%	0.0%	66.5%
LOSS FROM OPERATIONS	₱ (113,291)	₱ (43,283)	₱ (70,008)	161.7%	0.0%	36.8%
INTEREST EXPENSE	(3,939)	(2,708)	(1,231)	45.5%	0.0%	2.3%
INTEREST INCOME	1,400	49	1,351	2,755.1%	0.0%	0.0%
OTHER INCOME (CHARGES) - Net	1,021	(1,149)	2,170	(188.9%)	0.0%	1.0%
LOSS BEFORE TAX	₱ (114,809)	₱ (47,091)	₱ (67,718)	143.8%	0.0%	40.0%
INCOME TAX BENEFIT	(23,308)	(10,941)	(12,367)	113.0%	0.0%	9.3%
NET LOSS	₱ (91,501)	₱ (36,150)	₱ (55,351)	153.1%	0.0%	30.7%

Other Information

- a. There are no known trends or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.
- b. There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- c. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- d. Aside from the volatile prices of ore in the market and USD exchange rate, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- e. The causes for the material changes from period to period in the financial accounts were explained in the Management's discussion and analysis of financial condition and results of operation.
- f. There are no significant elements of income or loss that did not arise from the registrant's continuing operations.
- g. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
- h. There are no new issuances, repurchases, and repayments of debt and equity securities.

- i. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- j. There are no changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
- k. There have been no contingent liabilities or contingent assets since the last annual balance sheet date.
- l. There are no material contingencies and other material events or transactions during the interim period.
- m. There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

Key Performance Indicators (KPIs)

MHI's Management uses the following KPIs for the Company and its subsidiaries:

	March 31, 2024	March 31, 2023
Net Loss	(₱91,500,715)	(₱36,149,545)
Quick assets	218,014,304	621,444,790
Current assets	562,378,290	996,128,171
Total assets	5,687,241,830	6,148,170,441
Current liabilities	324,910,595	565,883,160
Total liabilities	981,368,955	1,238,824,333
Stockholders' Equity	4,705,872,875	4,909,346,108
Number of common shares outstanding	3,014,820,305	3,014,820,305

	March 31, 2024	March 31, 2023
Liquidity ratios:		
Current ratio ⁽¹⁾	1.73:1	1.76:1
Quick ratio ⁽²⁾	0.67:1	1.1:1
Solvency Ratios:		
Debt ratio ⁽³⁾	0.17:1	0.2:1
Debt to Equity ratio ⁽⁴⁾	0.21:1	0.25:1
Profitability ratios:		
Loss per share ⁽⁵⁾	(0.03):1	(0.01):1
Book value per share ⁽⁶⁾	1.56:1	1.63:1

Note:

1. Current Assets / Current Liabilities
2. Quick Assets / Current Liabilities
3. Total Liabilities / Total Assets
4. Total Liabilities / Shareholders' Equity
5. Net Income (Loss) / Common Shares Outstanding
6. Stockholders' Equity / Common Shares Outstanding

PART II - OTHER INFORMATION

Any information not previously reported in a report on SEC Form 17-C

NONE

PART III - FINANCIAL SOUNDNESS INDICATORS

Liquidity Ratio

a. Current Ratio

Total Current Assets/ Total Current Liabilities = 1.73:1

b. Quick Ratio

Quick asset / Total Current Liabilities = 0.67:1

Solvency Ratio

a. Debt Ratio

Total liabilities / Total assets = 0.17:1

b. Debt to Equity Ratio

Total liabilities / Shareholder's Equity = 0.21:1

Profitability Ratio

a. Return on Equity Ratio

Net Income (Loss) / Average shareholder's equity = (0.02):1

b. Return on Assets

Net Income (Loss)/ Average Total assets = (0.02):1

c. Fixed Assets Turnover Ratio:

Revenue/Property Plant and Equipment = 0.0:1

d. Asset to Equity Ratio:

Total Assets / Stockholders' Equity = 1.21:1

e. Asset Turnover:

Revenue/Total Assets = 0.00

f. Interest Coverage Ratio

Net Income (Loss) / Interest expense = -(28.15):1

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: **MARCVENTURES HOLDINGS INC.**

Signature and Title: 
ROLANDO S. SANTOS
Chief Operating Officer and Executive Vice President

Date: May 6, 2024

Signature and Title: 
DALE A. TONGCO
Treasurer

Date: May 6, 2024

COVER SHEET

for UNAUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 2 9 4 2

COMPANY NAME

M A R C V E N T U R E S H O L D I N G S , I N C . A N D S U B S I D I A R I E S

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

4 t h F l o o r , B D O T o w e r s P a s e o , 8 7 4 1 P a s e o d e R o x a s , M a k a t i C i t y

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

rommel.casipe@marcventures.com.ph

Company's Telephone Number/s

(02) 8831-4479

Mobile Number

0917-187-5742

No. of Stockholders

2,176

Annual Meeting (Month / Day)

May of each year

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATIONThe designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Mr. Rolando S. Santos

Email Address

rolly.santos@marcventures.com.ph

Telephone Number/s

(02) 8831-4479

Mobile Number

0998-985-0229

CONTACT PERSON'S ADDRESS

4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City

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

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

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	4	₱177,092,977	₱603,877,818
Trade and other receivables	5	40,921,327	22,310,475
Advances to related parties	14	2,252,345	2,383,253
Inventories	6	232,493,006	169,124,694
Other current assets	7	109,618,635	100,487,705
Total Current Assets		562,378,290	898,183,945
Noncurrent Assets			
Property and equipment	8	143,808,325	140,927,905
Investment property	9	17,395,833	17,395,833
Mining rights and other mining assets	10	4,332,727,555	4,339,841,259
Net deferred tax assets	21	39,574,647	16,266,227
Other noncurrent assets	11	591,357,180	637,163,833
Total Noncurrent Assets		5,124,863,540	5,151,595,057
		₱5,687,241,830	₱6,049,779,002
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	₱252,956,118	₱223,313,444
Current portion of loans payable	13	21,120,328	27,804,328
Advances from related parties	14	5,478,484	5,000,000
Dividends payable	17	14,911,002	311,966,875
Income tax payable		30,444,663	30,444,663
Total Current Liabilities		324,910,595	598,529,310
Noncurrent Liabilities			
Loans payable - net of current portion	13	104,800,529	104,800,529
Provision for mine rehabilitation and decommissioning	15	62,847,468	62,847,468
Retirement benefit liability	16	44,200,064	44,228,484
Deferred tax liability	21	444,610,299	441,999,621
Total Noncurrent Liabilities		656,458,360	653,876,102
Total Liabilities		981,368,955	1,252,405,412
Equity			
Capital stock	17	3,014,820,305	3,014,820,305
Additional paid-in capital	17	269,199,788	269,199,788
Retained earnings		1,386,924,738	1,478,425,453
Cumulative remeasurement gains on retirement benefit liability - net of deferred tax	16	34,928,044	34,928,044
Total Equity		4,705,872,875	4,797,373,590
		₱5,687,241,830	₱6,049,779,002

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	For the Three Months Ended March 31, (Unaudited)		
		2024	2023	2022
NET SALES		₱–	₱117,723,062	₱128,368,553
COST OF SALES	18	–	82,695,986	86,482,777
GROSS INCOME		–	35,027,076	41,885,776
OPERATING EXPENSES	19	(113,291,022)	(78,310,434)	(118,537,327)
LOSS FROM OPERATIONS		(113,291,022)	(43,283,358)	(76,651,551)
INTEREST EXPENSE	13	(3,939,056)	(2,707,988)	(5,949,669)
INTEREST INCOME	4	1,399,863	49,029	42,302
OTHER INCOME(LOSS)- Net	20	1,021,080	(1,148,508)	4,145,331
LOSS BEFORE INCOME TAX BENEFIT		(114,809,135)	(47,090,825)	(78,413,587)
INCOME TAX BENEFIT	21	(23,308,420)	(10,941,280)	(16,293,460)
NET LOSS		(91,500,715)	(36,149,545)	(62,120,127)
OTHER COMPREHENSIVE INCOME (LOSS)	16			
<i>Not to be reclassified to profit or loss -</i> Remeasurement gain (loss) on retirement benefit liability - net of deferred income tax		–	–	–
TOTAL COMPREHENSIVE LOSS		(₱91,500,715)	(₱36,149,545)	(₱62,120,127)
Basic and diluted earnings per share	23	(₱0.030)	(₱0.010)	(₱0.020)

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Three Months Ended March 31, (Unaudited)				
	Note	2024	2023	2022
CAPITAL STOCK - ₱1 par value	17			
Authorized - 4,000,000,000 shares				
Issued and outstanding		₱3,014,820,305	₱3,014,820,305	₱3,014,820,305
ADDITIONAL PAID-IN CAPITAL	17	269,199,788	269,199,788	269,199,788
RETAINED EARNINGS				
Balance at beginning of year		1,478,425,453	1,547,770,977	1,345,190,197
Net loss		(91,500,715)	(36,149,545)	(62,120,127)
Balance at end of year		1,386,924,738	1,511,621,432	1,283,070,070
CUMULATIVE REMEASUREMENT GAINS ON RETIREMENT BENEFIT LIABILITY - NET OF DEFERRED TAX	16	34,928,044	40,593,200	35,907,230
		₱4,705,872,875	₱4,836,234,725	₱4,602,997,393

See accompanying Notes to Consolidated Financial Statements.

MARVENTURES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31,
(Unaudited)

	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax benefit		(P114,809,135)	(P47,090,825)	(P78,413,587)
Adjustments for:				
Depletion	10	1,539,803	1,703,309	10,417,424
Depreciation and amortization	8	7,219,142	6,210,096	7,634,505
Interest expense	13	3,939,056	2,707,988	5,949,669
Interest income	4	(1,399,863)	(49,029)	(42,302)
Retirement expense	16	–	–	897
Unrealized foreign exchange loss (gain)	20	(1,117,682)	–	–
Provision for expected credit loss	5	180,000	–	–
Operating income before working capital changes		(104,448,679)	(36,518,461)	(54,453,394)
Decrease (increase) in:				
Trade and other receivables		(18,610,852)	39,844,332	72,069,746
Advances to related parties		–	–	3,124,809
Inventories		(63,368,312)	(63,524,980)	(29,699,071)
Other current assets		(9,130,930)	(89,047,075)	(60,121,596)
Increase (decrease) in:				
Trade and other payables		29,642,674	230,194,723	2,391,684
Advances from related parties		–	–	9,176,462
Net cash generated from operations		(165,916,099)	80,948,539	(59,453,344)
Interest received		1,399,863	49,029	42,302
Net cash provided by operating activities		(164,516,236)	80,997,568	(59,411,042)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Mining rights and other mining assets	10	8,653,507	7,961,975	(74,676,287)
Property and equipment	8	4,338,722	(37,398,920)	(11,623,064)
Decrease (increase) in:				
Other noncurrent assets		31,808,703	(22,103,300)	1,941,984
Advances to related parties		130,908	(1,783,954)	–
Net cash used in investing activities		44,931,840	(53,324,199)	(P84,357,367)

(Forward)

**For the Three Months Ended March 31,
(Unaudited)**

	Note	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loans	13	(₱6,684,000)	(₱60,574,441)	(₱60,056,010)
Interest	26	(3,939,056)	(2,707,988)	(5,949,669)
Dividends		(297,055,873)	-	(371,441,423)
Increase (decrease) in advances from related parties		478,484	-	-
Net cash used in financing activities		(307,200,445)	(63,282,429)	(437,447,102)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(426,784,841)	(35,609,060)	(581,020,617)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		603,877,818	546,893,643	801,051,844
CASH AND CASH EQUIVALENTS AT END OF YEAR				
		₱177,092,977	₱511,284,583	₱220,031,227

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2024 AND DECEMBER 31, 2023
AND FOR THE PERIOD ENDED MARCH 31, 2024, 2023 and 2022

1. Corporate Information

General Information

Marcventures Holdings, Inc. (the Parent Company), singly and collectively with its subsidiaries, is referred herein as the “Group”. The Parent Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 7, 1957. Its primary purpose is to deal with properties of every kind and description to the extent permitted by law without engaging in the business of an investment company as defined in the Investment Company Act (Republic Act (R.A.) No. 2629), or act as a securities broker or dealer.

The Parent Company’s shares of stock were initially listed in the Philippine Stock Exchange, Inc. (PSE) on January 10, 1958. As at March 31, 2024 and December 31, 2023, 3,014,820,305 shares of the Parent Company’s shares of stock are listed in the Philippine Stock Exchange, Inc. (PSE).

Registered Address

The registered address of the Parent Company is 4th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City.

Information about the Subsidiaries

All of the subsidiaries of the Parent Company are wholly-owned and are domiciled in the Philippines.

Marcventures Mining and Development Corp. (MMDC)

MMDC was incorporated and registered with the SEC on January 18, 1995 primarily to engage and/or carry on the business of extracting, mining, smelting, refining and converting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource.

MMDC has been granted by the Mineral Production Sharing Agreement (MPSA) No. 016-93-XI by the Department of Environment and Natural Resources (DENR), covering an area of approximately 4,799 hectares located in the municipalities of Carrascal, Cantilan and Madrid, Surigao Del Sur.

The MPSA was originally granted to Ventura Timber Corporation (VTC) on June 19, 1992. In January 1995, VTC executed a deed of assignment (the Deed) to transfer to MMDC all its rights and interest in and title to the MPSA. On January 15, 2008, the Deed was approved by the Mines and Geosciences Bureau (MGB).

On June 24, 2016, the DENR issued an order approving the extension of MMDC’s MPSA for a period of 9 years starting from the expiration of the first 25-year term.

On February 13, 2017, MMDC received an Order dated February 8, 2017 from the DENR cancelling its MPSA due to alleged violations of environment-related laws and regulations. The Technical Committee Report on the Company, however, only gave a recommendation for fine and suspension.

The Management and its legal counsel assessed that the Order was without basis in fact and in law. Foremost, the Company is engaged in clean and responsible mining. On February 17, 2017, the Company filed a Notice of Appeal to the Office of the President. Subsequently, on March 17, 2017, the Company filed its Appeal Memorandum. The Company asserted that the grounds for cancellation cited by the DENR was without basis because: (a) operations is allowed by law since said MPSA dated

01 July 1993 is granted with prior rights and is allowed by law as indicated specifically in Proclamation 1747 issued in 2009 by former President Gloria Macapagal Arroyo; and (b) despite operations in a watershed, the Company has not impaired farmlands, rivers or coastal areas within the MPSA area. As to the alleged non-compliance to the planting of three million seedlings, the Company was prevented from implementing the same due to circumstances beyond its control.

As at December 31, 2023, the Company has not received any decision nor any notice from the Office of the President. The Company's Legal Counsel is of a good faith position that the Company may continue its operations because the execution of the Order of the DENR Secretary is deemed automatically stayed as a matter of law on account of the pendency of the Company's appeal, as likewise confirmed by the Office of the President.

MMDC has continued to implement and adopt measures not only to rectify any shortcomings allegedly found in its operations but more importantly, it has continuously sought to improve operational efficiencies both in the area of its regulatory compliances and in maintaining its commitments to its host and neighboring communities.

The Company has continuously been granted the necessary regulatory permits and licenses to operate, including but not limited to Discharge Permits, Ore Transport Permits (OTP) and Mineral Ore Export Permits (MOEP). As proof of its compliance, the Company has also secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has an approved Declaration of Mining Project Feasibility (DMPF) dated October 15, 2014 covering its entire contract mining area and is being developed and utilized by virtue of an approved Three-Year Development/Utilization Work Program dated 29 November 2022 covering Calendar Years 2023 to 2025. Moreover, MGB also certified that MMDC has complied with the terms and conditions of the MPSA and the pertinent provisions of the R.A.7942 or the Philippine Mining Act of 1995 and its Implementing Rules and Regulations.

Accordingly, the Company has continued its mining operations in areas covered by the MPSA.

BrightGreen Resources Corporation (BRC)

BRC was incorporated and registered with the SEC on July 20, 1989 to engage in the mining business.

On July 1, 1993, the DENR approved BRC's application for MPSA No. 015-93-XI (SMR) covering an area of approximately 4,860 hectares located in the municipalities of Carrascal and Cantilan, Surigao del Sur. BRC is undertaking its continuous exploratory drilling program to block mineral resources at indicated and measured category. In a letter dated 11 April 2022, the Mines and Geosciences Bureau (MGB) of the DENR approved the Company's request for extension of the third renewal of its Exploration Period due to force majeure for a period of two years effective from 2 July 2022 to 1 July 2024 to recover its unused term.

On February 17, 2017, BRC received a Show-Cause Order dated February 13, 2017. In the Show-Cause Order, it was alleged that the contract area covered by the said MPSA is within a watershed, such that if mining operations will be conducted therein, its ecological functions will be impaired.

On February 27, 2017, the Company submitted a reply to the Show-Cause Order to explain why the MPSA should not be cancelled. The Company stated in the reply that it has prior legal right considering that the MPSA of the Company with the Republic of the Philippines was approved on July 1, 1993, while Proclamation No. 1747 on the proclamation of watershed areas was only issued on March 23, 2009. Notably, Proclamation No. 1747 provides that prior rights should be respected. Thus, the Company

should be allowed to continue its operations over its contract area. The management and its legal counsel believe that the alleged violation is without basis in fact and in law.

As at December 31, 2023, there are no developments regarding the Show-Cause orders. However, the Management and the Legal Counsel of the Company take the good faith position that the operations of the Company under said MPSA is granted with prior rights and is allowed by law and the alleged impairment and damage in the Company's MPSA area is not supported by any specific acts of impairment because the Company is not yet operating in the area but has only completed exploration and drilling. As a proof of compliance, the Company has secured a certification from the MGB as of March 5, 2024, attesting to the validity and existence of its MPSA and that the Company has existing Exploration Period (Third Renewal).

Alumina Mining Philippines, Inc. (AMPI)

AMPI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business. The Parent Company acquired AMPI from its merger with Asia Pilot Mining Phils. Corp. (APMPC) in 2017.

On December 5, 2002, the DENR approved AMPI's application for MPSA No. 179-2002-VIII-SBMR covering 6,694 hectares in the municipalities of Paranas, Motiong and San Jose de Buan, Samar in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On July 04, 2023, AMPI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

Bauxite Resources, Inc. (BARI)

BARI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business. The Parent Company acquired BARI from its merger with APMPC in 2017.

On December 5, 2002, the DENR approved BARI's application for MPSA No. 180-2002-VIII-SBMR covering 5,519 hectares in the Municipalities of Gandara, San Jose de Buan, Matuguinao, and San Jorge, Province of Samar (formerly known as Western Samar) in Eastern Visayas (Region VIII), valid for 25 years and renewable for another 25 years.

On July 4, 2023, BARI requested for temporary suspension of the second extension of the third renewal of the Exploration Period due to the peace and order problem in the area. This request was granted by the MGB on September 27, 2023, effective July 4, 2023, until the situation becomes safe and favorable.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency. All values are in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for retirement benefit liability which is measured at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosures are included in Note 24, *Financial Risk Management Objectives and Policies and Fair Value Measurement*.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its wholly owned subsidiaries as at March 31, 2024 and December 31, 2023 and for the period ended March 31, 2024, 2023 and 2022.

A subsidiary is an entity that is controlled by the Parent Company and is consolidated from the date on which control is transferred to the Parent Company directly or through the holding companies. Control is achieved when the Group is exposed or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is deconsolidated from the date on which control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Group using uniform accounting policies. Significant intercompany transactions and balances, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in ownership interest in a subsidiary, without a change in control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, the Group: (a) derecognizes the assets and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair

value of consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; and (g) reclassifies the Group's share of components previously recognized in other comprehensive income (OCI) to profit or loss.

Financial Assets and Liabilities

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability).

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at December 31, 2023 and 2022, the Group's cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), advances to related parties, and final mine rehabilitation fund (FMRF), rehabilitation cash fund (RCF), rental deposit and monitoring trust fund (MTF) (included under "Other noncurrent assets") accounts are classified under this category (see Notes 4, 5, 11 and 14). Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and in banks and cash equivalents, excluding any restricted cash. Restricted cash, which includes FMRF, RCF and MTF, is not available for use by the Group and therefore is not considered highly liquid.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Financial assets are derecognized when the right to receive cash flows from the asset has expired.

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group's having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired.

As at December 31, 2023 and 2022, the Group's trade and other payables (excluding advances from customers and excise tax and other statutory payables), loans payable, advances from related parties and dividends payable are classified under this category (see Notes 12, 13, 14 and 17).

Inventories

Inventories, which consist of ore stockpiles, are physically measured or estimated and valued at the lower of cost and net realizable value (NRV). Cost consists of contractual services, personnel costs, depletion, depreciation and other costs that are directly attributable in bringing the ore in its saleable conditions. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

Other Current Assets

Other current assets include prepaid income tax, mining and office supplies, advances to contractors and suppliers and prepaid expenses.

Advances to Contractors and Suppliers. Advances to contractors and suppliers represent advance payments on goods or services to be purchased in connection with the mining operations. The advances are reclassified to proper asset account in the consolidated statements of financial position or charged to expense in profit or loss upon actual receipt of goods or services, which is normally within 12 months or within the normal operating cycle. Otherwise, these are classified as noncurrent assets.

Mining and Office Supplies. Mining and office supplies are stated at lower of cost or NRV. The NRV of mining and office supplies represents their current replacement cost. In determining NRV, the Group considers any adjustments necessary for obsolescence. The costs of mining and office supplies comprise all costs of purchase and other costs incurred in bringing the mining and office supplies to their present location and condition. The purchase cost is determined on a moving average method. These are charged to expense in profit or loss upon use.

Prepaid Expenses. Prepaid expenses represent expenses not yet incurred but paid in advance and are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Property and Equipment

Property and equipment, except land, are initially measured at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Cost also includes any asset retirement obligation and capitalized interest on borrowed funds used in the case of a qualifying asset.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which these are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	<u>Number of Years</u>
Building and improvements	5-20
Office furniture, fixtures and equipment	2-5
Heavy and transportation equipment	4-10

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use

and no further depreciation are credited or charged to current operations.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Mining Rights and Other Mining Assets

Mining Rights. Mining rights include costs incurred in connection with the acquisition of rights over mineral reserves. Rights over mineral reserves, which are measured, indicated or inferred, are capitalized as part of mining rights on explored resources if the reserves are commercially producible and that geological data demonstrate with a specified degree of certainty that recovery in future years is probable.

