CR03378-2025

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
   Mar 31, 2025
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. Province, country or other jurisdiction of incorporation or organization
   Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
   4th Floor BDO Towers Paseo, (formerly Citibank Center), 8741 Paseo de Roxas
   Postal Code
   1227
8. Issuer's telephone number, including area code
   632-88314479
9. Former name or former address, and former fiscal year, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	3,014,820,305

11. Are any or all of registrant's securities listed on a Stock Exchange?
    (●) Yes ( ) No
    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange
12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the SRC 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 twelve (12) months (or for such shorter period that the registrant was required to file such reports)

    (●) Yes ( ) No

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

- [x] Yes
- [ ] No

Marcventures Holdings, Inc.
MARC

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2025
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2025	Dec 31, 2024
Current Assets	915,897,150	813,509,424
Total Assets	5,930,256,354	5,806,289,229
Current Liabilities	453,966,446	284,253,113
Total Liabilities	1,070,768,537	893,108,512
Retained Earnings/(Deficit)	1,542,849,798	1,596,542,698
Stockholders' Equity	4,859,487,817	4,913,180,717
Stockholders' Equity - Parent	3,387,687,228	3,366,431,058
Book Value per Share	1.61	1.63

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	0	0	0	0
Gross Expense	79,117,890	113,291,022	79,117,890	113,291,022
Non-Operating Income	2,680,919	2,420,943	2,680,919	2,420,943
Non-Operating Expense	1,335,838	3,939,056	1,335,838	3,939,056
Income/(Loss) Before Tax	-77,772,809	-114,809,135	-77,772,809	-114,809,135
Income Tax Expense	-24,079,909	-23,308,420	-24,079,909	-23,308,420
Net Income/(Loss) After Tax	-53,692,900	-91,500,715	-53,692,900	-91,500,715

Net Income Attributable to Parent Equity Holder	-53,692,900	-91,500,715	-53,692,900	-91,500,715
Earnings/(Loss) Per Share (Basic)	-0.02	-0.03	-0.02	-0.03
Earnings/(Loss) Per Share (Diluted)	-0.02	-0.03	-0.02	-0.03

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	-0.02	-0.03
Earnings/(Loss) Per Share (Diluted)	-0.02	-0.03

Other Relevant Information
Please see attached SEC Form 17-Q

Filed on behalf by:

Name	Jolena Guantero
Designation	Legal Assistant

COVER SHEET

12942

SEC Registration Number

MARCVENTURES HOLDINGS INC.

(Company's Full Name)

UNIT 4-3 4TH FLR. BDO TOWERS PASEO (FORMERLY: CITIBANK CENTER) 8741 PASEO DE ROXAS MAKATI CITY

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

Rolando S. Santos	**(02) 8831-4479**
(Contact Person)	(Company Telephone Number)

12 31	17-Q	
Month *Day* (Calendar Year)	(Form Type)	*Month* *Day* (Annual Meeting)

N/A

Secondary License Type, If Applicable)

Finance Department	March 31, 2025
Dept. Requiring this Doc.	Period Ending Date

Total Amount of Borrowings

2,173	N/A	N/A
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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, 2025**

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 HOLDINGSINC.**

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

Title of each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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

Table of Contents

Contents

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, 2025, with comparative figures for the corresponding periods in 2024 and audited consolidated financial statements as of December 31, 2024, 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, 2025 and December 31, 2024 and Results of Operation for the Three months ended March 31, 2025 and March 31, 2024

STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands ('000)	For the Three-months Ended March 31				Variance		
		2025 (Unaudited)		2024 (Unaudited)		Increase (Decrease)	%Change
REVENUE	₱	-	₱	-	₱	-	-
COST OF SALES		-		-		-	-
GROSS INCOME	₱	-	₱	-	₱	-	-
OPERATING EXPENSES		**(79,118)**		(113,291)		(34,173)	(30.2%)
LOSS FROM OPERATIONS	₱	**(79,118)**	₱	(113,291)	₱	(34,173)	(30.2%)
INTEREST EXPENSE		**(1,336)**		(3,939)		(2,603)	(66.1%)
INTEREST INCOME		**2,519**		1,400		1,119	79.9%
OTHER INCOME		**162**		1,021		(859)	(84.1%)
LOSS BEFORE INCOME TAX	₱	**(77,773)**	₱	(114,809)	₱	(37,036)	(32.3%)
INCOME TAX BENEFIT		**24,080**		23,308		771	3.3%
NET LOSS	₱	**(53,693)**	₱	(91,501)	₱	(37,808)	(41.3%)

Revenues

For the three-month period ended March 31, 2024 and 2025, 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.