Mining rights are subject to amortization or depletion from the commencement of production on a unit-of-production method, based on proven and probable reserves. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future development costs. Changes in the estimates of mineral reserves or future development costs are accounted for prospectively.

Deferred Exploration Costs. Deferred exploration costs include costs incurred in connection with exploration activities. Deferred exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activities include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Once the reserves are established and development is sanctioned, deferred exploration costs are tested for impairment and reclassified to mine development costs.

Mine and Mining Properties. Upon start of commercial operations, mine development costs are reclassified as part of mine and mining properties. These costs are subject to depletion, which is computed using the units-of-production method based on proven and probable reserves, which is reviewed periodically to ensure that the estimated depletion is consistent with the expected pattern of economic benefits from the mine and mining properties.

Deferred exploration costs and construction-in-progress related to an already operating mine are reclassified to mine and mining properties and stated at cost. Such costs pertain to expenses incurred in sourcing new resources and converting these into reserves, which are not depleted or amortized until the development has been completed and become available for use.

Investment Properties

Investment properties are stated at cost less accumulated depreciation and amortization and any impairment in value.

Depreciation is calculated on a straight-line basis over 20 years as the estimated useful lives of the investment properties.

Transfers are made to investment properties when there are changes in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when there are changes in use, evidenced by commencement of owner-occupation, ending of operating lease or commencement of development with a view to sale.

Transfers between investment property, owner-occupied property and inventories do not change the carrying value of the property transferred and they do not change the cost of that property for measurement or disclosure purposes on the date of reclassification.

Other Noncurrent Assets

Other noncurrent assets include input value-added tax (VAT), deferred input VAT and other financial assets (FMRF, RCF, rental deposit and MTF).

VAT. Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of input VAT recoverable from the taxation authority is presented as "Input VAT". Input VAT claimed for refund are presented separately as "Input VAT for refund".

Deferred Input VAT. Represents amount of input VAT on trade payables arising from purchase of services.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount, which is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction.

In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instances, the carrying amount of the asset is increased

to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of any depreciation and depletion, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and depletion charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Employee Benefits

Short-term Benefits. The Group provides short-term benefits to its employees in the form of basic and 13th month pay, bonuses, employer's share on government contribution and other short-term benefits.

Retirement Benefits. The Group has an unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits expense is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and interest cost in profit or loss. Interest cost is calculated by applying the discount rate to the retirement benefit liability.

Current service costs are the increase in the present value of the defined benefit obligation resulting from employee service and are recognized in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment; and the date that the Group recognizes restructuring related costs.

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are directly recognized in equity or in OCI and are not reclassified to profit or loss in subsequent periods.

The retirement benefit liability is the present value of the defined benefit obligation which is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefit liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding. Incremental costs directly attributable to the issuances of capital stock are recognized as a deduction from equity.

Additional Paid-In Capital (APIC). APIC is the excess over par value of consideration received for the subscription and issuance of shares of stock.

Retained Earnings. Retained earnings represent the cumulative balance of the Group's operating results, dividend distributions and effect of change in accounting policy. Cash dividends are deducted from retained earnings and recognized as liability when these are approved by the BOD.

Other Comprehensive Income (OCI). OCI comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. OCI pertains to cumulative remeasurement gains or losses on retirement benefit liability.

Revenue Recognition

Sale of Ore. Sale of ore is recognized at a point in time upon delivery of goods to and acceptance by the customers, net of any sales adjustments based on the contracts with the customers.

The following specific recognition criteria must also be met before other revenue items are recognized:

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

Rental Income. Rental income is recognized on a straight-line basis over the lease term.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in assets or reduction in liability that can be measured reliably.

Cost and Expense Recognition

Cost of Sales. Cost of sales is recognized when the related goods are sold.

Operating Expenses. Operating expenses constitute the costs of administering the business and costs incurred to sell and market goods and services. These are expensed as incurred.

Interest Expense. Interest expense is recognized in profit or loss using the effective interest method.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customers have both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee

The Group has elected to apply for the recognition exemption on its short-term lease. The Group recognized the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

Group as Lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Leases where the Group retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease income is recognized in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income.

Foreign Currency-Denominated Transactions

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date.

Exchange rate differences arising from the translation or settlement of monetary items at rates different from those at which these were initially recorded during the period are recognized in the profit or loss in the period in which these arise.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of any unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused excess MCIT over RCIT and unused NOLCO can be utilized.

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related Party Transactions and Related Parties

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with the Group's related party transactions policy.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Group; (b) associates; and (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Provision for Mine Rehabilitation and Decommissioning. The Group recognizes provision when there is partial fulfillment of obligation to restore operating locations at the end of the reporting period. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste site and restoration, reclamation and revegetation of affected areas. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location.

Where applicable, the Group recognizes a mine rehabilitation asset under the mine and mining properties related to the obligation arising from the mine rehabilitation and decommissioning. The cost of such asset corresponds to the present value of future cost of rehabilitation and decommissioning and amortized over expected settlement of the obligation using units of production method. The estimated future costs of rehabilitation and decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Any amount deducted from the cost of assets shall not exceed its carrying amount. In case the decrease in the obligation exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources

embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Earnings Per Share

Basic. Basic earnings per share is calculated by dividing the net income by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Group and held as treasury shares, if any.

Diluted. Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential dilutive common shares during the period.

Events After the Reporting Date

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

Segment Reporting

The Group has one operating segment which consists of mining exploration, development and production. The Group's asset producing revenues are located in the Philippines.

3. Significant Judgments, Accounting Estimates and Assumptions

PFRS requires management to exercise judgments, make accounting estimates and use assumptions that affect the amounts reported in the consolidated financial statements. The judgments and accounting estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effects on the amounts recognized in the consolidated financial statements.

Determining Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Philippine Peso, which is the currency of the primary economic environment in which the Group operates.

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when contractual payments are 90 days past due. The Group also considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the determination of ECL.

Classification of a Property. The Group determines whether a property is classified as investment property or property and equipment as follows:

- Property and equipment comprise properties that are held for use in the ordinary course of business.
- Investment property is property not occupied and not used in the operations, nor for sale in the ordinary course of business, but are held primarily for earning rental income.

The carrying amounts of property, plant and equipment and investment property are disclosed in Notes 8 and 9 to the financial statements.

Accounting for Operating Lease - Group as Lessee. The Group's lease agreement for its office space qualifies as a short-term lease with a lease term of less than 12 months. The Group has elected to apply the recognition exemption on its short-term leases.

Rental expense recognized by the Group is disclosed in Note 22.

Evaluation of Lease Commitments - Group as Lessor. The Group has entered into operating lease agreements with a third party for the lease of office space. Considering that there will be no transfer of ownership of the leased properties to the lessees, the Group has determined that it retains all the significant risks and benefits of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

Rental income is disclosed in Note 22.

Accounting Estimates and Assumptions

The key estimates concerning the future and other key sources of estimation uncertainties at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimating the Allowance for ECL on Trade and Other Receivables. The Group uses a provision matrix based on historical default rates for trade and other receivables (excluding advances to officers and employees). The provision matrix specifies provision rates depending on the number of days that receivable is past due. The Group then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information such as forecasted economic conditions. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual experience.

Information on the provision and allowance for ECL and the carrying amounts of trade and other receivables (excluding advances to officers and employees) are disclosed in Note 5.

Estimating the Allowance for ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions;
- actual or expected significant adverse changes in the operating results of the borrower; and
- significant changes in credit spread, rates or terms such as more stringent covenants and an increased amount of collateral or guarantees.

For cash in banks, cash equivalents and advances to related parties, the Group assessed that these financial assets have low credit risk because the counterparties are reputable banks and related parties which possess good credit standings. Thus, the ECL on these financial assets for the period ended March 31, 2024, and for the years 2023 and 2022 are not significant and not recognized.

The carrying amounts of the Group's other financial assets at amortized cost subjected to impairment testing are disclosed in Note 24.

Estimating the NRV of Inventories. The Group recognizes loss on inventories whenever NRV becomes lower than costs due to damage, physical deterioration, obsolescence, changes in price levels or other causes. NRV is reviewed on a monthly basis to reflect the accurate valuation in the financial records.

No provision for inventory obsolescence was recognized in for the period ended March 31, 2024, and for the years 2023 and 2022. The carrying amount of inventories, which is measured at the lower of cost and NRV, are disclosed in Note 6.

Estimating the Realizability of Input VAT. The Group assesses the realizability of input VAT based on its ability to utilize the asset. The assessment is made on a continuing basis year on year.

No provision for impairment loss was recognized for the period ended March 31, 2024, and for the years 2023 and 2022. The carrying amount of noncurrent input VAT is disclosed in Note 11 to the consolidated financial statements.

Estimating the Useful Lives of a Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in estimated useful lives of property and equipment for the period ended March 31, 2024, and for the years 2023 and 2022. The carrying amounts of property and equipment are disclosed in Note 8.

Estimating the Depletion Rate and Recoverable Reserves. Depletion rates used to amortize mine and mining properties and mining rights under "Mining rights and other mining assets" account presented in the consolidated statements of financial position are assessed on an annual basis based on the results of latest estimate of recoverable reserves, which is subject to future revisions. Recoverable reserves and resource estimates for development project are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of cost based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, estimated climatic conditions and other factors. Proven reserve estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured. The Group's reserves are estimated based on local regulatory guidelines provided under the Philippine Mineral Reporting Code and duly reviewed and

verified by a competent person.

The carrying amounts of mining rights and other mining assets are disclosed in Note 10.

Estimating the Provision for Mine Rehabilitation and Decommissioning. The Group recognizes provision for its obligation to decommission and rehabilitate mine sites at the end of term of its MPSA. The provision represents the best estimate of the expenditures required to settle the present obligation at the current reporting date. The amount of provision depends on the completeness of rehabilitation and decommissioning activities performed by the Group during and immediately after every mining operation. Changes in rehabilitation and decommissioning costs are recognized as additions or charges to the corresponding provision when these occur.

While the Group has made its best estimate in establishing the decommissioning and rehabilitation provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning and rehabilitation activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates. The obligation to rehabilitate and decommission a mine generally arises when the ground/environment is disturbed at the production location.

Mine rehabilitation asset, recognized under the mine and mining properties are disclosed in Note 10.

Provision for mine site rehabilitation and decommissioning are disclosed in Note 15.

Assessing the Impairment of Mining Rights and Deferred Exploration Costs. The Group assesses mining rights and deferred exploration costs for impairment only when there are indicators that impairment exists. Indicators of impairment include, but are not limited to:

- Rights to explore in an area have expired or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted;
- A decision to discontinue exploration and evaluation in an area because of the absence of commercial reserves; and
- Sufficient data exists to indicate that the carrying value will not be fully recovered from future development and production.

Based on management assessment, there are no impairment indicators on the Group's mining rights and deferred exploration costs. Management has determined that (a) the Group's rights to explore in the mining area are not expired and the Group was granted extension of its exploration permits until 2024, (b) the Group continues to conduct exploration and evaluation activities based on its approved Exploration Work Programs and Environmental Work Programs, and (c) based on the Mineral Resource Validation Report by the MGB, the Group has measured and indicated resource of nickel laterite and alumina bauxite resources. Accordingly, no impairment loss was recognized for the period ended March 31, 2024, December 31, 2023, and 2022.

The carrying amounts of mining rights and deferred exploration costs are disclosed in Note 10.

Assessing the Impairment of Other Nonfinancial Assets. The Group assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

Recoverable amount of an asset is the higher of its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Based on management assessment, there are no impairment indicators on the Group's nonfinancial assets. Accordingly, no impairment loss was recognized for the period ended March 31, 2024, and for the years 2023 and 2022.

The carrying amounts of the Group's advances to officers and employees, other current assets, property and equipment, investment property, mine and mining properties, other noncurrent assets (excluding financial assets) are disclosed in Notes 5, 7, 8, 9, 10 and 11.

Estimating the Retirement Benefit Liability. The determination of the Group's retirement benefit liability and costs is dependent on the selection by management of assumptions used by the actuary in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate.

Actual results that differ from the Group's assumptions are recorded as addition to or deduction from retirement benefit liability and recognized in profit or loss or OCI. One or more of the actuarial assumptions may differ significantly and as a result, the actuarial present value of the retirement benefit obligation estimated as at reporting date may differ significantly from the amount reported.

Retirement benefit liability is disclosed in Note 16.

Recognizing Deferred Tax Assets. The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

The Group's recognized and unrecognized deferred tax assets are disclosed in Note 21.

4. Cash and Cash Equivalents

This account consists of:

	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Cash equivalents	₱34,005,855	₱332,665,301
Cash in banks	142,953,615	271,074,483
Cash on hand	133,507	138,034
	₱177,092,977	₱603,877,818

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits with terms of varying periods of up to three (3) months depending on the immediate cash requirements of the Group. Cash equivalents earn interest at the prevailing special savings and time deposit rates.

Interest income pertains to the following sources:

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)	Dec. 31, 2022 (Audited)
Cash in banks and cash equivalents		₱1,399,863	₱10,098,015	₱777,012
Other noncurrent assets	11	–	205,496	22,714
		₱1,399,863	₱10,303,511	₱799,726

5. Trade and Other Receivables

This account consists of:

	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Trade receivables	₱–	₱–
Advances to officers and employees	38,198,856	18,673,150
Others	2,924,071	3,637,325
	41,122,927	22,310,475
Allowance for ECL	(201,600)	–
	₱40,921,327	₱22,310,475

Trade receivables pertain to MMDC's receivables arising from shipments of nickel and iron concentrates to its customers which are covered by yearly sales agreements, these are initially paid based on 90% of their provisional value after shipment date. The 10% final balance does not bear any interest until final settlement based on ore grade upon receipt of the customer which usually takes three (3) months from shipment date.

Advances to officers and employees are unsecured and noninterest-bearing cash advances for business-related expenditures subject to liquidation within the following year.

Movements in allowance for ECL are as follows:

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Balance at beginning of year		₱–	₱75,516,127
Provision	19	201,600	–
Write-off		₱–	(75,516,127)
Balance at end of year		₱201,600	₱–

6. Inventories

This account consists of beneficiated nickel ore amounting to ₱232.5 million and ₱169.1 million as at March 31, 2024 and December 31, 2023, respectively, which is stated at cost. The cost of inventories is lower than its NRV.

Cost of inventories charged to “Cost of sales” account in the consolidated statements of comprehensive income amounted to ₱0, ₱82.7 million and ₱86.5 million for the three (3) months ended March 31, 2024, 2023 and 2022, respectively (see Note 18).

7. Other Current Assets

This account consists of:

	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Prepaid income tax	₱49,455,233	₱49,529,033
Advances to contractors and suppliers	51,235,955	33,048,108
Mining and office supplies - net of allowance for obsolescence	–	6,505,007
Prepaid expenses	4,615,729	3,071,476
Others	4,311,718	8,334,081
	₱109,618,635	₱100,487,705

Prepaid income tax represents creditable withholding tax and other tax credits.

Advances to contractors and suppliers include materials and fuel and oil to be supplied for the use of the heavy equipment and are deductible against contractors’ future billings.

Mining and office supplies include mechanical, electrical and other materials that will be used in the Group’s mining operations. The movements of the allowance for obsolescence follows:

	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Balance at beginning of year	₱16,090,948	₱15,558,092
Provision	–	532,856
Balance at end of year	₱16,090,948	₱16,090,948

The provision for obsolescence is presented as part of “Others” in the “Operating expenses” account in the consolidated statements of comprehensive income (see Note 19).

Prepaid expenses pertain to insurance, excise tax and rent. Others include advances made to NCIP.

8. Property and Equipment

The balances and movements of this account are as follows:

	Note	December 31, 2023 (Audited)				Total
		Land	Building and Improvements	Office Furniture, Fixtures and Equipment	Heavy and Transportation Equipment	
Cost						
Balances at beginning of year		₱58,597,484	₱174,313,770	₱137,672,753	₱392,794,543	₱763,378,550
Additions		–	–	2,704,457	1,521,210	4,225,667
Reclassification	9	–	(25,000,000)	–	–	(25,000,000)
Balances at end of year		58,597,484	149,313,770	140,377,210	394,315,753	742,604,217
Accumulated Depreciation and Amortization						
Balances at beginning of year		–	98,265,189	113,851,585	371,614,743	583,731,517
Depreciation and amortization		–	5,749,862	10,821,595	7,727,505	24,298,962
Reclassification	9	–	(6,354,167)	–	–	(6,354,167)
Balances at end of year		–	97,660,884	124,673,180	379,342,248	601,676,312
Carrying Amount		₱58,597,484	₱51,652,886	₱15,704,030	₱14,973,505	₱140,927,905

Depreciation and amortization are allocated to profit or loss as follows:

	Note	For Three Months Ended March 31, (Unaudited)		
		2024	2023	2022
Charged to:				
Cost of sales	18	₱4,055,111	₱4,023,734	₱2,193,492
Operating expenses	19	₱3,164,031	2,186,362	1,347,870
		₱7,219,142	₱6,210,096	₱3,541,362

Fully depreciated property and equipment with cost of ₱523.0 million and ₱522.0 million as at December 31, 2023 and 2022, respectively, are still being used by the Group.

9. Investment Property

The Group's investment property pertains to the portion of its office space which is under lease with a third party. The movement in the account follows:

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Cost			
Balance at beginning of year		₱25,000,000	₱–
Reclassification	8	–	25,000,000
Balances at end of year		25,000,000	25,000,000
Accumulated Depreciation			
Balances at beginning of year		–	–
Reclassification	8	7,604,167	6,354,167
Depreciation		–	1,250,000
Balances at end of year		7,604,167	7,604,167

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Net Carrying Amount		₱17,395,833	₱17,395,833

The Group assessed that the fair value of its investment property approximates its original cost. The estimate is based on level 3 in the fair value hierarchy.

10. Mining Rights and Other Mining Assets

The balances and movements of this account are as follows:

	Note	December 31, 2023 (Audited)					Total
		Mining Rights	Deferred Exploration Costs	Mine and Mining Properties			
				Mine Development Costs	Mine Rehabilitation Asset	Total Mine and Mining Properties	
Cost							
Balances at beginning of year		₱2,935,579,522	₱174,541,506	₱2,510,070,307	₱44,167,841	₱2,554,238,148	₱5,664,359,176
Additions		-	1,687,023	56,418,536	-	56,418,536	58,105,559
Balances at end of year		2,935,579,522	176,228,529	2,566,488,843	44,167,841	2,610,656,684	5,722,464,735
Accumulated Depletion							
Balances at beginning of year		551,787,446	-	767,811,340	17,502,534	785,313,874	1,337,101,320
Depletion	18	13,168,909	-	31,966,692	386,555	32,353,247	45,522,156
Balances at end of year		564,956,355	-	799,778,032	17,889,089	817,667,121	1,382,623,476
Net Carrying Amount		₱2,370,623,167	₱176,228,529	₱1,766,710,811	₱26,278,752	₱1,792,989,563	₱4,339,841,259

Mining Rights

Mining rights of the Group consist of:

	Dec. 31, 2023 (Audited)
Mining rights on explored resources of MMDC	₱729,809,802
Mining rights of BRC, AMPI and BARI	1,640,813,365
	₱2,370,623,167

Mining Rights on Explored Resources of MMDC. This represents the excess of the fair value of the shares issued by the Parent Company over the book value of the net assets of MMDC when the Parent Company acquired 100% ownership in MMDC.

Mining rights of BRC, AMPI and BARI. This represents the mining rights resulting from the merger of the Parent Company with BHI and APMP in 2017 (see Note 1).

Deferred Exploration Costs

Deferred exploration costs pertain to the capitalized expenditures associated with finding specific mineral resources such as acquisition of rights to explore, geological and geophysical studies and exploration drilling and sampling.

Mine and Mining Properties

Mine Development Costs. Mine development costs include the costs incurred on an already operating mine area. Such costs pertain to expenses incurred in sourcing new resources and converting these into reserves, road developments and developing additional mine yards.

Mine Rehabilitation Asset. Mine rehabilitation asset is the estimated rehabilitation cost of MMDC's mine site upon termination of its ore extraction activities, as required in its MPSA (see Note 15).

11. Other Noncurrent Assets

This account consists of:

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Input VAT		₱353,596,131	₱374,373,978
Input VAT for refund		138,724,700	163,015,056
Final mine rehabilitation fund (FMRF)		87,262,429	87,262,429
Rehabilitation cash fund (RCF)	22	5,632,371	5,632,371
Deferred input VAT		4,841,058	5,579,514
Rental deposit	22	1,133,050	1,133,050
Monitoring trust fund (MTF)		167,435	167,435
		₱591,357,180	₱637,163,833

Input VAT for refund pertains to input VAT incurred on the purchase of goods or services and subsequently reported to the Bureau of Internal Revenue (BIR) for refund. This will be collected through cash or tax credit, with the final amount to be determined upon review and inspection of the BIR.

Final mine rehabilitation fund pertains to deposits to a Government depository bank in compliance with the requirements of regulatory agencies.

RCF is reserved as part of the Group's compliance with the approved rehabilitation activities and schedules for specific mining project phase, including research programs as defined in the Environmental Protection and Enhancement Program (see Note 22).

MTF is exclusively used in activities approved by the Mine Rehabilitation Fund Committee.

Interest income earned from FMRF, RCF and MTF is disclosed in Note 4.

12. Trade and Other Payables

This account consists of:

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Trade payables		₱148,272,436	₱139,250,478
Advances from customers		40,828,515	–
Accrued expenses:			
Compliance		17,128,478	17,348,898
Interest	13	972,009	972,009
Salaries and rent		3,935,093	561,609
Excise tax and other statutory payables		30,782,729	56,264,353
Others		11,036,857	8,916,097
		₱252,956,118	₱223,313,444

Trade payables primarily consist of liabilities arising from transactions with contractors and suppliers related to the normal course of business and are generally noninterest bearing. Trade payables are generally on a 90-day credit term.

Advances from customers pertain to noninterest bearing advances and refundable deposit made by customers for future ore shipments.

Accruals for compliance pertain to accrual of expenditures for Social Development Management Program, Community Development Program and other regulatory fees as required by the MGB, among others.

Other statutory payables include other taxes payable and mandatory contributions. These are normally settled within one (1) month after the reporting period.

13. Loans Payable

This account consists of:

	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Long-term loans	₱125,920,857	₱132,604,857
Less: Current portion	21,120,328	27,804,328
Noncurrent portion	₱104,800,529	₱104,800,529

In 2021, the Group entered into a six (6)-year ₱208.0 million term loan facility agreement with a local bank secured partly by a real estate mortgage on items of its property and equipment with carrying amounts of ₱36.5 million and ₱40.0 million as at December 31, 2023 and 2022, respectively (see Note 8), and its investment property with carrying amounts of ₱17.4 million and ₱18.6 million as at December 31, 2023 and 2022, respectively (see Note 9). The loan is subject to an interest floor rate of 6% or prevailing interest rate at loan drawdown, whichever is higher.

14. Related Party Transactions

Significant transactions with related parties include the following:

Related Parties under Common Management

	Transaction Amounts		Outstanding Balances		Nature and Terms
	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)	
Advances to related parties	(₱130,908)	₱-	₱2,252,345	₱2,383,253	Working fund; unsecured; noninterest-bearing; Collectible on demand
Advances from related parties	₱478,484	₱-	₱5,478,484	₱5,000,000	Working fund; unsecured; noninterest-bearing; payable on demand

As at period ended March 31, 2024 and December 31, 2023, the Group has not provided any allowance for ECL for amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

15. Provision for Mine Rehabilitation and Decommissioning

Movements in this account are as follows:

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Balance at beginning of year		₱62,847,468	₱60,122,100
Accretion of interest	13	–	2,725,368
Balance at end of year		₱62,847,468	₱62,847,468

A provision is recognized for the estimated rehabilitation costs of the Group's mine site upon termination of the Group's ore extraction activities, which is about 13 years. There has been no change in material estimates, operations and requirements to warrant a change in previously estimated provision for mine rehabilitation and decommissioning.

The provision is calculated by the Group's engineers based on an estimate of the expected cost to be incurred to rehabilitate the mine site. The provision is presented at discounted value using the Philippine bond yield of 4.53% as the effective interest rate.

16. Retirement Benefit Liability

The Group has an unfunded, noncontributory defined benefit plan covering all its permanent employees. Under this plan, the employees are entitled to retirement benefits ranging from 50% to 200% of the final monthly salary for each year of credited service. This plan is in accordance with R.A. No. 7641, which mandates a minimum retirement benefit equivalent to one-half month salary per year of service.

An independent actuary conducted a valuation of the retirement benefit obligation using the projected unit credit method. The latest actuarial valuation is for the year ended December 31, 2023.

The principal actuarial assumptions used to determine retirement benefit liability for 2023 and 2022 are as follows:

	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Discount rates	6.25% - 6.26%	6.25% - 6.26%
Salary increase rates	4.00% - 5.00%	4.00% - 5.00%

The plan exposes the Group to actuarial risks, such as interest rate risk and salary risk.

The components of retirement benefit expense presented under "Operating expenses" account in profit or loss are as follows (see Note 19):

	Dec. 31, 2023 (Audited)
Current service cost	₱ 5,591,927
Net interest cost	2,622,073
	₱8,214,000

The components of net retirement benefit liability presented in the statements of financial position is as follows:

	Dec. 31, 2023 (Audited)
Retirement benefit liability	₱51,901,439
Fair value of plan asset	7,672,955
	<u>₱44,228,484</u>

The retirement benefit liability recognized in the consolidated statements of financial position as at December 31, 2023 and changes in the present value of defined benefit obligation are as follows:

	Dec. 31, 2023 (Audited)
Balance at beginning of year	₱40,475,462
Retirement benefits expense recognized in profit or loss:	
Current service cost	5,591,927
Interest cost	3,099,568
Remeasurement losses (gains) recognized in OCI:	
Changes in financial assumptions	9,200,973
Deviations of experience from assumptions	(1,661,951)
Benefits paid	(4,804,540)
Balance at end of year	<u>₱51,901,439</u>

Movements in the fair value of plan assets are as follows:

	Dec. 31, 2023 (Audited)
Balance at beginning of year	₱-
Employer contribution	12,000,000
Benefits paid	(4,804,540)
Gain on plan assets	477,495
Balance at end of year	<u>₱7,672,955</u>

Sensitivity analysis on defined benefit obligation as at December 31, 2023 is as follows:

	Change in	Effect on defined benefit obligation
	basis points	Dec. 31, 2023 (Audited)
Discount rate	+1%	(₱3,043,419)
	-1%	3,530,735
Salary increase rate	+1%	₱3,687,247
	-1%	(3,275,698)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the defined benefit obligation at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged.

The changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed more responsive.

The cumulative remeasurement gains recognized in OCI are as follows:

	December 31, 2023 (Audited)		
	Cumulative Remeasurement Gains	Deferred Tax Liability (see Note 21)	Net Remeasurement Gain
Balance at beginning of year	₱54,124,267	(₱13,531,067)	₱40,593,200
Actuarial loss	(7,539,022)	1,873,866	(5,665,156)
Balance at end of year	₱46,585,245	(₱11,657,201)	₱34,928,044

The average duration of the expected benefit payments at the end of the reporting period is 15 years.

17. Equity

Details of the Group's capital stock with ₱1 par value as at and for the period ended March 31, 2024, December 31, 2023, and 2022 follows:

	Shares	Amount
Authorized	4,000,000,000	₱4,000,000,000
Issued and Outstanding		
Balance at beginning and end of year	3,014,820,305	₱3,014,820,305
Additional Paid-in Capital		
Balance at beginning and end of year		₱269,199,788

Cash Dividends

Date of Declaration	Date of Record	Date of Payment	Dividend per Share	Total Cash Dividends
December 7, 2023	January 12, 2024	January 26, 2024	₱0.10	₱301,482,030
November 19, 2021	December 7, 2021	January 4, 2022	₱0.13	₱391,926,640

Dividends payable amounted to ₱14.9 million and ₱312.0 million as at March 31, 2024 and December 31, 2023.

18. Cost of Sales

This account consists of:

		For Three Months Ended March 31,		
		(Unaudited)		
	Note	2024	2023	2022
Contractual services		₱16,109,503	₱73,798,113	₱32,055,165
Production overhead		17,693,532	36,851,748	29,896,850
Salaries and allowances		23,970,363	27,021,259	23,891,062
Excise tax		–	2,822,803	5,134,742
Depletion	10	1,539,803	1,703,309	10,417,424
Demurrage		–	–	12,593,113
Depreciation	8	4,055,111	4,023,734	2,193,492
		63,368,312	146,220,966	116,181,848
Net movements in inventories		(63,368,312)	(63,524,980)	(29,699,071)
		₱–	₱82,695,986	₱86,482,777

Contractual services pertain to activities directly related to mining. The services include, among others, mine extraction, loading, hauling, barging and stevedoring.

Production overhead consists of repairs and maintenance of heavy equipment, utilities, mining supplies used, among others.

Excise tax pertains to the Government's share in an MPSA which is equivalent to 4.0% of gross output on mineral products.

19. Operating Expenses

This account consists of:

		For Three Months Ended March 31,		
		(Unaudited)		
	Note	2024	2023	2022
Salaries and allowances		18,029,845	16,035,955	15,849,754
Taxes and licenses		27,538,720	17,643,110	21,795,554
Environmental expenses	22	5,206,355	8,284,104	19,949,573
Professional fees		13,766,827	7,876,403	10,565,089
Social development programs	22	1,406,507	797,588	4,656,805
Representation		1,761,294	5,766,193	3,832,003
Royalties	22	–	1,236,092	19,971,033
Outside services		3,579,670	4,066,375	897
Community relations		1,443,345	1,620,052	4,277,708
Depreciation and amortization	8	3,164,031	2,186,362	1,347,870
Retirement benefit expense	16	–	–	584,644
Rent expense	22	1,786,600	944,203	63,570
Communication, light and water		1,003,167	835,813	1,009,804
Transportation and travel		763,696	414,819	207,500
Provision for ECL	5	180,000	–	–
Others		33,660,965	10,603,365	14,425,523
		113,291,022	78,310,434	118,537,327

Others include dues and subscriptions, regulatory fees, repairs and maintenance and office supplies expense.

20. Other Income (Loss)

This account consists of:

	Note	For Three Months Ended March 31, (Unaudited)		
		2024	2023	2022
Rent income	22	₱300,000	₱200,000	₱-
Foreign Exchange Gain(Loss)		721,080	(1,380,407)	4,521,434
Others		-	31,899	376,103.16
		₱1,021,080	(₱1,148,508)	₱4,145,331

21. Income Taxes

The components of income tax benefit are shown below:

	For Three Months Ended March 31, (Unaudited)		
	2024	2023	2022
Current tax benefits	₱23,308,420	₱10,941,280	₱16,293,460
	₱23,308,420	₱10,941,280	₱16,293,460

The Group's net deferred tax assets arising from temporary differences are summarized as follows:

	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Deferred tax assets:		
Retirement benefit liability	₱9,401,467	₱9,401,467
Provision for mine rehabilitation	4,762,334	4,762,334
Allowance for obsolescence on mining supplies	4,022,737	4,022,737
Net operating loss	23,308,420	-
	41,494,958	18,186,538
Deferred tax liability -		
Unrealized foreign exchange gain	(1,920,311)	(1,920,311)
	₱39,574,647	₱16,266,227

The presentation of net deferred tax assets are as follows:

	Note	March 31, 2024 (Unaudited)	Dec. 31, 2023 (Audited)
Through profit or loss		₱39,574,647	₱27,923,428
Through other comprehensive income	16	-	(11,657,201)
		₱39,574,647	₱16,266,227

The Group's deferred tax liability amounting to ₱442.0 million as at December 31, 2023 and 2022, is attributable to the mining rights of BRC, AMPI and BARI, as a result of business combination.

Management believes that it may Details of NOLCO of the Group are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2023	2026	₱53,001,652	₱-	₱-	₱53,001,652
2022	2025	64,605,091	-	-	64,605,091
2021	2026	69,189,004	-	-	69,189,004
2020	2025	89,254,499	-	-	89,254,499
		₱276,050,246	₱-	₱-	₱276,050,246

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 of R.A. No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of a business or enterprise for taxable years 2020 and 2021 are to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of Excess MCIT over RCIT of the Group are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2023	2026	₱20,700	₱-	₱-	₱20,700
2022	2025	3,000	-	-	3,000
2021	2024	2,471	-	-	2,471
		₱26,171	₱-	₱-	₱26,171

22. Commitments and Contingencies

Social and Environmental Responsibilities

Social Development and Management Programs (SDMP)

SDMP are five (5)-year projects identified and approved for implementation in the communities covered by the MPSA. The Group provides an annual budget for SDMP projects that focus on health, education, livelihood, public utilities and socio-cultural preservation. The implementation of the program is monitored by the MGB.

Environmental Protection and Enhancement Program (EPEP)

EPEP refers to the comprehensive and strategic environmental management plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the affected environment within the Group's mining areas. This program is monitored by the Multipartite Monitoring Team, a group headed by a representative from the Regional MGB and representatives of Local Government Units (LGU), other government agencies, non-government organizations, the church sector and the representatives of the Group.

Royalty Agreement

In July 2008, the Group entered into a memorandum of agreement with Indigenous Cultural Communities/Indigenous People (ICC/IP) and NCIP pursuant to the requirements of its MPSA. The Group pays royalties equivalent to a certain percentage of gross revenue to the ICC/IP.

Operating Lease Agreements – Group as a Lessee

The Group leases an office space for its operations. Rental deposit amounted to ₱0.3 million and ₱0.2 million as at March 31, 2024 and 2023. (see Note 11).

Other Claims

The Group is either a defendant or plaintiff in other claims and disputes which are normal to its business. The management believes that the ultimate liability, if any, with respect to such claims, and disputes will not materially affect the financial position of the Group.

23. Loss Per Share

Loss per share are computed as follows:

	For Three Months Ended March 31,		
	(Unaudited)		
	2024	2023	2022
Net less shown in the consolidated statements of comprehensive income (a)	(₱91,500,715)	(₱36,149,545)	(₱62,120,127)
Weighted average number of common shares (b)	3,014,820,305	3,014,820,305	3,014,820,305
Basic loss per share (a/b)	(₱0.030)	(₱0.010)	(₱0.020)

The Group does not have potentially dilutive common shares.

24. Financial Risk Management Objectives and Policies and Fair Value Measurement

General

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group's objectives are achieved. The Group's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Group's established business objectives.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, and loans payable. The primary purpose of these financial instruments is to finance the Group's operations. The Group has other financial instruments such as trade and other receivables (excluding advances to officers and employees), FMRF, RCF, rental deposit, MTF, trade and other payables (excluding excise tax and other statutory payables and advances from customers), dividends payable and advances to and from related parties, which arise directly from operations. The main risks arising from the use of these financial instruments are foreign currency risk, credit risk, and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Foreign Currency Risk. The Group's foreign exchange risk results primarily from movements of the Philippine peso against the US dollar with respect to US dollar-denominated financial assets. The Group's transactional currency exposures arise from its cash in banks and trade receivables which

are denominated in US dollar. The Group periodically reviews the trend of the foreign exchange rates to address its exposure in foreign currency risk.

Credit Risk. Credit risk arising from the inability of a counterparty to meet the terms of the Group's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Group. With respect to credit risk arising from the other financial assets of the Group, which comprise cash in banks and cash equivalents, trade and other receivables (excluding advances to officers and employees) and advances to related parties, RCF, MTF and rental deposit, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Customer credit risk from trade and other receivables is managed by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The calculation of provision rates reflects the information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. Generally, trade receivables are written-off if the Group has actually ascertained that these are worthless and uncollectible as of the end of the year.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other financial assets consisting of cash in banks, advances to related parties, RCF, MTF and rental deposit, the Group established controls and procedures on its credit policy to determine and monitor the credit worthiness of counterparties.

The credit quality of the financial assets is managed by the Group using internal credit quality ratings. High grade accounts consist of receivable from debtors with good financial condition and with relatively low defaults. Financial assets having risks of default but are still collectible are considered standard grade accounts. Past due but not impaired accounts are still collectible but require persistent effort from the Group to collect.

Cash in banks, RCF and MTF are classified as high grade since these are deposited in reputable banks having good credit rating and low probability of insolvency, while the advances to related parties are classified under standard grade since the counterparties are reputable related parties with low credit risk.

Liquidity Risk. The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements, including debt principal and interest payments. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies.

25. Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The Group manages its capital structure and makes adjustments to it, whenever there are changes in economic conditions. The Group monitors its capital using debt

to equity ratio. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or by conversion of related party advances to an equity component item.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE PERIOD ENDED MARCH 31, 2024 AND, 2023

Ratio	Formula	March 31, (Unaudited)	
		2024	2023
Current ratio	Total Current Assets	₱562,378,290	₱996,128,171
	Divided by: Total Current Liabilities	324,910,595	565,883,160
	Current ratio	1.73:1	1.76:1
Acid test ratio	Total Current Assets less Inventory	₱329,885,284	₱781,488,930
	Divided by: Total Current Liabilities	324,910,595	565,883,160
	Current ratio	1.02:1	1.38:1
Solvency ratio	Net Income Before Depreciation and Amortization, and Depletion	(₱84,281,573)	(₱30,889,719)
	Divide by: Total liabilities	981,368,955	1,238,824,333
	Solvency ratio	(0.09):1	(0.02):1
Debt-to-equity ratio	Total Liabilities	₱981,368,955	₱1,238,824,333
	Divide by: Total equity	4,705,872,875	4,909,346,108
	Debt-to-equity ratio	0.21:1	0.25:1
Asset-to-equity ratio	Total Assets	₱5,687,241,830	₱6,148,170,441
	Divide by: Total equity	4,705,872,875	4,909,346,108
	Asset-to-equity ratio	1.21:1	1.25:1
Interest rate coverage ratio	Pretax loss before interest	(₱110,870,079)	(₱44,382,837)
	Divided by: Interest expense	3,939,056	2,707,988
	Interest rate coverage ratio	(28.15):1	(16.39):1
Return on asset	Net loss	(₱91,500,715)	(₱36,149,545)
	Divide by: Total average assets	5,917,706,135	6,097,933,897
	Return on asset ratio	(0.02):1	(0.01):1
Return on equity	Net loss	(₱91,500,715)	(₱36,149,545)
	Divide by: Total average equity	4,807,609,491	4,756,171,750
	Return on equity ratio	(0.02):1	(0.01):1
Net profit margin ratio	Net loss	(₱91,500,715)	(₱36,149,545)
	Divide by: Total revenue	-	117,723,062
	Net profit margin ratio	0:1	(0.31):1

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF AGING OF RECEIVABLES

As at March 31, 2024

	Trade Receivables	Advances	Others	Total
30 – 60 days	₱–	₱19,099,428	₱2,924,071	₱22,023,499
61 – 90 days	–	11,459,657	–	11,459,657
>90 days	–	7,639,771	–	7,639,771
Allowance for ECL	–	(201,600)	–	(201,600)
	₱–	₱37,997,256	₱2,924,071	₱40,921,327



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



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Receipt Date and Time: May 30, 2024 05:12:17 PM

Company Information

SEC Registration No.: 0000012942

Company Name: MARCVENTURES HOLDINGS, INC.

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

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Period Covered: December 31, 2023

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

ROLANDO S. SANTOS

Contact Person

8831-4479

Company Telephone Number

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Month *Day*
Fiscal Year

SEC FORM I-ACGR (Integrated Annual Corporate Governance Report 2023)

FORM TYPE

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Month *Day*
Annual Meeting

N/A

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

nil

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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LCU

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Document I.D.

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Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies’ compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the “comply or explain” approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: (1) “Recommendations” – derived from the CG Code for PLCs; (2) “Supplement to Recommendation” – derived from the PSE CG Guidelines for Listed Companies; (3) “Additional Recommendations” – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and (4) “Optional Recommendation” – practices taken from the	The company shall indicate compliance or non-compliance with the recommended practice.	The company shall provide additional information to support their compliance with the recommended CG practice.	The PLCs shall provide the explanations for any non-compliance, pursuant to the “comply or explain” approach. Please note that the explanation given should describe the non-compliance and include by the company. *“Not Applicable” or “None” shall not be considered as sufficient explanation

<p style="text-align: center;">ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</p>			
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C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission on or before May 30 of the following year for every year that the company remains listed in the PSE.
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear original and manual signatures.
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2023
2. SEC Identification Number 12942
3. BIR Tax Identification No. 000-104-320-000
4. Exact name of issuer as specified in its charter. **Marcventures Holdings, Inc.**
5. Manila, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 4th Floor BDO Towers Paseo (formerly Citibank Center), 8741, Paseo de Roxas, Makati 1227
Address of principal office Postal Code
8. (+632)8831-4479 or (+632)8831-4483
Issuer's telephone number, including area code
9. n/a
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT, NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p><i>Provide information or link/reference to a document containing information on the following:</i></p> <p><i>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors</i></p> <p><i>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</i></p> <p><u>Links/References are as follows:</u></p> <p>Website: Board of Directors and Officers https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 1(1.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	

		<p>PSE Disclosure: 2023 Annual Report, Ref: Item 9: Directors and Executive Officers of the Registrant, pages 29-33 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>Compliant</p>	<p>Website: Board of Directors and Officers https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.1) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>PSE Disclosure: 2023 Annual Report, Ref: Item 9: Directors and Executive Officers of the Registrant, pages 29-33 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	

<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	<p>Compliant</p>	<p>Website: Board of Directors and Officers https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>PSE Disclosure: 2023 Annual Report, Ref: Item 9: Directors and Executive Officers of the Registrant, pages 29-33 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</i></p> <p>MHI currently has nine (9) directors in accordance with Sixth Article of MHI’s amended Articles of Incorporation (AOI) dated 28 March 2022. All are non-executive directors.</p> <p>PSE Disclosure: Amended Articles of Incorporation dated 28 March 2022 https://edge.pse.com.ph/openDiscViewer.do?edge_no=95d6cc9b5adf7e683470cea4b051ca8f</p> <p>Website: Board of Directors and Officers https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p>	

		<p>SEC From 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10, https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p><i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>The Company provides an annual training program from an SEC-accredited provider. The training programs vary each year and cover a range of matters, including traditional corporate governance topics such as audit, internal controls, anti-corruption and risk management. In 2023, the topics discussed during the Corporate Governance Training held on 18 August 2023 were on Strategic IT Governance, Protection of Minority, Commercial Arbitration as a means of Dispute Resolution, and Strengthening the Audit Committee.</p>	

		<p>The Company has no formal Board Charter and policy on training. However, all Directors and officers undergo a yearly 5-hour training program with SEC-certified providers.</p> <p>The Certificates of Attendance to the training program for 2023 were submitted to both the SEC and PSE.</p> <p>Advisement Letter https://edge.pse.com.ph/openDiscViewer.do?edge_no=75e9772925a333ac9e4dc6f6c9b65995</p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</i></p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>The Company provides annual training and/or seminar to its directors and officers from an SEC-accredited provider. The orientation program is compulsory for all members to participate, including first-time directors. The Company also encourages the directors to participate in seminars conducted by reputable providers.</p>	