Cost of Sales

No cost of sales was incurred during the three (3)-month period ended March 31, 2024 and 2025.

Operating expenses

Operating expenses decreased by 30.0% or ₱34.17 million from ₱113.29 million for the 1st quarter period last year to ₱79.12 million this year. The net decrease was mainly accounted for as follows:

- **Decrease in Taxes and Licenses** by ₱16.94 million or 61% from ₱27.54 million to ₱10.60 million due to reduction of payment of various local and national taxes that varies on the Company's revenue.

- **Decrease in Salaries and Wages** by ₱1.81 million or 10.0% from ₱18.03 million to ₱16.22 million due to lower cost of manpower.
- **Decrease in Other Expenses** such as supplies, utilities, repairs and other operating expenses by ₱30.83 million or equivalent to 92% from ₱33.66 million to ₱2.83million.
- **Decrease in Depreciation** by ₱2.25 million or equivalent to 71.0% from ₱3.16 million to ₱0.91 million due to full depreciation of some property and equipment.
- **Decrease in Environmental Expenses** amounting to ₱0.09 million or equivalent to 2.0% from ₱5.20 million to ₱5.11 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.
- **Increase in Social Development and Management Program (SDMP)** by ₱0.06 million or equivalent to 4.0% from ₱1.41 million to ₱1.47 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.

STATEMENT OF FINANCIAL POSITION

Assets

The consolidated total assets of the Company increased by ₱124.0 million from ₱5.81 billion as of December 31, 2024 to ₱5.93 billion as of March 31, 2025. The 2.0% net increase was mainly due to the following:

- **Trade and other receivables** increased by ₱31.74 million or 89.3% from ₱35.56 million in 2024 to ₱67.3 million in 2025. This includes cash advances to suppliers and contractors.
- **Advances to related parties** increased by ₱0.71 million or 23.9% from ₱2.96 million in 2024 to ₱3.66 million in 2025.
- **Ore inventories** increased by ₱70.3 million or 58.7% from ₱119.83 million in 2024 to ₱190.14 million in 2025, these are mainly production costs for ores available for sale.
- **Other current assets** increased by ₱42.07 million or 47.8% from ₱88.06 million in 2024 to ₱130.13 million in 2025. These are mainly additional input vat, renewal of insurance and subscriptions and tax credits.
- **Net deferred tax assets** increased by ₱24.08 million or 123.3% upon recognition of Net-operating Loss Carry-Over (NOLCO) of the non-operating subsidiaries.
- **Other noncurrent assets** increased by ₱0.92 million or 0.2% from ₱532.1 million in 2024 to ₱533.03 million in 2025.

The above decreases were partly offset by the following:

- **Cash** decreased by ₱42.44 million or 7.5% from ₱567.11 million in 2024 to ₱524.67 million in 2025 upon settlement of outstanding payables.
- **Property and equipment** decreased by ₱3.36 million or 2.5% from ₱134.54 million in 2024 to ₱131.18 million in 2025 due to additional depreciation during the period.

Liabilities
The total consolidated liabilities of the Company increased by ₱177.66 million or 19.9% from ₱893.11 million in 2024 to ₱1.07 billion in 2025. The increase was primarily due to the net effect of the following:

- **Loans payable** decreased by ₱6.55 million or 8.5% from ₱76.88 million in 2024 to ₱70.33 million in 2025.
- **Retirement benefit** liability increased by ₱5.34 million or 10.8% from ₱49.33 million in 2024 to ₱54.67 million in 2025 due to additional accrual of retirement benefits.
- **Trade and other payables** increased by ₱176.27 million or 92.5% due to advance deposit from customers.