		<p>The President, Chairman, and the Board have a responsibility to ensure that first-time directors are given proper support in learning their role so that they can get up to speed. All nominees are screened by the Nominations and Compensation Committee and are informed in advance of the board’s mandate and areas of responsibility, organizational structure, operations and key personnel, terms of directors, committee membership, chairs etc., board work plan, including current projects and priorities, board culture and protocols relating to motions, voting, agenda, and telephone participation, among others.</p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<p>The Company has no formal Board Charter on training. However, all Directors and officers undergo a yearly 5-hour training program with SEC-certified providers.</p> <p>The Certificates of Attendance to the training program for 2023 were submitted to both the SEC and PSE.</p> <p>Advisement Letter https://edge.pse.com.ph/openDiscViewer.do?edge_no=75e9772925a333ac9e4dc6f6c9b65995</p> <p>Links/References are as follows:</p> <p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 1(1.3)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i></p> <p><i>Indicate gender composition of the board.</i></p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.4) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>The Board has 9 members with 7 male and 2 female directors.</p> <p>Website: Board of Directors and Officers https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>PSE Disclosure: Amended Articles of Incorporation dated 28 March 2022 https://edge.pse.com.ph/openDiscViewer.do?edge_no=95d6cc9b5adf7e683470cea4b051ca8f</p>	
Optional: Recommendation 1.4			

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>Non-Compliant</p>	<p><i>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</i></p> <p><i>Provide link or reference to a progress report in achieving its objectives.</i></p>	<p>While the Company has no formal Board Diversity policy yet, MHI still practices board diversity by ensuring that the Board is composed of individuals with varying professional and personal backgrounds (namely from different fields, regional and industry experience, age, gender, culture, skills, background, competence and knowledge). Moving forward, the Company intends to institutionalize such practice by adopting the same in its Board Charter.</p>
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Recommendation 1.5

<p>1. Board is assisted by a Corporate Secretary.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></p> <p><u>Links/References are as follows:</u></p> <p>The qualifications, duties, and responsibilities of the Corporate Secretary are disclosed in in the 2020 Revised Manual on Corporate Governance of MHI.</p> <p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 1(1.5)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
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		<p>The Corporate Secretary of MHI is Atty. Roberto V. San Jose: https://marcventuresholdings.com.ph/board-of-directors-and-officers/ SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5 and 10, https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995 PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>Compliant</p>	<p>MHI ensures that the functions of the Corporate Secretary are distinct and clearly delineated from the function of the Compliance Officer. This is laid down in the Company’s 2020 Revised Manual on Corporate Governance.</p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.5) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>Corporate Secretary:</p> <ul style="list-style-type: none"> • Atty. Roberto V. San Jose <p>Asst. Corporate Secretaries and Compliance Officers:</p> <ul style="list-style-type: none"> • Atty. Ana Maria A. Katigbak • Atty. Rommel T. Casipe 	

<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>Compliant</p>	<p>The Corporate Secretary, Atty. Roberto V. San Jose, is not a member of the MHI Board of Directors.</p> <p><u>Links/References are as follows:</u></p> <p>Website: Board of Directors and Officers https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>SEC Form 20-IS, Ref: Item 5. Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i></p> <p>MHI Officers participate in comprehensive training programs, and it is compulsory for all key officers to participate in on-going professional development training. In 2023, the topics discussed during the Corporate Governance Training held on 18 August 2023</p>	

		<p>were on Strategic IT Governance, Protection of Minority, Commercial Arbitration as a means of Dispute Resolution, and Strengthening the Audit Committee.</p> <p>The Certificates of Attendance to the training program for 2023 were submitted to both the SEC and PSE.</p> <p>Advisement Letter https://edge.pse.com.ph/openDiscViewer.do?edge_no=75e9772925a333ac9e4dc6f6c9b65995</p>	
Optional: Recommendation 1.5			
<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>Compliant</p>	<p><i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.</i></p> <p>Under Article 3, Item 1(1.5)(f) of the 2020 Revised Manual on Corporate Governance, it is the Corporate Secretary's duty and responsibility to inform members of the Board, in accordance with MHI by-laws and its amendment/s, of the agenda of their meetings at least five (5) working days in advance prior to the date of the meeting, and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matter that require their approval.</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.5)(f) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>The Asst. Corporate Secretary sends email notification to the Board on the agenda of the meeting at least five (5)</p>	

		<p>business days before the scheduled meeting and provides advance copies of the materials (memos and reports) both via email and printed copies before the meeting. See sample screenshots of the emails (Annex “A”).</p>	
Recommendation 1.6			
<p>1. Board is assisted by a Compliance Officer.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company’s Compliance Officers: Atty. Ana Maria A. Katigbak (Compliance Officer) https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>Atty. Rommel T. Casipe (Co-Compliance Officer) https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	

		<p>SEC Form 20-IS, Ref: Item 5. Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 1(1.6) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p>The Compliance Officer, Atty. Ana Maria A. Katigbak, is engaged in a consultancy capacity. She is a Senior Partner in the Law Firm of Castillo Laman Tan Pantaleon & San Jose.</p>	
3. Compliance Officer is not a member of the board.	Compliant	<p>Atty. Ana Maria A. Katigbak, the Company's Compliance Officer is not a member of the Board.</p> <p>PSE Disclosure – Results of Organizational meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i></p> <p>MHI Officers participate in comprehensive training programs, and it is compulsory for all key officers to</p>	

		<p>participate in on-going professional development training. The topics discussed during the Corporate Governance Training held on 18 August 2023 were on Strategic IT Governance, Protection of Minority, Commercial Arbitration as a means of Dispute Resolution, and Strengthening the Audit Committee.</p> <p>The Certificates of Attendance to the training program for 2023 were submitted to both the SEC and PSE.</p> <p><u>Links/References are as follows:</u></p> <p>Advisement Letter https://edge.pse.com.ph/openDiscViewer.do?edge_no=75e9772925a333ac9e4dc6f6c9b65995</p>	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting).</i></p> <p>Board of Directors actively participates during regular and special Board meetings. Further, the Chairman of the Board makes certain that the meeting agenda focuses on strategic and operational matters with the assistance of</p>	

		<p>the Corporate Secretary, while taking into consideration the advice and suggestions of the Board and Management.</p> <p>The Directors are able to perform their duties and responsibilities through the timely provision of Board materials as well as easy and timely access to information or inputs for sound decision making.</p> <p>The Board ensures that key financial decisions related to investment/capital expenditure considered by various businesses in which the Company has direct equity undergo appropriate processes and approval.</p> <p>See sample Minutes of the Regular Meeting of the Board of Directors of MHI held on June 30,2023 (Annex “B”)</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.1) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Recommendation 2.2			
<p>1. Board oversees the development, review and approval of the company’s business objectives and strategy.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting).</i></p> <p><i>Indicate frequency of review of business objectives and strategy.</i></p> <p>The Board plays a leading role in the establishment of the Company’s strategic framework, setting the overall strategic direction and reviewing and monitoring of its</p>	

		<p>progress at least on a quarterly basis. It ensures that the implementation of existing policies and strategies, including business plans and overall performance of the Management team based on clear established performance matrix are periodically evaluated and monitored, and that the corporate activities and key management decisions are still aligned with the Company’s vision and mission.</p> <p>Quarterly board meetings ensure regular reporting and monitoring of performance management while the Executive Committee monitors the progress of the implementation on a monthly and/or regular basis.</p> <p>See Material Information Disclosures in the Company and PSE, Company website, and Minutes of the Board Meetings</p> <p>See sample Minutes of the Regular Meeting of the Board of Directors of MHI held on July 25, 2023 (Annex “B”)</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.2) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>2. Board oversees and monitors the implementation of the company’s business objectives and strategy.</p>	<p>Compliant</p>	<p>The Board leads the overall Company’s business direction and strategy and monitors Management’s performance.</p>	

		See sample Minutes of the Regular Meeting of the Board of Directors of MHI held on July 25, 2023 (Annex “B”) 2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.2) https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<i>Indicate or provide link/reference to a document containing the company’s vision, mission and core values.</i> <i>Indicate frequency of review of the vision, mission and core values.</i> <u>Links/References are as follows:</u> Website: Vision Mission Statement https://marcventuresholdings.com.ph/vision-mission-statement/	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company’s business environment, and culture.	Compliant	<i>Provide information on or link/reference to a document containing information on the strategy execution process.</i> The Company is constantly reviewing and modifying processes to facilitate effective management and performance in harmony with the Company’s business environment and culture. Management aims to develop a corporate culture which creates an environment that is conducive to performance improvement, shapes the way people act and interact, as a result, this culture influences how things get done. The Senior Officers closely collaborate with the aim of fostering organizational growth and development in support of its strategic goals.	

		<p>In 2023, the Board was supported in the performance of its functions by the following board committees:</p> <ul style="list-style-type: none"> • Executive Committee • Audit, Corporate Governance, Risk Oversight and Related Party Transaction Committee • Nomination and Compensation Committee • Investment Committee • Retirement Committee <p>The Committees assist the Board in ensuring that the Company’s business objectives and strategies are cascaded, implemented, and properly monitored within their specific spheres of functions.</p> <p><u>Links/References are as follows:</u></p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p>	
Recommendation 2.3			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.</i></p> <p>See website for Information about Mr. Cesar Zalamea, Chairman https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p>	

		<p>SEC Form 20-IS, Ref: Item 5. Directors and Executive Officers, pages 5 and 6 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
Recommendation 2.4			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>While the Company has no formal succession planning program in place to date, it has an Organizational Chart which is sufficient for purposes of succession planning of key officers and management.</p> <p>For Directors, the By-laws provide for a mechanism in case there is a vacant seat:</p> <p>Amended By-Laws dated May 29, 2015, Ref: Article II, Section 5 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.5.1.f) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	

<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Non-complaint</p>	<p>Links/References are as follows:</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	<p>While the Company has yet to adopt a formal policy for the retirement of its Directors, it follows general statutory mandates, and the basic components of a retirement policy are already in place. For its Key Officers, a Retirement Policy is already in place.</p> <p>On December 4, 2019, MHI Retirement Plan covering qualified employees and officers was presented to the Retirement Committee of MHI and the MHI Retirement Plan was approved by the Board during its regular meeting held on December 18, 2019.</p> <p>MHI's Retirement Fund Trustee-Bank is China Banking Corporation.</p> <p>On July 26, 2023, the Bureau of Internal Revenue (BIR) approved the MHI Retirement Plan.</p>
<p>Recommendation 2.5</p>			
<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i></p>	

2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p><u>Links/References are as follows:</u></p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.4) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>The By-Laws of the Company grants compensation to the members of the Board in accordance with the provisions of the Corporation Code, as revised.</p> <ul style="list-style-type: none"> • Sec. 29 of the Revised Corporation Code of the Philippines provides: <p>Compensation of Directors. – In the absence of any provision in the by-laws fixing their compensation, the directors shall not receive any compensation in their capacity as such, except for reasonable per diems: Provided, however, that the stockholders representing at least a majority of the outstanding capital stock may grant directors with compensation and approve the amount thereof at a regular or special meeting.</p> <p>In no case shall the total yearly compensation of directors exceed ten percent (10%) of the net income before income tax of the corporation during the preceding year.</p> <p>Directors shall not participate in the determination of their own per diems or compensation.</p>	

Optional: Recommendation 2.5

1. Board approves the remuneration of senior executives.

Compliant

Provide proof of board approval.

There was no instance in 2023 which required Board approval relative to remuneration of senior executives.

Links/References are as follows:

The remuneration of Executive directors can be found in the Company's 2020 Revised Manual on Corporate Governance.

2020 Revised Manual on Corporate Governance, Ref:
Article 3, Item 2(2.4)

<https://marcventuresholdings.com.ph/manual-on-corporate-governance/>

Amended By-Laws dated May 29, 2015

<https://marcventuresholdings.com.ph/articles-of-incorporation-by-laws/>

Section 6, Article II of the Company's Amended By-Laws dated May 29, 2015 states:

A portion of the Company's annual net profits before tax shall be allocated as a performance-based bonus to be distributed among members of the Board of Directors, executive officers and consultants of the Company, as determined by the Board, provided that the total yearly compensation of Directors, as such directors duly approved by the vote of the stockholders representing at least majority of the outstanding capital stock shall not

		exceed 10% of the net income before income tax of the Company during the preceding year, in addition to any reasonable per diems that a Director may receive (Amended on November 14, 2014).	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Non-Compliant	<i>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</i>	<p>The Company currently does not have any claw back provision or mechanism on deferred bonuses. This may not be necessary considering the size, structure, and operations of the Company.</p> <p>The Company also currently does not have a performance-pay system based on performance indicators, nor a scorecard to align the remuneration of the executive directors and senior executives with their performance.</p>
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p><i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i></p> <p><i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i></p> <p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i></p>	

		<p><u>Links/References are as follows:</u></p> <p>The nomination and selection process in electing directors are provided in the Company's 2020 Revised Manual on Corporate Governance, and in the Securities and Exchange Commission (SEC) Information Statement.</p> <p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.5)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>SEC Form 20-IS, Ref: <i>Item 5. Directors and Executive Officers, pages 5-10</i> https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.5)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<p>The Corporation recognizes minority rights as embodied in the Revised Corporation Code which allow minority stockholders the right to cumulate their votes for election of directors and the right to nominate directors, among others.</p>	

		2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.5) & Item 13(13.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.5)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.5)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.5)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Non-Compliant	<i>Identify the professional search firm used or other external sources of candidates.</i>	The Company currently does not use any professional search firm or other external sources of candidates. When searching candidates to the board or when conducting search for candidates to directorships, the Company receives recommendations from the members of the board or from stockholders. In this manner, the

			Board is aware of the capabilities of the candidate.
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p><i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.</i></p> <p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>While the Company has an existing policy of related party transactions, there is no transaction yet that has reached the materiality threshold.</p> <p><u>Links/References are as follows:</u></p> <p>Material Related Party Transactions Policy https://marcventuresholdings.com.ph/company-policies/</p> <p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.6)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p>Material Related Party Transactions Policy, Ref: Part V. and VI. https://marcventuresholdings.com.ph/company-policies/</p>	

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>Material Related Party Transactions Policy, Ref: Part II. https://marcventuresholdings.com.ph/company-policies/</p>	
<p>Supplement to Recommendations 2.7</p>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p><i>Provide information on a materiality threshold for RPT disclosure and approval, if any.</i></p> <p><i>Provide information on RPT categories.</i></p> <p>The Company’s Material Related Party Transactions Policy defines who are Related Parties and pegs the materiality threshold of related party transactions at ten percent (10%) of the Company’s total consolidated assets. It also provides for the guidelines in the review and approval of a material related party transaction and criteria in approving MRPT, disclosure and review, among others.</p> <p><u>Links/References are as follows:</u></p> <p>Material Related Party Transactions Policy, Ref: Part II. https://marcventuresholdings.com.ph/company-policies/</p> <p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.6)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>PSE Disclosure: 2023 Annual Report: https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p><i>Provide information on voting system, if any.</i></p> <p><u>Links/References are as follows:</u></p> <p>Material Related Party Transactions Policy, Ref: Part VI. https://marcventuresholdings.com.ph/company-policies/</p> <p>The Board further adopts the provisions of the Revised Corporation Code of the Philippines on approvals of related-party transactions.</p>	
Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Board is guided by the provisions of the Revised Corporation Code of the Philippines in the selection of certain officers.</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.7) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p> <p>Although the Company has not adopted a formal policy on performance management, the Board clearly identifies and/or approves the Company's goals and objectives that are cascaded to all levels of the organization. Performance is gauged based on results that are discussed during the Management Committee weekly meetings and various internal committee meetings headed by the senior management officers.</p>	
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> <p>The Company's performance management is centered on the goals set from the Company level down to Management, teams and individual level. Goals set are Specific, Measurable, Achievable, Realistic, and Time-based. Progress is discussed weekly during the management committee meetings and monthly during the executive committee meetings and in quarterly board meetings.</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p><u>Links/References are as follows:</u></p>	

		<p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.8)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p><i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.</i></p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>Please refer to the 2020 Revised Manual on Corporate Governance.</p> <p>The Board, through the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee and Internal Audit Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system.</p> <p>2020 Revised Manual on Corporate Governance, Ref: <i>Article 3, Item 2(2.9)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
3. Board approves the Internal Audit Charter.	Compliant	<p><i>Provide reference or link to the company's Internal Audit Charter.</i></p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</p>	

		https://marcventuresholdings.com.ph/board-committees-and-members/	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Non-Compliant	<i>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i>	Although the Company has no comprehensive, enterprise wide ERM framework, the Company has an Enterprise Risk Management Policy (https://marcventuresholdings.com.ph/enterprise-risk-management/).
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Non-Compliant	<i>Provide proof of effectiveness of risk management strategies, if any.</i> MHI Enterprise Risk Management https://marcventuresholdings.com.ph/enterprise-risk-management/ 2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(2.10) https://marcventuresholdings.com.ph/manual-on-corporate-governance/	The basic components of an ERM to address the various risks the Company is exposed to are already in place and it is in the process of providing for an ERM framework. The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts, and transactions it enters into. The Company has appointed an Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee whose duties and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal, compliance and other risks of the Corporation, and crisis management.

			The Company has an internal audit department tasked with directly reporting to the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee or the Board, in accordance with a yearly approved Audit Plan and in certain instances, on special audit matters.
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	<i>Provide link to the company's website where the Board Charter is disclosed.</i>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Links/References are as follows: Website: Board Committee Charters https://marcventuresholdings.com.ph/board-committees-charters/	
3. Board Charter is publicly available and posted on the company's website.	Compliant	2020 Revised Manual on Corporate Governance https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<i>Provide information on or link/reference to a document showing company's insider trading policy.</i>	
		Links/References are as follows: Insider Trading Policy	

		https://www.marcenturesholdings.com/insider_trading_policy	
		<p>In addition to the foregoing Policy, the Company adheres to the rules and regulations of the Security and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).</p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<p><i>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company does not have an express policy specifically on the grant of loans to directors. However, such transaction should be within the ambit of the Material Related Party Transactions Policy:</p> <p>Material Related Party Transactions Policy https://marcenturesholdings.com.ph/company-policies/</p>	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p><i>Indicate the types of decision requiring board of directors' approval and where these are disclosed.</i></p> <p><u>Links/References are as follows:</u></p> <p>PSE Disclosure: PSE Edge Website https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175 SEC Form 17-A (Annual Report) https://marcenturesholdings.com.ph/sec-form-17-a-annual-report/</p>	

		<p>SEC Form 17-C Reports https://marcventuresholdings.com.ph/sec-form-17-c-current-report/</p> <p>2022 Disclosures https://www.marcventuresholdings.com/2022_disclosures</p>	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1</p>			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p>Links/References are as follows:</p> <p>PSE Disclosure – Results of Organizational meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>Board Committees https://marcventuresholdings.com.ph/board-committees-charters/</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
<p>Recommendation 3.2</p>			

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i></p> <p><u>Links/References are as follows:</u></p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.2) https://marcventuresholdings.com/private/any/4uEwMydrLzpvJaUj-1594353541.pdf</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</i></p> <p><u>Links/References are as follows:</u></p> <p>PSE Disclosure – Results of Organizational meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>Board Committees https://marcventuresholdings.com.ph/board-committees-charters/</p>	

		<p>See website for information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam Ian Chan;</p> <p>Currently, the members of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee are:</p> <ul style="list-style-type: none"> • Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive) • Member: Augusto C. Serafica, Jr. (Non-Executive Director) • Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director) <p>https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i></p> <p><u>Links/References are as follows:</u></p>	

		<p>See website for Information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam lan Chan.</p> <p>https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b6599</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Non-compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</i></p> <p><u>Links/References are as follows:</u></p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>Board Committees https://marcventuresholdings.com.ph/board-committees-charters/</p>	<p>The Company’s Audit Committee functions are also supplemented by its Corporate Governance, Risk Oversight, and Related Party Transactions committee functions.</p> <p>Atty. Carlos Alfonso T. Ocampo, an independent non-executive director, is the current Chairman of the Audit, Corporate Governance, Risk Oversight, and Related Party Transaction Committee.</p> <p>Considering the size, structure, and operations of the Company, several committees were merged into one committee with analogous functions.</p>
<p>Supplement to Recommendation 3.2</p>			



1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i>	Not applicable. There were no non-audit services conducted by an external auditor for the year 2022.
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant	<i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i>	The Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee conducts meetings with the external audit team with representatives from the Management to explain the operations of the subsidiaries. However, the Committee has direct access to the external audit team at any point in time.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	<i>Indicate the number of Audit Committee meetings during the year and provide proof.</i> The Audit Committee held two (2) meetings for the year 2023.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Non-complaint	<i>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</i>	The Company has a Head of Internal Audit whose appointment was approved by the Board in 2020. In 2023, there was no instance where an internal auditor was removed.
Recommendation 3.3			

<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</i></p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>Currently, the functions of Corporate Governance Committee can be found under the Nominations and Corporate Governance Committee Charter. The Company will endeavor to update its charters to conform to the Company committees' reorganization since the functions of the Corporate Governance Committee are exercised by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee.</p> <p>Nominations and Corporate Governance Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p> <p><u>Links/References are as follows:</u></p>	<p>The functions of the Corporate Governance Committee are exercised by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee.</p>

		<p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>Board Committees https://marcventuresholdings.com.ph/board-committees-and-members/ See website for Information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam Ian Chan</p> <p>https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p> <p>PSE Disclosure – Results of Organizational meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	<p>MHI only has two (2) independent directors in the Board who are both members of the Corporate Governance Committee – Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam Ian Chan – who were both reelected as Independent Directors during the 25 July 2023 Annual Stockholders’ Meeting and Organizational Meeting.</p> <p>Currently, the members of the Corporate Governance Committee are:</p> <ul style="list-style-type: none"> • Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive Director) • Member: Augusto C. Serafica, Jr. (Non-Executive Director) • Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director)
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p> <p>Atty. Carlos Alfonso T. Ocampo, the Chairman of MHI’s Corporate Governance Committee, is an Independent Director as per MHI 2023 General Information Sheet.</p>	

		<p>Links/References are as follows:</p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=55c06d632d356a59e4dc6f6c9b65995</p> <p>Board Committees https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, page 10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=7e62a2d16c8978f9e4dc6f6c9b6599</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.	Non-compliant	<i>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</i>	The Corporate Governance Committee did not have any meeting for the year 2023.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant	<p><i>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.</i></p> <p>Links/References are as follows:</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</p>	<p>Considering the size, structure, and operations of the Company, it does not have a separate BROC. The Board is assisted by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee with responsibility for risk oversight as outlined in its committee charter.</p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter</p>

		https://marcventuresholdings.com.ph/board-committees-and-members/	https://marcventuresholdings.com.ph/board-committees-and-members/
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Complaint</p>	<p><i>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.</i></p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>Board Committees https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>Currently, the members of the Audit, Corporate Governance, <u>Risk Oversight</u> and Related Party Transactions Committee are:</p> <ul style="list-style-type: none"> • Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive) • Member: Augusto C. Serafica, Jr. (Non-Executive Director) • Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director) <p>https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b6599</p>	<p>The establishment of a separate BROC may not be necessary at this point considering the Company’s minimal independent operations; being highly dependent on the performance of its subsidiaries which have their own independent audit, risk and control measures.</p>

		<p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Non-complaint</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the BROC.</i></p> <p>The Chairman of the BROC is also the Chairman of the Audit, Corporate Governance, and Related Party Transactions Committees.</p> <p>https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p>	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Complaint</p>	<p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i></p> <p>The members of the BROC are also the members of the Audit, Corporate Governance, and Related Party Transactions Committees.</p> <p>https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b659</p>	
<p>Recommendation 3.5</p>			

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</i></p> <p>The functions of the Related Party Transactions Committee are exercised by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee.</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.5) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Complaint</p>	<p><i>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</i></p> <p><u>Links/References are as follows:</u></p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p> <p>Board Committees</p>	

		<p>https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>See website for Information about Atty. Carlos Alfonso T. Ocampo, Mr. Augusto C. Serafica, Jr., and Mr. Kwok Yam Ian Chan.</p> <p>Currently, the members of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee are:</p> <ul style="list-style-type: none"> • Chairman: Atty. Carlos Alfonso T. Ocampo (Independent Director; Non-Executive) • Member: Augusto C. Serafica, Jr. (Non-Executive Director) • Member: Kwok Yam Ian Chan (Independent Director; Non-Executive Director) <p>https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b6599</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<i>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i>	

<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Complaint</p>	<p><u>Links/References are as follows:</u> Board Committee Charters https://marcventuresholdings.com.ph/board-committees-charters/</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.6) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p><i>Provide link to company's website where the Committee Charters are disclosed.</i></p> <p>Board Committee Charters https://marcventuresholdings.com.ph/board-committees-charters/</p>	
<p>Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</p>			
<p>Recommendation 4.1</p>			
<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the process and procedure for</i></p>	

<p>or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>		<p><i>tele/videoconferencing board and/or committee meetings.</i></p> <p><i>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>Notices of regular and special meetings sent by the Corporate Secretary/Asst. Corporate Secretary to the Board members as well as to Committee members in case of committee meetings include the statement <u>"Your presence is earnestly requested. Kindly advise the undersigned of your attendance and whether you will be attending the meeting in person or by teleconference facilities."</u>(See sample notice attached as Annex "B")</p> <p>Board Attendance 2023 - See attached separate sheet attached as Annex "C".</p> <p>Links/References are as follows:</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(4.1) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>Board Attendance 2023 - See attached separate sheet attached as Annex "C".</p>			
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>The Asst. Corporate Secretary sends email notification to the Board on the Agenda of the meeting at least five (5) business days before the scheduled meeting and provides advance copies of the materials (memoranda</p>	

		<p>and reports) both via email and printed copies before the meeting. See sample screenshots of the emails (Annex “A”).</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(4.1) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</i></p> <p>The Members of the Board and Committee actively participate in Board and Committee Meetings by asking questions or clarifications.</p> <p>(portion of the Minutes of the Joint Meeting of the Audit Committee of MHI and Marcventures Mining and Development Corporation (MMDC), one of MHI’s subsidiaries, dated 12 April 2021) where Atty. Ocampo, Chairman of the Audit Committee of MHI, requested clarification on the recoverability of limonite relative to MMDC’s operations.</p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(4.1) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	

Recommendation 4.2			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management’s proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company’s directors in both listed and non-listed companies.</i></p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 4(4.2) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>SEC From 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>PSE Disclosure: 2023 Annual Report, Ref: Item 9: Directors and Executive Officers of the Registrant, pages 29-33 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
Recommendation 4.3			



<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 4(4.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>For 2023, the members of the Board had no report on their additional directorship from another company.</p>	
<p>Optional: Principle 4</p>			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>	<p>Compliant</p>	<p>Currently, the Company does not have an executive director who serves in more than two boards of listed companies outside of the group.</p>	
<p>2. Company schedules board of directors' meetings before the start of the financial year.</p>	<p>Compliant</p>	<p>The Company sets the board of directors' meeting schedule at the start of the year.</p>	
<p>3. Board of directors meet at least six times during the year.</p>	<p>Compliant</p>	<p><i>Indicate the number of board meetings during the year and provide proof.</i></p> <p><u>Links/References are as follows:</u></p>	

		In 2023, the Board of Directors held seven (8) meetings. Board Attendance 2023 - See attached separate sheet attached as Annex "C" .	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-Compliant	<i>Indicate the required minimum quorum for board decisions.</i>	<p>The Board observes the requirement of the Revised Corporation Code of the Philippines and the Company by-laws which provides majority of the board to constitute quorum.</p> <p>Sec. 52 of the Revised Corporation Code of the Philippines provides: "Unless the articles of incorporation or the by-laws provides for a greater majority, a majority of the directors as stated in the articles of incorporation shall constitute a quorum to transact corporate business, and every decision reached by at least a majority of the directors constituting a quorum, except for the election of officers which shall require the vote of a majority of all the members of the board, shall be valid as a corporate act."</p> <p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p>

			<p>Section 2, Article II. of the Amended By-Laws dated May 29, 2015 provides “xxx A majority of the Board of Directors at a meeting duly assembled shall be necessary to constitute a quorum for the transaction of business, and the act of majority of a quorum so present shall be valid as a corporate act.”</p>
<p>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.</p>			
<p>Recommendation 5.1</p>			
<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>Non-Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the number of independent directors in the board.</i></p> <p>Links/References are as follows: 2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=55c06d632d356a59e4dc6f6c9b65995</p>	<p>The Company currently has two (2) independent directors (Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam lan Chan).</p> <p>The Company currently has nine (9) directors in the board in accordance with its Amended AOI dated 28 March 2022 decreasing the number of directors from 11 to 9.</p>
<p>Recommendation 5.2</p>			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p>	

		<p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(5.2) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>See website for Information about Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam Ian Chan.</p> <p>https://marcventuresholdings.com.ph/board-of-directors-and-officers/</p>	
Supplement to Recommendation 5.2			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>	<p><i>Provide link/reference to a document containing information that directors are not constrained to vote independently.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company has no stockholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p>Further, the Company's 2020 Revised Manual on Corporate Governance provide that an independent director is a person who is independent of Management and the controlling stockholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his</p>	

		<p>exercise of independent judgment in carrying out his responsibilities as a director.</p> <p>An independent director should possess such qualifications and stature that would enable him to effectively participate in the deliberations of the Board and ensure proper checks and balances, including prevention of conflicts of interest, the exercise of independent judgment on corporate affairs, proper oversight of managerial performance and balancing of competing demands of the Company.</p> <p>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 5 https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Recommendation 5.3			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document showing the years the IDs have served as such.</i></p> <p><u>Links/References are as follows:</u></p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 5-10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>No Independent Director has served for more than nine (9) years. In the instance of a retention, it shall be in compliance with SEC Memorandum Circular No. 4 series of 2017.</p>	

<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</i></p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 5(5.4)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/ The term limit of the Company's Independent Directors is in compliance with SEC Memorandum Circular No. 4 series of 2017.</p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p><i>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</i></p> <p><u>Links/References are as follows:</u></p> <p>No Independent Director has served for more than nine (9) years. In the instance of a retention, it shall be in compliance with SEC Memorandum Circular No. 4 series of 2017.</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers, pages 10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p><i>Identify the company's Chairman of the Board and Chief Executive Officer.</i></p> <p><u>Links/References are as follows:</u></p>	

		<p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>Section 5, Article III of the Company's Amended By-Laws dated May 29, 2015 states: "The President shall be the Chief Executive Officer of the Company. In addition to such duties as may be imposed on him by the Board of Directors, he shall, in the absence of Chairman of the Board, preside at all meetings of the Board of Directors, and shall act as temporary Chairman at and call to order all meetings of the stockholders of the Company. xxx"</p> <p>Mr. Cesar C. Zalamea is the Company's Chairman of the Board. Currently, the Company currently does not have a President due to the retirement of Mr. Isidro C. Alcantara, Jr., former President of the Company, effective 31 October 2020.</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p> <p>SEC Form 20-IS, Ref: Item 5: Directors and Executive Officers https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>PSE Disclosure – Results of Organizational Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=d55c06d632d356a59e4dc6f6c9b65995</p>	
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<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Complaint</p>	<p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Identify the relationship of Chairman and CEO or its equivalent position.</i></p> <p><u>Links/References are as follows:</u></p> <p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 1(1.2) and Item 5(5.5)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Non-Compliant</p>	<p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</i></p> <p><i>Indicate if Chairman is independent.</i></p>	<p>There are currently two (2) independent directors (Atty. Carlos Alfonso T. Ocampo and Mr. Kwok Yam Ian Chan). Mr. Kwok Yam Ian Chan was elected Independent Director in the 25 September 2020 Regular Meeting of the Board.</p> <p>The present Chairman, Mr. Cesar C. Zalamea, is a non-executive director. While he is not an independent director, however, he is more than capable to lead the Board.</p>

			The Board does not have a designated lead director among the independent directors.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p><i>Provide proof of abstention, if this was the case.</i></p> <p><u>Links/References are as follows:</u></p> <p>As a policy, directors with material or potential interest in a transaction abstain from taking part in deliberations of the transactions in which they have interest.</p> <p>Material Related Party Transactions Policy <i>Ref: Article IV</i> https://marcventuresholdings.com.ph/company-policies/</p> <p>Further, a director with a material or potential interest in a transaction affecting the Company is guided by the Company's 2020 Revised Manual on Corporate Governance.</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 5(5.7)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>There was no transaction in 2023 where a director had a material or potential interest in any transaction affecting the Company that could have impelled him to abstain from taking part in the deliberations.</p>	

Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant	<p><i>Provide proof and details of said meeting, if any.</i></p> <p><i>Provide information on the frequency and attendees of meetings.</i></p>	<p>While the non-executive directors do not have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee meets with the external auditor and head of internal audit, compliance and risk functions of the Company's subsidiaries to discuss interim and annual financial statements of the Company.</p> <p>Meetings are chaired by the Committee chairman who acts as lead independent director for said committee.</p>
2. The meetings are chaired by the lead independent director.	Non-Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	<p><i>Provide name/s of company CEO for the past 2 years.</i></p> <p><i>None.</i></p>	<p>Amended By-Laws dated May 29, 2015</p> <p>https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>Section 5, Article III of the Company's Amended By-Laws dated May 29, 2015 states: "The President shall be the Chief Executive Officer of the Company."</p>

Assessing Board Performance

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	<i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.</i>	The assessments for 2023 are still in process.
2. The Chairman conducts a self-assessment of his performance.	Compliant	In 2021, the Company established a formal policy and processes for the conduct of an annual assessment of the performance of the Board as a body, of the Chairman, of each of the individual directors, and the committees for continual improvement and effective Board, Chairman, Committee and individual performance.	
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	<i>Identify the external facilitator and provide proof of use of an external facilitator.</i>	Given the current size and structure of the Company and the recently implemented Board Assessment Policy, the methodology adopted is one of self-assessment. In the future, the Board will determine whether the assessments are to be supported by an external facilitator.

Recommendation 6.2

<p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.</i></p> <p>In 2021, the Company established a formal policy and processes for the conduct of an annual assessment of the performance of the Board as a body, of the Chairman, of each of the individual directors, and the committees for continual improvement and effective Board, Chairman, Committee and individual performance.</p> <p><u>Links/References are as follows:</u> https://marcventuresholdings.com/private/any/rZsiEFW5m58EBZzT-1653368939.pdf</p>	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>	<p><i>The Company has provided all the necessary contact details for feedback.</i></p> <p>Stockholders and stakeholders may raise their concerns or feedback through the company's Contact Us page: https://marcventuresholdings.com.ph/contact/</p>	
<p>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p>Recommendation 7.1</p>			
<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p><u>Links/References are as follows:</u></p> <p>Code of Business Conduct and Ethics</p>	

		https://marcventuresholdings.com.ph/wp-content/uploads/2024/04/MARCVENTURES-HOLDINGS-INC.-Code-of-conducts.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p><i>Provide information on or discuss how the company disseminated the Code to the members of the Board.</i></p> <p><u>Links/References are as follows:</u></p> <p>All directors were given a copy of the Company policies on Code of Business Conduct and Ethics. Said policies are accessible not only internally but publicly as well through the Company’s website.</p> <p>Code of Business Conduct and Ethics https://marcventuresholdings.com.ph/wp-content/uploads/2024/04/MARCVENTURES-HOLDINGS-INC.-Code-of-conducts.pdf</p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p><i>Provide a link to the company’s website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p> <p><u>Links/References are as follows:</u></p> <p>Code of Business Conduct and Ethics https://marcventuresholdings.com.ph/wp-content/uploads/2024/04/MARCVENTURES-HOLDINGS-INC.-Code-of-conducts.pdf</p>	

Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Complaint	<p><i>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery.</i></p> <p><u>Links/References are as follows:</u></p> <p>Gifts and Entertainment Policy https://marcventuresholdings.com.ph/company-policies/</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Board has the primary duty to make sure that the internal systems are in place to ensure the compliance with the Code of Business Conduct and Ethics and its internal policies and procedures of the Directors, officers, and employees in the performance of their duties and responsibilities and in their transaction with investors, creditors, contractors, vendors, suppliers, buyers, regulators, and the general public.</p> <p>The Company's Human Resources (HR) Department has the primary duty to implement and administer the Code of Business Conduct and Ethics and internal policies through onboarding orientation and refresher trainings.</p>	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>The Board has the primary duty to make sure that the internal systems are in place to ensure the company's compliance with the Code and its internal policies and procedures.</p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 7(7.2)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company adheres to the regulatory and reportorial requirements as set by the Securities and Exchange</p>	

		<p>Commission (SEC) and the Philippine Stock Exchange (PSE).</p> <p>Structured and non-structured reports and material information about the Company are disclosed and made available in the Company's website.</p> <p>Company Website https://marcventuresholdings.com.ph/</p> <p>PSE Disclosure: 2023 Annual Report: https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 17-Q (Quarterly Report) https://marcventuresholdings.com.ph/sec-form-17-q-quarterly-report/</p> <p>SEC Form 20-IS https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>PSE Disclosure: PSE Edge Website https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</p> <p>Links/References are as follows:</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 8</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated	Compliant	<i>Indicate the number of days within which the consolidated and interim reports were published,</i>	

<p>reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>		<p><i>distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company submits financial reports in compliance with Rule 17.1 of the Securities Regulations Code (SRC) of the Philippines.</p> <p>17.1.1.1. The public and reporting companies shall file with the Commission:</p> <p>17.1.1.1.1. An annual report on SEC Form 17-A for the fiscal year in which the registration statement was rendered effective by the Commission, and for each fiscal year thereafter, within one hundred five (105) calendar days after the end of the fiscal year.</p> <p>17.1.1.1.2. A quarterly report on SEC Form 17-Q within forty-five (45) calendar days after the end of each of the first three quarters of each fiscal year. The first quarterly report of the Issuer shall be filed either within forty-five (45) calendar days after the effective date of the registration statement or on or before the date on which such report would have been required to be filed if the Issuer had been required previously to file reports on SEC Form 17-Q, whichever is later.</p> <p>The Company’s 2023 annual and quarterly reports were made available to the public on the following dates:</p> <ul style="list-style-type: none"> • 1st Quarter 2023 (ended March 31, 2023) 	
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		<ul style="list-style-type: none"> - submitted to the SEC on 19 May 2023 and posted in the Company website on May 19, 2023; • 2nd Quarter 2023 (ended June 30, 2023) <ul style="list-style-type: none"> - Submitted to the SEC on 10 August 2023 and posted in the Company website on 10 August 2023; • 3rd Quarter 2023 (ended September 30, 2023) <ul style="list-style-type: none"> - submitted to the SEC on 9 November 2023 and posted in the Company website on 9 November 2023; • FY 2023 (ended December 31, 2023) <ul style="list-style-type: none"> - Submitted to the SEC on 18 April 2024 and posted in the Company website on 18 April 2023 	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company’s controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p><i>Provide link or reference to the company’s annual report where the following are disclosed:</i></p> <ol style="list-style-type: none"> 1. <i>principal risks to minority shareholders associated with the identity of the company’s controlling shareholders;</i> 2. <i>cross-holdings among company affiliates; and</i> 3. <i>any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</i> <p><u>Links/References are as follows:</u></p> <p>Please refer to the Annual report and Definitive Information Statement</p> <p>PSE Disclosure: 2023 Annual Report</p>	

		https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0 SEC Form 20-IS, Ref: Item 4 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<i>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</i>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i> <u>Links/References are as follows:</u> All Directors and officers are required to disclose/report to the Company any dealings in the company's shares in compliance with Section 13 of the PSE Disclosure Rules and Rule 23 of the Securities Regulations Code of the Philippines. 2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 8.2</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/	

		<p>SEC Form 23 A/B (Statement of Beneficial Ownership) https://marcventuresholdings.com.ph/sec-form-23-a-b-statement-of-beneficial-ownership/</p> <p>SEC Form 20-IS https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>2023 General Information Sheet, Ref: page 4 https://marcventuresholdings.com.ph/general-information-sheet/</p>	
Supplement to Recommendation 8.2			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i></p> <p><i>Provide link or reference to the company's Conglomerate Map.</i></p> <p><u>Links/References are as follows:</u></p> <p>All directors and officers disclose/report to the company any dealings in the company's shares in compliance with Section 13 of the PSE Disclosure Rules and Rules 18 & 23 of the Securities Regulations Code of the Philippines.</p> <p>PSE Disclosure: 2023 Annual Report, Ref: Item 11 https://edge.pse.com.ph/openDiscViewer.do?edge_no=c2e1fe58425872f69e4dc6f6c9b65995</p> <p>SEC Form 23 A/B (Statement of Beneficial Ownership) https://marcventuresholdings.com.ph/sec-form-23-a-b-statement-of-beneficial-ownership/</p> <p>SEC Form 20-IS, Item 4 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	

		<p>Top 100 Stockholders List https://marcventuresholdings.com.ph/top-100-stockholder-list/</p> <p>Conglomerate Map https://marcventuresholdings.com.ph/conglomerate-map/</p>	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p><u>Links/References are as follows:</u></p> <p>PSE Disclosure: 2023 Annual Report, Ref: Item 9 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 20-IS, Item 5 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p><u>Links/References are as follows:</u></p> <p>PSE Disclosure: 2023 Annual Report, Ref: Items 9 and 11</p>	

		<p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 20-IS, Item 5 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></p> <p>Relevant and material information on individual board directors and key executives and Board and executive remuneration, as well as the level and mix of the same, are available in the following:</p> <p>PSE Disclosure: 2023 Annual Report, Ref: Parts III and IV https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 20-IS, Ref: Item 6 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(8.4) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>Material Information/Transactions are disclosed in the PSE Edge Website and Company Website:</p> <p>PSE Edge Website</p>	

		https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175 Company Website https://marcventuresholdings.com.ph/	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</i> 2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 2(8.4) https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	PSE Disclosure: 2023 Annual Report, Ref: Item 10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<i>Disclose or provide reference/link to company's RPT policies.</i> <i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i> As a matter of policy and practice, directors with material interest in a transaction abstains from taking part in deliberations of the transactions in which they have interest. <u>Links/References are as follows:</u>	

		<p>2020 Revised Manual of Corporate Governance <i>Ref: Article 3, Item 2(2.6)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>Material Related Party Transactions Policy https://marcventuresholdings.com.ph/company-policies/</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p><i>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</i></p> <ol style="list-style-type: none"> 1. <i>name of the related counterparty;</i> 2. <i>relationship with the party;</i> 3. <i>transaction date;</i> 4. <i>type/nature of transaction;</i> 5. <i>amount or contract price;</i> 6. <i>terms of the transaction;</i> 7. <i>rationale for entering into the transaction; the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and other terms and conditions</i> <p>SEC Form 20-IS https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995 PSE Disclosure: 2023 Annual Report, Ref: Item 12 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<i>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</i>	

		<p>Directors are required to disclose their direct and indirect financial interest in any transaction that may affect the Company</p> <p>Links/References are as follows:</p> <p>SEC Form 17-C https://marcventuresholdings.com.ph/sec-form-17-c-current-report/</p> <p>Material Related Party Transactions Policy <i>Ref: Article VII</i> https://marcventuresholdings.com.ph/company-policies/</p>	
Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	Compliant	<p><i>Provide link or reference where this is disclosed, if any.</i></p> <p>SEC Form 17-C https://marcventuresholdings.com.ph/sec-form-17-c-current-report/</p> <p>PSE Disclosure: 2023 Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>Material Related Party Transactions Policy <i>Ref: Article V</i> https://marcventuresholdings.com.ph/company-policies/</p>	
Recommendation 8.6			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur,</p>	Compliant	<p><i>Provide link or reference where this is disclosed.</i></p> <p>PSE Edge Website</p>	

<p>particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>		<p>http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</p> <p>Company Website www.marcventuresholdings.com.ph</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Compliant</p>	<p><i>Identify independent party appointed to evaluate the fairness of the transaction price.</i></p> <p><i>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</i></p> <p>As a matter of practice, the Company engages independent parties to evaluate certain transactions.</p>	
<p>Supplement to Recommendation 8.6</p>			
<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>Compliant</p>	<p><i>Provide link or reference where these are disclosed.</i></p> <p>PSE Edge Website http://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</p> <p>Company Website www.marcventuresholdings.com.ph</p> <p>SEC Form 17-C https://marcventuresholdings.com.ph/sec-form-17-c-current-report/</p>	
<p>Recommendation 8.7</p>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p><i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i></p>	

		2020 Revised Manual on Corporate Governance https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	2020 Revised Manual on Corporate Governance (SEC with Cover Sheet) https://marcventuresholdings.com.ph/manual-on-corporate-governance/ PSE Submission/Disclosure https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a090de8473cebbd6407	
3. Company's MCG is posted on its company website.	Compliant	2020 Revised Manual on Corporate Governance https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<i>Provide proof of submission.</i> 2020 Revised Manual on Corporate Governance (SEC with Cover Sheet) https://marcventuresholdings.com.ph/manual-on-corporate-governance/ PSE Submission/Disclosure https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a090de8473cebbd6407	
Optional: Principle 8			

1. Does the company's Annual Report disclose the following information:		<i>Provide link or reference to the company's Annual Report containing the said information.</i>	
a. Corporate Objectives	Compliant	PSE Disclosure: 2023 Annual Report, Ref: Item 1 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0	
b. Financial performance indicators	Compliant	PSE Disclosure: 2023 Annual Report, Ref: Part II https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0	
c. Non-financial performance indicators	Compliant	PSE Disclosure: 2023 Annual Report, Ref: Part II https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0	
d. Dividend Policy	Compliant	PSE Disclosure: 2023 Annual Report, Ref: Part II, Item 5 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0 Subject to the availability of unrestricted retained earnings and the funding requirements of the Company's operations, the Company's policy is to declare regular dividends, whether cash, stock or property dividends, twice a year in such amounts and at such dates to be determined by the Board. The declaration of stock dividends is subject to stockholders' approval in accordance with the requirements of the Revised Corporation Code.	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	PSE Disclosure: 2023 Annual Report, Ref: Item 9 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0	

f. Attendance details of each director in all directors' meetings held during the year	Compliant	<p>Please see Board Attendance under Recommendation 4.1 above</p> <p>See also Annex "C" for Board Attendance of directors for 2023.</p>	
g. Total remuneration of each member of the board of directors	Compliant	<p>PSE Disclosure: 2023 Annual Report, Ref: Item 10 https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	<p><i>Provide link or reference to where this is contained in the Annual Report.</i></p> <p>The Corporate Governance portion has been removed from the Annual report as per SEC memorandum 5 series of 2013 item 5 which states:</p> <p>"V. The Corporate Governance section in the Annual Report (SEC Form 17-A) shall be deleted."</p>	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	<p><i>Provide link or reference to where this is contained in the Annual Report.</i></p> <p>Statement of Management's Responsibility for Financial Statements (attached to the consolidated FS)</p> <p>PSE Disclosure: 2023 Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
4. The Annual Report/Annual CG Report contains a statement from the board of	Compliant	<p><i>Provide link or reference to where this is contained in the Annual Report.</i></p>	

<p>directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>		<p>Audit services provided to the Company by external auditor have been pre-approved by the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee. The Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.</p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>Compliant</p>	<p><i>Provide link or reference to where these are contained in the Annual Report.</i></p> <p><u>Annual Report Financial Risk Management Objectives and Policies of AFS attached</u></p> <p>PSE Disclosure: 2023 Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
<p>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</p>			
<p>Recommendation 9.1</p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee considers only leading audit firms who are capable of providing quality and affordable services to the Company.</p>	

		<p>As stated in the Company's 2020 Revised Manual on Corporate Governance, it is the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee's responsibility to, among others, recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who should undertake an independent audit of the Company.</p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>SEC Form 20-IS https://edge.pse.com.ph/openDiscViewer.do?edge_no=7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 3(3.2) and Item 9(9.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p> <p><u>Links/References are as follows:</u></p>	

		<p>The Company's Audit, Corporate Governance, Oversight and Related Party Transaction Committee recommends to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors and the stockholders approve said recommendation.</p> <p>During the Company's Annual Stockholder's Meeting held on 25 July 2023, stockholders owning at least 2,402,282,752 shares representing at least 79.68% of the outstanding capital stock, voted in favor of approving the resolution while zero shares voted against and zero shares abstained on the motion.</p> <p>Website: Minutes of the Annual Stockholders' Meeting dated 25 July 2023 https://marcventuresholdings.com/private/any/Q7cylgKR85bc340D-1659439642.pdf</p>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p><i>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</i></p> <p>There has been no incident where the Company has taken action with regard to the removal or change in the external auditor.</p>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p><i>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</i></p> <p><u>Links/References are as follows:</u></p>	

		<p>Rotation of Lead audit partner is in compliance with Section 3(b)(ix), Rule 68 of the Securities and Regulations Code, as amended:</p> <p>(ix) Rotation of External Auditors The independent auditors or in the case of an audit firm, the signing partner, of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.</p> <p>The Company changed its lead audit partner. The previous account partner handling the Company, Belinda B. Fernando, who had been the handling partner since December 2013, was replaced by Carolina P. Angeles last 2018.</p> <p>SEC Form 20-IS, Ref: Item 7 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
<p>Recommendation 9.2</p>			

<p>1. Audit Committee Charter includes the Audit Committee’s responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p><i>Provide link/reference to the company’s Audit Committee Charter.</i></p> <p><u>Links/References are as follows:</u></p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p>	
<p>2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.</p>	Compliant		
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p><i>Provide link/reference to the company’s Audit Committee Charter.</i></p> <p><u>Links/References are as follows:</u></p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant		

Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<p><i>Disclose the nature of non-audit services performed by the external auditor, if any.</i></p> <p>Covering Year 2023, there were no non-audit professional services performed by the Company's external auditor.</p>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	<p><i>Provide link or reference to guidelines or policies on non-audit services.</i></p> <p><u>Links/References are as follows:</u></p> <p>The approval of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee is obtained before the external auditor is engaged to provide any permitted non-audit services.</p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>2020 Revised Manual on Corporate Governance, Ref: Article 3, Item 3(3.2) and Item 9(9.3) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Supplement to Recommendation 9.3			

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p><i>Provide information on audit and non-audit fees paid.</i></p> <p><u>Links/References are as follows:</u></p> <p>Covering Year 2023, there were no non-audit professional services performed by the Company's external auditor.</p> <p>The approval of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee is obtained before the external auditor is engaged to provide any permitted non-audit services.</p>	
<p>Additional Recommendation to Principle 9</p>			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p><i>Provide information on company's external auditor, such as:</i></p> <ol style="list-style-type: none"> 1. <i>Name of the audit engagement partner;</i> 2. <i>Accreditation number;</i> 3. <i>Date Accredited;</i> 4. <i>Expiry date of accreditation; and</i> 5. <i>Name, address, contact number of the audit firm.</i> <p><u>Links/References are as follows:</u></p> <p>SEC Form 20-IS, Ref: Item 7 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995 Carolina P. Angeles BOA Accreditation No. 4782 valid until April 13, 2024 SEC Accreditation No. 86981-SEC Group A, Issued March 24, 2020 Valid for Financial Periods 2019 to 2023 BIR Accreditation No. 08-005144-007-2019</p>	

		Valid until October 16, 2025 Reyes Tacandong & Company, Citibank Tower, 8741 Paseo de Roxas, Makati City	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p><i>Provide information on the following:</i></p> <ol style="list-style-type: none"> 1. <i>Date it was subjected to SOAR inspection, if subjected;</i> 2. <i>Name of the Audit firm; and</i> 3. <i>Members of the engagement team inspected by the SEC.</i> <p><u>Links/References are as follows:</u></p> <p>Our auditor, RTC, has not yet been subjected to SOAR Inspection Program.</p>	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p>Website https://marcventuresholdings.com.ph/</p> <p>2020 Revised Manual of Corporate Governance, Ref: Article 3, Item 10 https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p><i>Provide link to Sustainability Report, if any. Disclose the standards used.</i></p> <p>PSE Disclosure: 2023 Annual Report with 2022 Sustainability Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=c2e1fe58425872f69e4dc6f6c9b65995</p> <p>The Company used the standards set forth in SEC Memorandum Circular No. 4, Series of 2019 ("Sustainability Reporting Guidelines for Publicly-Listed Companies")</p>	

		<p>https://www.marcventuresholdings.com/3_birds_with_1_stone MMDC gets integrated management system certification</p> <p>The Company's wholly-owned and operational subsidiary, Marcventures Mining and Development Corporation (MMDC), obtained its ISO 14001:2004 + Cor. 1:2009 Certification from TÜV Rheinland Cert GmbH, an International Certification Body performing system certification and training as well as providing third-party audit/certification based on various international standards. The certificate issued in favor of MMDC dated 16 May 2016 complies with DENR Administrative Order No. 2015-07 or otherwise known as Mandating Mining Contractors to Secure ISO 14001 Certifications and Republic Act No. 11058 or also known as An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof. It confirms that MMDC's Environment Management Systems implemented for Mining and Shipping of Nickel Laterite Ore and Post-Mining Activities are compliant with International Standards.</p> <p>Going beyond regulatory demand, MMDC integrated three (3) management systems to raise business standards and more importantly, protect the environment and people. After rigorous, simultaneous audits, MMDC's Surigao Nickel Mining project obtained International Organization for Standardization (ISO) certification for Environmental Management System</p>	
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		<p>(ISO 14001:2015), Quality Management System (ISO 9001:2015), and the Occupational Health and Safety Management System (ISO18001:2007). The British certifying body National Quality Assurance (NQA), which granted MMDC the ISO certification in September 2017, also certified the Company's integrated Management Systems (IMS).</p> <p>A continued certification was issued by NQA Philippines, Inc. to MMDC for passing the Surveillance Audit for its Integrated Management System conducted on November 3-4, 2021, to wit:</p> <ul style="list-style-type: none"> · ISO 9001:2015 - Quality Management System · ISO 14001:2015 - Environmental Management System · ISO 45001:2018 - Occupational Health and Safety Management System (migrated from OHSAS 18001:2007) 	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</i></p> <p><u>Links/References are as follows:</u></p> <p>Website</p>	

		https://marcventuresholdings.com.ph/	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	<p><i>Provide link to company website.</i></p> <p>Links/References are as follows:</p> <p>Website https://marcventuresholdings.com.ph/</p>	
a. Financial statements/reports (latest quarterly)	Compliant	<p>Links/References are as follows:</p> <p>PSE Disclosure: 2023 Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p> <p>SEC Form 17-Q (Quarterly Report) https://marcventuresholdings.com.ph/sec-form-17-q-quarterly-report/</p> <p>PSE Disclosure: PSE Edge Website https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</p>	
b. Materials provided in briefings to analysts and media	Compliant	<p>Website https://marcventuresholdings.com.ph/</p>	
c. Downloadable annual report	Compliant	PSE Disclosure: 2023 Annual Report	

		https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0	
d. Notice of ASM and/or SSM	Compliant	Notice of Annual or Special Stockholders Meeting https://marcventuresholdings.com.ph/notice-of-annual-or-special-stockholders-meeting/	
e. Minutes of ASM and/or SSM	Compliant	Minutes of all General or Special Stockholders Meeting https://marcventuresholdings.com.ph/minutes-of-all-general-or-special-stockholders-meeting/	
f. Company's Articles of Incorporation and By-Laws	Complaint	Articles of Incorporation / By-Laws https://marcventuresholdings.com.ph/articles-of-incorporation-by-laws/	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Website https://marcventuresholdings.com.ph/	
Internal Control System and Risk Management Framework			
Strengthening Internal Control and Risk Management Systems			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<i>List quality service programs for the internal audit functions.</i> <i>Indicate frequency of review of the internal control system.</i> <u>Links/References are as follows:</u> Part of the responsibilities of the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee as provided under the Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter is not only to assist the Board in the performance of its oversight responsibility for the system of internal control, but also to monitor	

		<p>and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security.</p> <p>Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee Charter https://marcventuresholdings.com.ph/board-committees-and-members/</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 3(3.2) and Item 12</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Non-Compliant</p>	<p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> 1. <i>Company's risk management procedures and processes</i> 2. <i>Key risks the company is currently facing</i> 3. <i>How the company manages the key risks</i> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p>	<p>Although the Company has no comprehensive, enterprise wide ERM framework, the Company has an Enterprise Risk Management Policy (https://marcventuresholdings.com.ph/enterprise-risk-management/)</p> <p>It takes the good faith position that it already has in place the basic components of an ERM to address the various risks the Company is exposed to.</p>

			<p>The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions the Company enters into. The Company has appointed an Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management.</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 2(2.10)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>
Supplement to Recommendations 12.1			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding,</p>	<p>Compliant</p>	<p><i>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</i></p> <p><i>Indicate frequency of review.</i></p> <p>Links/References are as follows:</p>	

<p>acceptance and compliance with the said issuances.</p>		<p>The Company is guided by the Securities Regulations Code, the Revised Corporate Code of the Philippines and PSE Disclosure Rules and other applicable laws with regard to compliance with laws and relevant regulations.</p> <p>The Company's compliance program includes compliance risk management, internal controls, training and awareness, compliance monitoring system of all legal and regulatory requirements per department/business unit and assurance through internal and external audits.</p> <p>Periodic reporting of compliance matters by functional units is conducted. Escalation protocols are placed to ensure timely reporting of compliance matters.</p>	
Optional: Recommendation 12.1			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Non-compliant</p>	<p><i>Provide information on IT governance process.</i></p>	<p>Although the company has yet to formalize the governance process covering IT issues, it has in place an Information Technology (IT) Department dedicated to handle disruption, cyber security, and disaster recovery, to ensure that all key risks are immediately identified, managed and reported to the Management.</p> <p>The Company's IT Department ensures early restoration of critical IT and communication services and</p>

			systems to ensure continuous business operation of the Company.
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></p> <p>The Company's internal audit is in-house and is headed by Mr. Emerson P. Paulino, appointed Head of Internal Audit effective May 11, 2020.</p>	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant	<p><i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</i></p>	The Company has no CAE considering its minimal independent operations. However, an in-house internal audit team led by Mr. Emerson P. Paulino, with the rank of Assistant Vice-President, also performs the same functions for the Company's subsidiary, MMDC, and is seconded to MHI for this purpose.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Non-compliant		The Company has no CAE considering its minimal independent operations. However, an in-house internal audit team led by Mr. Emerson P. Paulino, with the rank of Assistant Vice-President, also performs the same functions for the Company's subsidiary, MMDC, and is seconded to MHI for this purpose.

<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>Non-compliant</p>	<p><i>Identify qualified independent executive or senior management personnel, if applicable.</i></p>	<p>The Company has no CAE considering its minimal independent operations. However, an in-house internal audit team led by Mr. Emerson P. Paulino, with the rank of Assistant Vice-President, also performs the same functions for the Company's subsidiary, MMDC, and is seconded to MHI for this purpose.</p>
<p>Recommendation 12.4</p>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p><i>Provide information on company's risk management function.</i></p> <p>The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions it enters into. The Company has appointed an Audit, Corporate Governance, Risk Oversight and Related Party Transactions Committee whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management.</p>	
<p>Supplement to Recommendation 12.4</p>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p><i>Identify source of external technical support, if any.</i></p> <p>The Company did not encounter any matter which will require external technical support in risk management.</p>	

Recommendation 12.5			
<p>1. In managing the company’s Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	Compliant	<p><i>Identify the company’s Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</i></p> <p>Considering the size, structure and operations of the Company, the functions of a Chief Risk Officer is being performed by the Company’s AVP for Risk Management.</p> <p>Effective May 11, 2020, the Company appointed via secondment, Mr. Emerson P. Paulino as its Chief Risk Officer.</p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 2(2.7.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	Compliant	<p>Considering the size, structure and operations of the Company, the functions of a Chief Risk Officer is being performed by the Company’s AVP for Risk Management.</p> <p>Effective May 11, 2020, the Company appointed via secondment Mr. Emerson P. Paulino as its Chief Risk Officer.</p> <p><u>Links/References are as follows:</u></p>	

		<p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 2(2.7.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Additional Recommendation to Principle 12			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	Compliant	<p><i>Provide link to CEO and CAE's attestation.</i></p> <p>The CEO and the Audit Committee attest to the audit requirements of the Company through the Statement of Management Responsibility attached to the Financial Statements.</p> <p>Links/References are as follows:</p> <p>PSE Disclosure: 2023 Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	Compliant	<p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i></p> <p><u>Links/References are as follows:</u></p> <p>2020 Revised Manual on Corporate Governance</p>	

		<p><i>Ref: Article 3, Item 13(13.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p><i>Provide link to company's website.</i></p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 13(13.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p><u>Links/References are as follows:</u></p> <p>A share structure of "one vote per common share" is being practiced in the Company. Stockholders are given the right to participate in company decision-making pursuant to the one-share one-vote policy of the Company.</p> <p>SEC Form 20-IS https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>Section 3, Article I of the Company's Amended By-Laws dated May 29, 2015 states: "At every meeting of the stockholders of the Company, every stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company, provided, however, that in the case of the election of directors, every stockholder shall be entitled to accumulate his votes in accordance with the provisions of law in such case made and provided. xxx"</p>	

<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>Compliant</p>	<p><i>Provide information on all classes of shares, including their voting rights if any.</i></p> <p><u>Links/References are as follows:</u></p> <p>SEC Form 20-IS, Ref: Item 4 https://edge.pse.com.ph/openDiscViewer.do?edge_no=7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>Amended Articles of Incorporation dated December 29, 2017 https://www.marcventuresholdings.com/private/any/mH4Bm5xJ9URUMtf9-1598496641.pdf</p> <p>Amended Articles of Incorporation dated 28 March 2022 https://marcventuresholdings.com/private/any/lzOXBWaADL2OjNzR-1652751857.pdf</p> <p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>Section 3, Article I of the Company’s Amended By-Laws dated May 29, 2015 states: “At every meeting of the stockholders of the Company, every stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company, provided, however, that in the case of the election of directors, every stockholder shall be entitled to accumulate his votes in accordance with the provisions of law in such case made and provided. Every stockholder entitled to</p>	
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		vote at any meeting of the stockholders may so vote by proxy. xxx”	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p> <p><u>Links/References are as follows:</u></p> <p>SEC Form 20-IS, Ref: Item 4 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p> <p>The method and manner of counting the votes of shareholders shall be by via voice and/or by ballots. The votes shall be counted by the Corporate Secretary and Asst. Corporate Secretary, who shall be assisted by the stock transfer agent.</p> <p>Stockholders were given option to vote during the 2023 ASM either (1) by Proxy or (2) by voting in absentia through the Company’s Online Stockholder Voting System.</p>	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p><i>Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company observes the requirements of the Revised Corporation Code of the Philippines regarding the protection of the rights of minority shareholders, including corporate actions requiring supermajority votes (2/3 of outstanding capital stock) for fundamental matters affecting the Company.</p>	

<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p><i>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution).</i></p> <p>There was no instance where the shareholders called for a special stockholders' meeting and submitted a proposal for consideration or agenda item at the AGM or special meeting. Nonetheless, the Board will allow according to by-laws.</p> <p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>Section 2, Article I of the Company's Amended By-Laws dated May 29, 2015 states: "Special meetings of the stockholders may be called by the President, or by order of the Board of Directors, whenever he or they shall deem it necessary, and it shall be the duty of the President to order and call such special meetings whenever the holders of record or not less than one-fourth (1/4) of the outstanding capital stock of the Company shall in writing so request."</p> <p>Further, according to the Company's 2020 Revised Manual on Corporate Governance, the right to propose the holding of meetings and items for inclusion in the agenda is given to all stockholders.</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 13(13.1)</i></p>	
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		https://marcventuresholdings.com.ph/manual-on-corporate-governance/	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p><i>Provide information or link/reference to the policies on treatment of minority shareholders.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company promotes a culture of transparency with protection and equal respect of stockholder rights embodied in its 2020 Revised Manual on Corporate Governance.</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 2(2.5), Item 13(13.1 and 13.2)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p> <p>The minority shareholders should be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The minority shareholders should have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management should include such information and, if not included, then the minority shareholders can propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".</p>	
7. Company has a transparent and specific dividend policy.	Compliant	<i>Provide information on or link/reference to the company's dividend Policy.</i>	

		<p><i>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company abides by the provision on the right to dividends in accordance with Section 42 of the Revised Corporation Code.</p> <p>Further, according to Article VI of the Amended By-Laws of the Corporation dated May 29, 2015, the Board of Directors may declare dividends only from the surplus profits arising from the business of the Corporation. Provided, however, that no stock or bond dividend shall be issued without the approval of stockholders representing not less than two-thirds (2/3) of all stock then outstanding and entitled to vote at the general or special meeting called for the purpose.</p> <p>Amended By-Laws dated May 29, 2015 https://marcventuresholdings.com/private/any/spFlsYOA2eizh03B-1594888098.pdf</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 13(13.1)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
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PSE Disclosure: 2023 Annual Report

https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0

Subject to the availability of unrestricted retained earnings and the funding requirements of the Company's operations, it is the Company's policy to declare regular dividends, whether cash, stock or property dividends, twice a year in such amounts and at such dates to be determined by the Board. The declaration of stock dividends is subject to stockholders' approval in accordance with the requirements of the Revised Corporation Code of the Philippines.

PSE Disclosure: Declaration of Cash Dividends

https://edge.pse.com.ph/openDiscViewer.do?edge_no=8dfa13d6b783fd7c9e4dc6f6c9b65995

Cash Dividends:

Year	Date			Amount	
	Declared	Record	Payable	Dividends Per Share	Total Declared (in millions)
2021	Nov. 19, 2021	Dec. 7, 2021	Jan. 4, 2022	₱0.13	₱391.9
2020	No dividends were declared for the year 2020				
2019	No dividends were declared for the year 2019				
2018	No dividends were declared for the year 2018				
2017	No dividends were declared for the year 2017				
2016	No dividends were declared for the year 2016				
2015	No dividends were declared for the year 2015				
2014	Nov. 14, 2014	Dec. 19, 2014	Jan. 15, 2015	₱0.15	₱273.2
2014	Sept. 19, 2014	Oct. 31, 2014	Oct. 22, 2014	0.15	273.2

Stock Dividends:

On 07 December 2023, the Board of Directors of the Company approved the declaration of cash dividends equivalent to a total of Three Hundred One Million Four Hundred Eighty-Two Thousand Thirty Pesos and 50/100 (Php301,482,030.50) or Php.10 per share, to



		stockholders of record as of January 12, 2024, and payable on January 26, 2024.	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p><i>Identify the independent party that counted/validated the votes at the ASM, if any.</i></p> <p>The Company engaged the services of the below independent party to count and/or validate the votes at the Annual Stockholders' Meeting:</p> <p>STOCK TRANSFER SERVICE, INC. 34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1226 Philippines</p>	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</i></p> <p><u>Links/References are as follows:</u></p>	

		<p>The Notice of the 2023 Annual Stockholders' Meeting has been sent out to all stockholders on record on 3 and 4 July 2023 or no later than 21 calendar days before the 2022 Annual Stockholders' Meeting held on 25 July 2023.</p> <p>There were no changes in remuneration as of the Last Annual Meeting.</p> <p>PSE Disclosure: SEC Form 17-C (Notice of Annual Stockholders' Meeting) https://edge.pse.com.ph/openDiscViewer.do?edge_no=d73b08a896656aeb9e4dc6f6c9b65995</p> <p>SEC Form 20-IS https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	<p><i>Provide link or reference to the company's notice of Annual Shareholders' Meeting.</i></p> <p>Links/References are as follows:</p> <p>Notice of Annual or Special Stockholders' Meeting https://marcventuresholdings.com.ph/notice-of-annual-or-special-stockholders-meeting/</p> <p>PSE Disclosure: SEC Form 17-C (Notice of Annual Stockholders' Meeting) https://edge.pse.com.ph/openDiscViewer.do?edge_no=d73b08a896656aeb9e4dc6f6c9b65995</p> <p>SEC Form 20-IS https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995</p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first	Compliant	SEC Form 20-IS, Ref: Item 5	

appointment, experience, and directorships in other listed companies)		https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995	
b. Auditors seeking appointment/re-appointment	Compliant	SEC Form 20-IS, Item 7 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995	
c. Proxy documents	Compliant	SEC Form 20-IS, Ref: Proxy Form https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting.	Compliant	<i>Provide link or reference to the rationale for the agenda items.</i> <u>Links/References are as follows:</u> SEC Form 20-IS, Ref: Agenda (Details and Rationale) https://edge.pse.com.ph/openDiscViewer.do?edge_no=f7e62a2d16c8978f9e4dc6f6c9b65995	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<i>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i> <u>Links/References are as follows:</u> After the agenda is discussed, the floor is opened for questions from the shareholders. No questions were raised during the meeting.	

		<p>During the 25 July 2023 ASM, the Assistant Corporate Secretary of the Company certified that there were present at the meeting stockholders owning at least 2,402,282,752 shares representing at least 79.68% of the outstanding capital stock of the Company. Therefore, there was a quorum for the transaction of business.</p> <p>Minutes of All General or Special Stockholders' Meeting https://marcventuresholdings.com.ph/minutes-of-all-general-or-special-stockholders-meeting/</p>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Compliant</p>	<p><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p> <p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask question and the answers given, if any.</i></p> <p><u>Links/References are as follows:</u></p> <p>Minutes of All General or Special Stockholders' Meeting https://marcventuresholdings.com.ph/minutes-of-all-general-or-special-stockholders-meeting/ Minutes of the 2023 Annual Stockholders' Meeting were posted in the Company website or within the five (5) business days from the end of the meeting.</p> <p>In 2023, the Company did not have Special Shareholders' Meeting.</p>	

		<p>After the agenda is discussed, the floor is opened for questions from the shareholders. No questions were raised during the meeting.</p> <p>During the 25 July 2023 ASM, the Atty. Ana A. Katigbak, the Assistant Corporate Secretary of the Company, with the permission of the Corporate Secretary, certified that there were present at the meeting stockholders owning at least 2,402,282,752 shares representing at least 79.68% of the outstanding capital stock of the Company. Therefore, there was a quorum for the transaction of business.</p>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders' questions during the ASM and SSM.	Compliant	<p><i>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.</i></p> <p><u>Links/References are as follows:</u></p> <p>Representatives of Reyes Tacandong & Co., including Ms. Carolina P. Angeles, were present during the 25 July 2023 ASM.</p>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p><u>Links/References are as follows:</u></p>	

		<p>There has been no instance of intra-corporate disputes. The 2020 Revised Manual on Corporate Governance provides that in cases of intra-corporate disputes, the Board of Directors may engage the services of a neutral third party to assist in the resolution of issues between the Corporation and stockholders, third parties and regulatory authorities. The alternative dispute mechanism may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Corporation and the circumstances sees fit.</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 13(13.4)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 13(13.4)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-compliant	<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <ol style="list-style-type: none"> <i>1. Name of the person</i> <i>2. Telephone number</i> <i>3. Fax number</i> 	<p>Mr. Lester C. Yee was appointed as the Assistant Vice President for Corporate Planning and Investor Relations Head effective July 14, 2020. Prior to his appointment, Mr. Reuben</p>

		<i>4. E-mail address</i>	F. Alcantara, VP for Marketing, Business Development and Strategic Planning, was the Company's Investor Relations Head. Mr. Lee resigned from the Company effective 31 December 2021. The position has not yet been filled for 2023.
2. IRO is present at every shareholder's meeting.	Non-compliant	<i>Indicate if the IRO was present during the ASM.</i>	There was no new Investor Relations Officer for 2023.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<i>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</i> There has been no event so far that will require the Board to act and/or avoid anti-takeover measures or similar devices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<i>Indicate the company's public float.</i> <u>Links/References are as follows:</u> The Company's public float as of December 31, 2023 was at 41.01%. Public Ownership Report	

https://edge.pse.com.ph/openDiscViewer.do?edge_no=487d6ad174dc706aabca0fa0c5b4e4d0

Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting

Compliant

Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.

Links/References are as follows:

See below Company's practice to encourage stockholders' participation beyond ASM:

(i) Dialogue between the Company and Investors.

The Company recognizes the importance of accountability to its shareholders and through proper and timely dissemination of information on the Company's performance and major developments via appropriate channel of communication. Dissemination of information includes the distribution of the Annual Report and relevant circulars, issuance of press releases inclusive of quarterly financial performance of the Company to SEC and PSE Edge and the public via the Company's website

(www.marcventuresholdings.com.ph) which the shareholders can access for information.

(ii) Annual Stockholders' Meeting ("ASM")

The ASM is a platform for the Board and stockholders to communicate on the Company's performance. At the ASM, stockholders are encouraged to seek clarification on any matters pertaining to the business and financial performance of the Company. Any item of

		<p>special business included in the notice of the meeting will be accompanied by a full explanation of the effect of the proposed resolution which is then separately voted on. The stockholders are informed of their right to demand for poll prior to the commencement of each general meeting. Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel:</p> <p>Atty. Ana Maria A. Katigbak Tel.#831-4479 Email: ana.katigbak@cltpsi.com.ph</p>	
2. Company practice secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p><i>Disclose the process and procedure for secure electronic voting in absentia, if any.</i></p> <p>During the 25 July 2023 Annual Stockholders' Meeting (ASM) of the Company, the stockholders were given option to vote during the 2022 ASM either (1) by Proxy or (2) by voting in absentia through the Company's Online Stockholder Voting System.</p>	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p><i>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</i></p>	

		<p><u>Links/References are as follows:</u></p> <p>The Company’s Stakeholders are the stockholders, Management, Board, employees, customers, suppliers and contractors, creditors and business partners, local government units, government agencies and the host communities and environment from which the business draws its resources.</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 14</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Recommendation 14.2			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p><i>Identify policies and programs for the protection and fair treatment of company’s stakeholders.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company is guided by various Company policies, such as Insider Trading Policy, Whistle Blowing Policy, Gift and Entertainment Policy, and Material Related Party Transactions Policy.</p> <p>Company Policies https://marcventuresholdings.com.ph/company-policies/ Code of Business Conduct and Ethics https://marcventuresholdings.com.ph/wp-content/uploads/2024/04/MARCVENTURES-HOLDINGS-INC.-Code-of-conducts.pdf</p>	

		<p>The Company also discloses material information to adequately inform the stakeholders of the activities of the Company.</p> <p>Annual and Quarterly Reports and other Material Disclosures are available in the Company website and PSE Edge website.</p> <p>Company Website www.marcventuresholdings.com.ph</p> <p>PSE Disclosure: PSE Edge Website https://edge.pse.com.ph/companyDisclosures/form.do?company_id=175</p> <p>2020 Revised Manual on Corporate Governance <i>Ref: Article 3, Item 14(14.2)</i> https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p><i>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</i></p> <p><i>Provide information on whistleblowing policy, practices and procedures for stakeholders.</i></p>	

		Any inquiry regarding the Company and its group of companies may be conveyed to the following personnel: Atty. Ana Maria A. Katigbak Tel.#831-4479 Email: ana.katigbak@cltpsj.com.ph	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<i>Provide information on the alternative dispute resolution system established by the company.</i> A grievance policy for employees as well as for community complaints and disputes is in place.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	<i>Disclose any requests for exemption by the company and the reason for the request.</i> The Company complies with requirements of Corporation Code and the Securities Regulation Code. To the best of its knowledge, the Company has not sought for any exemption from the application of a law, rule or regulation that refers to a corporate governance issue.	
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any. The Company buys licensed software such as Microsoft, antivirus, database applications etc.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<i>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</i>	Not applicable. The Company has no direct customers. Its sole operating subsidiary, MMDC, which is engaged in mining, sells its nickel ores to large-scale foreign buyers that are

			sophisticated enough with their market knowledge and depth of experience.
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<i>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</i>	Not applicable. The Company has no direct customers. Its sole operating subsidiary, MMDC, as a matter of practice, has an accreditation procedure to verify the financial, legal, and technical qualifications of its contractors/vendors. A policy on selection procedures for selecting supplier/procedures is attached as Annex "E" .
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i> <u>Links/References are as follows:</u> The Company treats its people as its primary asset in attaining its business objectives. Thus, the Company makes sure that its people are well cared for, respected, rewarded, and secured.	

		<p>The Company implements various programs involving its employees and encourage them to actively participate in the realization of the Company’s goals and in its governance. This includes the conduct of general assemblies to encourage employee participation, regular dialogue and operations meetings.</p> <p>Our People https://marcventuresholdings.com.ph/our-people/ Health and Safety https://marcventuresholdings.com.ph/guidelines-in-preventing-the-spread-of-covid-19/ https://marcventuresholdings.com.ph/mine-safety-and-health-rules-and-regulations/ https://marcventuresholdings.com.ph/occupational-safety-and-health-program/</p>	
Supplement to Recommendation 15.1			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Non-compliant</p>	<p><i>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</i></p>	<p>While the Company has no institutionalized or codified merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, the Company’s short-term financial rewards (e.g. productivity bonuses) are based on employee performance and company performance.</p>

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p><i>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Company has policies in place regarding mining operations and safety procedures to reduce fatality, personal injury, illness, and property or environmental damage. Also, aside from ensuring compliance with government-mandated benefits, the Company also offers extra compensation that fulfill its employees' medical (employees are provided with Health Maintenance Organization (HMO) cards and annual physical examination), livelihood and educational needs. These extend to the employees' family members in the form of food subsidies, educational assistance, and health insurance.</p> <p>Health and Safety https://marcventuresholdings.com.ph/guidelines-in-preventing-the-spread-of-covid-19/ https://marcventuresholdings.com.ph/mine-safety-and-health-rules-and-regulations/ https://marcventuresholdings.com.ph/occupational-safety-and-health-program/</p> <p>Our People https://marcventuresholdings.com.ph/our-people/</p>	
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<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p><i>Disclose and provide information on policies and practices on training and development of employees.</i></p> <p><i>Include information on any training conducted or attended.</i></p> <p><u>Links/References are as follows:</u></p> <p>Excellence, leadership, commitment, and integrity are values that represent the Company’s people philosophy. In order to realize this philosophy, the Company strives to provide rewarding opportunities and benefits to its employees and encourage them to maximize their fullest potential. The Company takes serious efforts to constantly hone and nurture its people because the Company views them as partners in providing value to its stakeholders.</p> <p>Employees are encouraged to obtain trainings and career developments relevant to their work and designed based on competencies and talent requirements of the individual employees. Some of the trainings, seminars, conferences include How to File Annual Reports Using SEC Online Submission Tool, Corporate Governance and Sustainability, Corporate Governance Seminar, and 2021 SEC-GRI Workshops for Publicly-Listed.</p>	
Recommendation 15.2			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to the company’s policies, programs and practices on anti-corruption.</i></p> <p><u>Links/References are as follows:</u></p> <p>Gifts and Entertainment Policy</p>	

		<p>https://marcventuresholdings.com.ph/company-policies/</p> <p>2020 Revised Manual on Corporate Governance Ref: Article 3, Item 15(15.2) https://marcventuresholdings.com.ph/manual-on-corporate-governance/</p>	
<p>Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p><i>Identify how the board disseminated the policy and program to employees across the organization.</i></p> <p><u>Links/References are as follows:</u></p> <p>The Board has the primary duty to make sure that the internal systems are in place to ensure the compliance with the Code of Business Conduct and Ethics and its internal policies and procedures of the directors, officers, and employees in the performance of their duties and responsibilities and in their transaction with investors, creditors, contractors, vendors, suppliers, buyers, regulators, and the general public.</p> <p>The Company's Human Resources (HR) Department has the primary duty to implement and administer the Code of Business Conduct and Ethics and internal policies through onboarding orientation and refresher trainings.</p> <p>All directors and officers and employees are given a copy of the Company Code of Conduct.</p>	

Supplement to Recommendation 15.2

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</i></p> <p><i>Include any finding of violations of the company policy.</i></p> <p><u>Links/References are as follows:</u></p> <p>Gifts and Entertainment Policy https://marcventuresholdings.com.ph/company-policies/</p>	
Recommendation 15.3			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>Compliant</p>	<p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i></p> <p><i>Indicate if the framework includes procedures to protect the employees from retaliation.</i></p> <p><i>Provide contact details to report any illegal or unethical behavior.</i></p> <p><u>Links/References are as follows:</u></p> <p>Whistle Blowing Policy https://www.marcventuresholdings.com/whistle_blowing_policy</p> <p>Material Related Party Transactions Policy https://marcventuresholdings.com.ph/company-policies/</p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>	<p><u>Links/References are as follows:</u></p> <p>Whistle Blowing Policy https://www.marcventuresholdings.com/whistle_blowing_policy</p>	

		<p>Material Related Party Transactions Policy https://marcventuresholdings.com.ph/company-policies/</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></p> <p><u>Links/References are as follows:</u></p> <p>As of December 31, 2023, there were no incidents reported through any of the identified whistleblower reporting channels.</p> <p>Whistle Blowing Policy https://www.marcventuresholdings.com/whistle_blowing_policy</p> <p>Material Related Party Transactions Policy https://marcventuresholdings.com.ph/company-policies/</p>	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
<p>Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i></p> <p><u>Links/References are as follows:</u></p> <p>Company Website https://marcventuresholdings.com.ph/</p>	

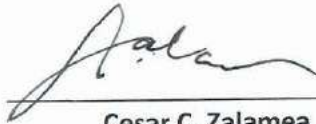
		<p>Bringing Back Nature https://marcventuresholdings.com.ph/bringing-back-nature/</p> <p>Health https://marcventuresholdings.com.ph/health/</p> <p>Education https://marcventuresholdings.com.ph/education/</p> <p>Livelihood https://marcventuresholdings.com.ph/livelihood/</p> <p>Public Facilities https://marcventuresholdings.com.ph/public-facilities-2/</p> <p>Socio Cultural Preservation https://marcventuresholdings.com.ph/socio-cultural-preservation/</p> <p>Corporate Social Responsibility https://marcventuresholdings.com.ph/socio-economic-contributions/</p>	
Optional: Principle 16			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</i></p> <p><u>Links/References are as follows:</u></p> <p>Bringing Back Nature</p>	

		<p>https://marcventuresholdings.com.ph/bringing-back-nature/</p> <p>Corporate Social Responsibility https://marcventuresholdings.com.ph/socio-economic-contributions/</p> <p>PSE Disclosure: 2023 Annual Report with 2023 Sustainability Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i></p> <p>Links/References are as follows:</p> <p>Health https://marcventuresholdings.com.ph/health/</p> <p>Education https://marcventuresholdings.com.ph/education/</p> <p>Livelihood https://marcventuresholdings.com.ph/livelihood/</p> <p>Public Facilities https://marcventuresholdings.com.ph/public-facilities-2/</p> <p>Socio Cultural Preservation</p>	

		<p>https://marcventuresholdings.com.ph/socio-cultural-preservation/</p> <p>Corporate Social Responsibility https://marcventuresholdings.com.ph/socio-economic-contributions/</p> <p>PSE Disclosure: 2023 Annual Report with 2023 Sustainability Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a278f3351c7fbd2abca0fa0c5b4e4d0</p>	
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Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on _____.

Signatures



Cesar C. Zalamea
Chairman of the Board



Kwok Yam Ian Chan
Independent Director

"(out of the country)"

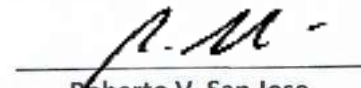
Carlos Alfonso T. Ocampo
Independent Director



Ana Maria A. Katigbak,
Compliance Officer and Assistant Corporate Secretary



Rommel T. Casipe
Co-Compliance Officer and Co-Assistant Corporate Secretary



Roberto V. San Jose
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)

CITY OF MAKATI) S. S.

SUBSCRIBED AND SWORN TO before me this MAY 20 2024, affiants exhibiting to me their valid identification, as follows:

Name	Valid Identification	Expiry Date	Date/Place of Issue
Cesar C. Zalamea	TIN No. 137-712-551		
Kwok Yam Ian Chan	TIN No. 287-887-013		
Carlos Alfonso T. Ocampo	TIN No. 165-489-497		
Ana Maria A. Katigbak	TIN No. 173-182-955		
Rommel T. Casipe	TIN No. 260-176-009		
Roberto V. San Jose	TIN No. 126-470-483		

Doc. No. 272

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Book No. III

Series of 2024


KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0018666; 04/12/2022
IBP Membership No. 414709; 01/10/2024
PTR No. PC 8457506; 01/03/2024
4F BDO Towers, 8741 Paseo de Roxas, Makati City



Kenneth Peter Molave <kenneth.molave@marcventures.com.ph>
to MHI, MMDC, Zalamea, Roberto, Cesar, Ana, Dana, Legal

Dear Chairman Zalamea,
and Members of the Board of Directors of MHI and MMDC:

Please be reminded of the upcoming Joint MHI & MMDC Board of Directors regular meeting scheduled on June 30, 2023 (Friday).

Below are the meeting details for common reference:

Topic	MHI MMDC - Board of Directors Meeting
Date & Time	June 30, 2023; 02:00PM
Venue	MHI Boardroom, 4 th Floor BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas, Makati City
Zoom Details:	Meeting Link: https://zoom.us/j/95471918589?pwd=dIIURjlhWmRBT05weGJVbUxYdm41UT09 Meeting ID: 954 7191 8589 Passcode: 331307

Also attached are the Notices with the provisional agenda. The meeting materials will be sent in a subsequent email.

Thank you very much.

Kind regards,
Kenneth

ATTY. KENNETH PETER MOLAVE
Senior Legal Counsel
Marcventures Holdings, Inc.
Tel No. 8-83104478
Mobile No. 09454887884

**MINUTES OF THE REGULAR MEEETING
OF THE BOARD OF DIRECTORS
OF
MARCVENTURES HOLDINGS, INC. ("MHI")**

Held on June 30, 2023 at 2:00 p.m.
4th Floor BDO Towers Paseo (formerly Citibank Center),
8741 Paseo de Roxas, Makati City

Videoconference via Zoom
<https://zoom.us/j/95471918589?pwd=dllURjIhWmRBT05weGJVbUxYdm41UT09>
Meeting ID: 954 7191 8589
Passcode: 331307

DIRECTORS PRESENT:

Mr. Cesar C. Zalamea, Chairman
Ms. Marianne Regina T. Dy
Mr. Michael L. Escaler
Mr. Andrew Julian K. Romualdez
Mr. Augusto C. Serafica, Jr.
Ms. Ruby K. Sy
Mr. Anthony M. Te
Atty. Carlos Alfonso T. Ocampo
Mr. Kwok Yam Ian Chan

MANAGEMENT REPRESENTATIVES PRESENT:

Mr. Dale A. Tongco (Treasurer, MHI and VP - Controllership)
Mr. Ric F. Macabidang (AVP - Budget and Cost Control)
Mr. Elmer O. Purisima (AVP for Accounting)
Ms. Theresa A. Defensor (AVP - Corporate Communications)

ALSO PRESENT:

Atty. Roberto V. San Jose, Corporate Secretary, MHI
Atty. Ana Maria A. Katigbak, Asst. Corporate Secretary, MHI
Atty. Marian L. Geronimo, Asst. Corporate Secretary, MMDC
Atty. Dana Genevieve C. Dela Cruz, Legal Associate, CLTPSJ Law Firm
Atty. Tristan Gabriel D. Felipe, Legal Associate, CLTPSJ Law Firm

I. CALL TO ORDER

The Chairman, Mr. Cesar C. Zalamea (the "Chairman"), called the meeting to order and presided over the same. With the permission of the Corporate Secretary, Atty. Roberto V. San Jose, the Assistant Corporate Secretary, Atty. Ana Maria A. Katigbak, acted as Secretary of the meeting. A recording of the meeting was taken in compliance with the Securities and Exchange Commission's requirements for virtual board meetings.

II. CERTIFICATION OF QUORUM

Atty. Katigbak called the roll of directors. The directors confirmed that they were participating in the meeting as follows:

<i>Name of Director</i>	<i>Location</i>	<i>Type of Device</i>	<i>Email</i>
Cesar C. Zalamea	Makati City	Phone	cczalamea@gmail.com
Marianne Regina T. Dy	Makati City	Laptop	marianne.dy@sonice.com.ph
Michael L. Escaler	Makati City	Phone	michael.escaler@aaci.ph
Andrew Julian K. Romualdez	Attending in Person		andrew.romualdez@marcventures.com.ph
Augusto C. Serafica, Jr.	Makati City	Phone	titoserafica@yahoo.com
Ruby K. Sy	Quezon City	Tablet	ampibari@yahoo.com
Anthony M. Te	Makati City	Tablet	te_anthony@yahoo.com
Kwok Yam Ian Chan	Attending in Person		kwokianchan66@gmail.com
Carlos T. Ocampo	Makati City	Desktop	cto@omlawphil.com

The directors also confirmed seeing and hearing the proceedings clearly and having received the agenda and materials for the meeting.

There being present at least a majority of the members of the Board of Directors, Atty. Katigbak certified that a quorum existed for the transaction of corporate business.

III. APPROVAL OF THE AGENDA

The agenda was presented to the Board for its approval. There being no changes, the agenda was approved.

IV. MINUTES OF THE PREVIOUS MEETINGS

Atty. Katigbak presented the highlights of the minutes of the Regular Board Meeting held on March 2, 2023. Thereafter, Atty. Geronimo presented the highlights of the minutes of the Special MHI Board Meeting dated June 15, 2023. There being no comments, upon motion made and duly seconded, the MHI Board approved the minutes of the said meetings.

Atty. Geronimo then presented the highlights of the Joint Audit Committee Meetings of MHI and Marcventures Mining and Development Corporation ("MMDC") dated April 20, 2023, May 25, 2023, and June 20, 2023, as well as the Departmental Memoranda dated March 16, 2023. Minutes of the said meetings and the Departmental Memos were included among the materials disseminated to the Board, with the exception of the meeting dated June 20, 2023 which was being drafted at the time of this meeting. The Board then noted the presentation.

V. MATTERS ARISING FROM THE MINUTES OF PREVIOUS MEETING

Atty. Katigbak reported that there were no matters arising from the previous meetings.

VI. MATTERS FOR BOARD INFORMATION, DISCUSSION, AND/OR APPROVAL

6.1. For Information and/or Approval: Operations Updates

Engr. Meann Miñoza (“Engr. Miñoza”), Resident Mine Manager of MMDC, presented the Operations Updates.

Engr. Miñoza began the presentation with the weather information and rainfall data. She explained that compared to the month of May, there was a significant increase in the percent of rainy days in June particularly in Sipangpang and Bon-ot. In Cabangahan, the percent of rainy days was at 42% for May while it was at 30% for June. In Sipangpang, May had a 29% rainfall while it had 40% in June. As for Bon-ot, May had 23% while June had 35%. Engr. Miñoza then gave an update on shipment operations as of June 20, 2023 where the company completed 11 shipments compared to the budget of 38. She stated that based on the revised forecast, the company would only need 17 shipments. As for the latest update, the minesite completed Shipment No. 12 last June 25, 2023 while the loading of shipment 13 was expected to be completed by July 4, 2023. He added that after the 13th shipment, only 15 shipments would be remaining.

As for the shipment operations efficiency until Shipment No. 11, Engr. Miñoza stated that the total despatch earned from Shipment No. 1 to No. 11 was 68.1 days with an average of 6.2 days per shipment. With regard to the stockyard inventory as of June 20, 2023, Engr. Miñoza explained that the company had 100% ore available until Shipment No. 14; and that the company only needed 28,000 tons to complete Shipment No. 15. As for saprolite, the company has one vessel available ready for shipment. However, Engr. Miñoza added that the iron was high at 28% to 29% because the iron in previous shipments was typically 25% and below.

Engr. Miñoza proceeded to show the general location map of the mining areas (TLHS, FPDC, and AMAA). She also presented an aerial photo of the truckload area, the AMAA area, and the FORTIS area. As of June 20, 2023, the estimated truckloads of logs in Cabangahan to be hauled to the log yard was 520. She stated that the same will be completed within 32 working days. As for Sipangpang, 100 truckloads were estimated to be hauled and it may be completed within 10 working days. She added that the hauling of the logs for Sipangpang had not yet started because the company was still waiting for the approval of the DENR. As for the updates on the STCEP Application (i.e. tree cutting permit), the company was waiting for the endorsement of the MGB Region XIII. She added that the endorsement of the CENRO was submitted last May 24, 2023 and that the company was awaiting the endorsement from MGC.

On the ASDMP update, Engr. Miñoza stated that as of end of May, the company was able to accomplish 27% and that it expected to increase its accomplishment by the end of June. As regards the SIA update, she explained that the CSU Representatives had already commenced the SIA process last June 7, 2023; and that they had already completed their field verification last June 29, 2023. In addition, the signing of the MOA between the CSU President and MMDC occurred last June 14, 2023.

Engr. Miñoza presented the study for the Haulage Dust Road Suppressant. She said that the name of the product was “Guardian P” which was a haul road dust suppressant, stabilizer, and water extender. The provider of the product was RST Mining and Civil

Solutions, an Australian company which visited the site last April 26-27, 2023. The ratio was 1 liter of Guardian P to 3,000 liters of water; and the cost was P36,000.00 per drum. As of May 26, 2023, the company utilized a total of 2.2 million liters of water and about 800 liters of Guardian P. She explained that based on the initial data, the average time to dry up a whole road, by just using water, was about 10 mins. The data showed that the average time to dry up the whole road using water with mixed Guardian P ranged from 20 to 27 minutes. She noted that the research was expected to continue for the next 2 months in order for the team to fully evaluate the research project, subject to the availability of Guardian P which was sourced from Australia. Engr. Miñoza presented a photo documentation of the study, then ended her presentation.

There being no comments, the Board noted the report.

6.2. For Information: Marketing Updates

Mr. Rick F. Macabidang, the OIC for Marketing, Business Development, and Strategic Planning presented the Marketing Updates.

Mr. Macabidang updated the Board on the nickel price and freight cost, and stated that the price of LME nickel dropped by USD 552 or 3% (the June 14 report stated a price of USD 21,952 while the June 25 report stated a price of USD 21,400). He reported that there was little to no impact on the NPI and nickel ore prices given that most Chinese NPI factories stood firm on their prices by refusing to sell to the stainless steel mills which offered low prices. The sentiment on the side of the stainless steel mills was generally flat, thus sustaining the price stalemate for the most part and resulting in only a few deals getting made. He stated that while this price stalemate ensured that the price of nickel ore did not go down, it also hindered the recovery of the nickel market resulting in relatively stable, if stagnant, prices.

On the domestic side, Mr. Macabidang reported that the market was relatively quiet in past few weeks with virtually no movement seen in the alloy price index. As the market experiment remained cold with just a few transactions being made, the mines continued to be reluctant to sell mid-grade and high-grade nickel at the current prices—focusing instead on low-nickel high iron. Moreover, the low freight rates were empowering the traders to offer slightly higher prices, meeting the mines' price expectations which, in turn, led to deals getting finalized.

As regards the market updates on iron, Mr. Macabidang stated that after the slight recovery previously reported, the price for ore appeared to have stabilized; but there was a possibility that the market may go into a mild decline since it was reported that the modest cuts in China's loan prime rate disappointed traders. He added that the company was hopeful for broader support from the property sector. Moreover, although the port inventory levels of iron ores had been dwindling, it was able to recover because steel mills had been buying iron. In the medium term, the outlook for iron ore was weak as the demand was forecasted to decline due to a slowdown in construction activities during the rainy season.

Mr. Macabidang reported that as of the current session, the company signed a total of 19 sales contracts, of which 17 were for limonite. Moreover, the company had already completed 12 shipments with an ongoing loading for Shipment No. 13. As for Shipment No. 14, Mr. Macabidang stated that the boat was expected to arrive on July 5 or 6 of 2023. He

added that the company was able to sell Shipment Nos. 16, 17, and 18 for a price of USD 23 per ton, while Shipment No. 19 was sold for price of USD 24 per ton. According to him, the company was looking to sell the next shipments at USD 25 per ton or higher with the expectation that prices will be higher during the last few months of the season.

To conclude his presentation, Mr. Macabidang reported that the team had already collected total of P 16.65 million as of June 27, 2023. He explained that the billed receivables pertained mostly to downpayments of upcoming shipments with an amount of P 2.71 million as of June 27, 2023.

There being no comments, the Board noted the report.

6.3. For Information: Controllership Updates

Mr. Dale A. Tongco, the Vice President for Controllership, presented the Controllership Updates.

Mr. Tongco reported on the financial performance of both MMDC and MHI as of May of 2023. For MMDC, the reported a net income so far of P 47 Million. As for the MHI consolidated basis, MHI had P 28.56 Million after the affiliate expenses were deducted. As regards the EBITDA, Mr. Tongco reported that the Company had P 83.47 Million reported net income without depreciation or non-cash expenses.

With regard to the net income, the company reported an actual income of P 47 Million after tax as of May 2023. He explained that this pertained to actual shipments completed for the first 5 months of 9 boatloads consisting of 2 saprolite and 7 limonite. Compared to the forecast, there was an increase of 14% or P 5.67 Million against the forecast of P 41.35 Million net income. He explained that this was due to the additional one boatload shipment that the company had. As compared to the budget, there was an increase of 189% or P 99.96 Million against the budgeted net loss of P 53 Million which was due to the combination of higher volume which helped offset the downward impact of lower prices brought about by the bad market conditions, coupled with the lower production costs of Limonite relative to Saprolite, and the various cost reduction measures implemented since the company temporarily stopped the operation of our Saprolite mine.

With regard to the revenues, as compared to 2022 there was a decrease of 65% or P85.6 Million due to the lower prices this year. The revenues amounted to P 704.53 Million from sales of 9 boatloads at an average contract price of P 26.39 per ton. As compared to the forecast, this was 9% greater (P 57.49 Million). As compared to the budget, Mr. Tongco said that it was 1% higher pertaining to the 7 boatloads sales target at an average budgeted price of P 31.71 per ton. As compared to 2022, there was an increase of 8% (or P 54.30 Million) based on last year's amount of P 650.23 Million since the company was only able to sell 6 boatloads last year at P 39.42 per ton. Mr. Tongco further reported that MMDC delivered 9 boatloads or 460,138 WMT as of May of 2023. Compared to the forecast, this was higher by 1 boatload with 46,900 WMT more. Compared to budget, this was higher by 2 boatloads or 95,138 WMT. Compared to 2022, this was higher by 3 boatloads or 158,959 WMT.

On ore price and forex rate, Mr. Tongco reported that for the 7 shipments of limonite, the average contract prices were from 19 to 28.50 per WMT; on the other hand, saprolites price

ranged from 39 to 40 per WMT with an average of 26.39 per WMT. Mr. Tongco explained that this was higher than the forecasted price, but lower than the budgeted and 2022 price average due to the saprolite shipments which were more in 2022. On the forex rate, Mr. Tongco explained that the company averaged at P 55.50 to a dollar for the 9 shipments which was higher than the forecasted average (*i.e.*, P 55.40 per ton) but lower than the budget rate (*i.e.*, P 58.50 per ton). He noted that this was also higher than last year's actual average of P 52.3 per ton.

Mr. Tongco presented the cost of sales after showing the distribution of shipments comparison YTD May 2023. For cost of sales, there was a total of P 490.85 Million representing 70% of the total revenue including P 21.32 Million on fuel subsidies. Compared to the forecast, this was greater by 9% than the P 451.36 Million forecast mainly due to a difference in volume (given that the company delivered one boatload more). Compared to budget, this was lower by 11% than the P 554.5 Million budget due to the lower spending on manpower and overhead. Lastly, as compared to 2022, the company incurred P 289.73 Million cost in 2022, thereby having an increase of 69% or P 201.12 Million due to the increased volume of boatloads. Mr. Tongco also discussed the cost of sales breakdown as well as the top 5 costs which were (from highest to lowest of the 5): mining and barge loading (P 130.2 Million), minesite overhead (P 92 Million), equipment rental (P 60 Million), minesite personnel cost (P 53.72 Million), and lastly shipping cost (P 49.27 Million).

MMDC operating costs were at P 144.2 Million representing 21% of the total revenues. As compared to forecast, this was 7% higher than forecast of P 135.25 Million due to the settlement of the BIR assessment that the company forecasted in June but paid in May. Mr. Tongco explained that this was offset by the lower spending on compliance, manpower, and the lower despatch for the month. As compared to budget, this was lower than the budget of P 211.69 Million by 31% on account of cost reduction measures with significant decreases in actual head office personnel, compliance and depreciation expenses, and despatch not budgeted. As compared to 2022, it was lower by 25% against the P 190.82 Million operating cost of 2022 mainly due to the decline in head office overhead, compliance cost, depreciation, and demurrages.

Mr. Tongco presented a breakdown of MMDC's operating expenses as well as the top 4 expenses which were the following: head office overhead (P 66.05 Million), compliance costs (P 33.39 Million), business taxes, (P 32.39 Million) and head office personnel expenses (P 23.62 Million).

As regards the grade and moisture penalty, Mr. Tongco stated that for the 2023 shipments, MMDC had a net bonus of USD 45,156 or P 2.561 Million. Furthermore, the company had more bonus in the grade against penalty in moisture. On demurrage and despatch, the company had a despatch net of P 11.67 Million or USD 209,000; and had no demurrages so far. He added that 18% had already been collected, while 82% was already billed and for collection. For trade receivables, the company had a total of P 161.1 Million but a net of allowance per impairment of P 75.5 Million. He added that the company had a net realizable value of P 85.65 Million. Showing the columns on "collectibles," Mr. Tongco explained that there was an amount of P 5.7 Million which pertained to the 2022 collective from Fortune Metals for the despatch but said item was under negotiation with ECM. He also added that the company was scheduled to have a meeting with Fortune Metals next week for the collection of this amount.

On cashflow monitoring, Mr. Tongco presented that MMDC had a total cash balance of P 466 Million but there was an amount of P 347 Million as restricted funds. Hence, the cash free balance as of May 2023 was P 119 Million. As for June, the company projected a collection of P 278 Million and a disbursement of P 201 Million so that it could have a projected June end balance of P 196 Million. As of June 14, 2023, the company had a total of P 172 Million.

For the bank loans payable, there was only Chinabank as the remaining creditor with P 141.7 Million outstanding out of the original loan amount of P 179 Million. Mr. Tongco stated that the loans to Landbank and Veterans bank were fully paid in January and February of this year; and that the company still had a credit line facility of P 70 Million which was due for renewal by July 21. With regard to the lease line with Orix Metro leasing, the outstanding loan was P 4.89 Million out of the original loan of P 31.2 Million with the remaining payables maturing in 2024 to 2025.

On the Naysa Financials Implementation, Mr. Tongco stated that MHI had a pending application for the BIR computerized accounting system (CAS) certificate. For the EIS, MMDC's application was already in process, while MHI's application would follow. Mr. Tongco added that with the live run, MHI and MMDC were discussing with Naysa Analysts the ongoing issues and ticket monitoring. Mr. Tongco then recalled the completed acts from October 2022 to June 26, 2023.

There being no comments, the Board noted the report.

6.4. For Information: Update on Brightgreen Resources Corporation ("BRC")

Engr. Bernard Baluda, the Asst. Vice President for Compliance, Acquisition and Tenements Management, presented the Brightgreen Resources Corporation Updates.

Engr. Baluda discussed the BRC Project Timeline beginning with the FPIC process and reported that the company was already at the last step pending the issuance of the certification from the NCIP-Central Office. The FPIC documents were being reviewed by its legal affairs office. With regard to the ECC, the draft EIS was completed last June 13, 2023 and the company already submitted to the EMB the draft EIS for review. The next steps would be technical screening by the EIA Committee, a public hearing, the revision and endorsement of EIS, and finally the issuance of the ECC.

In line with the ECC application, Engr. Baluda explained that the company already requested a public clearance which was now pending with the PAMB.

For the LGU endorsement, the company presented the project to the Environment Committee of the Sangguniang Panlalawigan of Surigao del Sur last June 7, 2023 for the issuance of the Project Endorsement in order to attain the required 2/3 LGU endorsement. Once the company has received all the endorsements, the next step would be the presentation of the consultation output. The target for the issuance of the ECC was between January to March of 2024 with a target achievement of a Notice To Proceed from MGB in May 2024. Engr. Baluda also reported that a letter of intent for BRC's MPSA renewal was submitted to the DENR last June 8, 2023, and BRC was targeting to commence the development in 2024 while the production of ore was expected to start in 2025.

There being no comments, the Board noted the report.

6.5. For Information: Human Resources Updates

Ms. Deborra Ilagan, the Vice President for Human Resources and Administration, presented the Human Resources Updates.

Ms. Ilagan reported that the renegotiation of the CBA with the rank & file employees union and the supervisory union was successfully concluded last Sept. 10, 2020. Among the improved benefits in the last two years of the CBA were increases in wage (P 45.00 per day increase starting June 1, 2023 and P 50.00 per day increase beginning June 1, 2024 for rank and file; P 50.00 increase beginning Aug. 1, 2023 and P 55.00 increase beginning Aug. 1, 2024 for supervisory), rice benefits (additional P 750.00 rice benefit per month for both types of employees), service award or loyalty award for tenured employees (for first 5 years, increase of P 1,000.00 with an increment of P 1,000.00 pesos per bracket), and clothing allowance and uniform (additional P 150.00 annually in lieu of the annual release of uniforms every 2 years; as well as a signing bonus of P 7,000.00 for both types of employees). Ms. Ilagan explained that the amended economic terms will be in effect from June 1, 2023 to May 31, 2025 for the rank-and-file employees; and from Aug. 1, 2023 to July 31, 2025 for the supervisory employees. All the other terms and conditions in the CBA that were not affected would remain in full force and effect.

There being no comments, the Board noted the report.

6.6. For Information: Legal Updates

Atty. Rommel Casipe of the MHI Legal Group presented the Legal updates.

Atty. Casipe presented the proposed signing authorities for 2023 on contracts and correspondences (See Annex "A"). The changes to authorized signatories were proposed by MMDC Pres, Engr. Eduardo M. Francisco, for various contracts and correspondences; and include authorized signatories for agreements not previously listed but were encountered in the previous mining season such as Equipment Lease and Service Agreement (ESA), MOA on SDMP projects, OJT agreements, Deed of Donation, and other service agreements. Moreover, the signing authority was proposed to be based on position; while the term "Person-in-Charge" shall include Project Head, Process Owner, or Department Head, as may be applicable.

After discussion, and upon motion made and seconded, the following resolutions were approved:

"RESOLVED, that the Board of Directors of **MARCVENTURES HOLDINGS, INC.** ("the Corporation") approves and authorizes, as it hereby approves, the proposed amendment of approving authorities for contracts and correspondence, and hereby authorizes the issuance of the same."

The MMDC Board also discussed and approved similar resolutions.

VII. OTHER MATTERS

The rescheduling of the MHI 2023 Annual Stockholders' Meeting (ASM) from July 28, 2023 to July 25, 2023 was noted by the Board.

VIII. ADJOURNMENT

There being no further matters to discuss, the meeting was adjourned.


ROBERTO V. SAN JOSE
Corporate Secretary


ANA MARIA A. KATIGBAK
Asst. Corporate Secretary



Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City, 1209

Attention: Atty. Rachel Esther Gumtang-Remalante
Office of the Director
Corporate Governance and Finance Department

Re: Report on Attendance of Directors at
2023 Board Meetings

Gentlemen:

In compliance with SEC Memorandum Circular No. 1, series of 2014, we hereby formally advise the Commission of the following:

- The following table summarizes the attendance of the directors of **Marcventures Holdings, Inc.** (the "Corporation") in board meetings held by the Corporation during the calendar year 2023.

	Name	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage
Chairman	Cesar C. Zalamea	8	8	100%
Board Member	Marianne T. Dy	8	8	100%
Board Member	Michael Escaler	8	7	88%
Board Member	Augusto C. Serafica, Jr.	8	8	100%
Board Member	Ruby Sy	8	8	100%
Board Member	Anthony M. Te	8	8	100%
Board Member	Andrew Julian K. Romualdez	8	8	100%
Independent Director	Carlos Alfonso T. Ocampo	8	8	100%
Independent Director	Kwok Yam Ian Chan	8	8	100%

2. The Board of Directors of the Company held its meetings in the year 2023, specifically on the following dates:

Date of Meeting	Nature of Meeting
January 24, 2023	Special Board Meeting
March 2, 2023	Regular Board Meeting
June 15, 2023	Special Board Meeting
June 30, 2023	Regular Board Meeting
July 25, 2023	Organizational Board Meeting
September 28, 2023	Regular Board Meeting
October 3, 2023	Special Board Meeting
December 7, 2023	Regular Board Meeting

3. Based on the records of the minutes of the above meetings of the Corporation, no director has absented himself for more than fifty percent (50%) from all meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during said incumbency. Attached as Annex "A" hereof is a summary of the attendance of the directors.
4. The Corporation held its annual stockholders' meeting on July 25, 2023. The Chairman of the Board and majority of the directors of the Corporation likewise attended the said annual stockholders' meeting of the Corporation on July 25, 2023.

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

Very truly yours,



Ana Maria A. Katigbak
Asst. Corporate Secretary



Annex "A"

Meetings of the Board of Directors for the Year 2023

Name of Directors	SM 01.24.23	RM 03.02.23	SM 06.15.23	RM 06.30.23	OM 07.25.23	RM 09.28.23	SM 10.03.23	RM 12.07.23
Cesar C. Zalamea	√	√	√	√	√	√	√	√
Marianne Regina T. Dy	√	√	√	√	√	√	√	√
Michael L. Escaler	√	√	√	√	√	√	√	X
Augusto C. Serafica, Jr.	√	√	√	√	√	√	√	√
Ruby K. Sy	√	√	√	√	√	√	√	√
Anthony M. Te	√	√	√	√	√	√	√	√
Andrew Julian K. Romualdez	√	√	√	√	√	√	√	√
Carlos T. Ocampo	√	√	√	√	√	√	√	√
Kwok Yam Ian Chan	√	√	√	√	√	√	√	√

Legend:

- √ - Present
- X - Absent
- RM - Regular Board Meeting
- SM - Special Board Meeting
- OM - Organizational Board Meeting
- N/A - Not Applicable