Equity
The stockholders' equity of the Company decreased by ₱53.69 million or 1.1% from ₱4.91 billion in 2024 to ₱4.86 billion as of March 31, 2025. This was due to the net loss incurred during the period.

STATEMENT OF CASH FLOWS

As of March 31, 2025, the net cash used from operating activities amounting to ₱35.11 million was mainly due to the increase in inventories and net loss for the period.

Net cash provided by investing activities amounting to ₱0.55 million was mainly due to decrease in input VAT due to claims for refund.

Net cash used for financing activities amounting to ₱7.88 million was primarily for payment of loan obligations.

The net effect of the foregoing operating, investing, and financing activities is a decrease of ₱42.44 million in cash, leaving a balance of ₱524.67 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, 2025, and for the three-month period ended March 31, 2025 with comparative audited figure as of December 31, 2024 is in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in thepreparation of the interim financial statements.

Horizontal and Vertical Analysis:

Amounts in thousands ('000)									
					Horizontal Analysis		**Vertical Analysis**	
		Mar. 31, 2025 (Unaudited)		2024 (Audited)		Change	% Change	2025	2024
ASSETS									
Current Assets									
Cash	₱	**524,668**	₱	567,105	₱	(42,437)	(7.5%)	8.8%	10.0%
Trade and other receivables		**67,304**		35,559		31,745	89.3%	1.1%	1.0%
Advances to related parties		**3,662**		2,955		707	23.9%	0.1%	0.0%
Inventories		**190,138**		119,835		70,303	58.7%	3.2%	2.0%
Other current assets		**130,126**		88,056		42,070	47.8%	2.2%	2.0%
Total Current Assets	₱	**915,897**	₱	813,509	₱	102,388	12.6%	15.4%	14.0%
Non-current Assets									
Property and equipment	₱	**131,180**	₱	134,539	₱	(3,359)	(2.5%)	2.2%	2.0%
Investment Property		**16,146**		16,146		-	0.0%	0.3%	0.0%
Mining rights & other mining assets		**4,290,392**		4,290,458		(65)	0.0%	72.3%	74.0%
Net deferred tax assets		**43,614**		19,534		24,080	123.3%	0.7%	0.0%
Other noncurrent assets		**533,027**		532,104		924	0.2%	9.0%	9.0%
Total Noncurrent Assets	₱	**5,014,359**	₱	4,992,780	₱	21,579	0.4%	84.6%	86.0%
	₱	**5,930,256**	₱	5,806,289	₱	123,967	2.1%	100.0%	100.0%
LIABILITIES & EQUITY									
Current Liabilities									
Trade & other payables	₱	**366,869**	₱	190,604	₱	176,265	92.5%	6.2%	3.0%
Loans payable		**18,503**		25,051		(6,548)	(26.1%)	0.3%	0.0%
Advances from related parties		**5,000**		5,000		-	0.0%	0.1%	0.0%
Dividends payable		**14,906**		14,910		(4)	0.0%	0.3%	0.0%
Income tax payable		**48,689**		48,689		-	0.0%	0.8%	1.0%
Total Current Liabilities	₱	**453,966**	₱	284,253	₱	169,713	59.7%	7.7%	5.0%
Non-current Liabilities									
Long-term debt	₱	**51,829**	₱	51,829	₱	-	0.0%	0.9%	1.0%
Provision for mine rehabilitation and decommissioning		**65,696**		65,696		-	0.0%	1.1%	1.0%
Retirement benefit liability		**54,667**		49,331		5,336	10.8%	0.9%	1.0%
Deferred tax liability		**444,610**		442,000		2,611	0.6%	7.5%	8.0%
Total Noncurrent Liabilities	₱	**616,802**	₱	608,855	₱	7,947	1.3%	10.4%	10.0%
Total Liabilities	₱	**1,070,769**	₱	893,109	₱	177,660	19.9%	18.1%	15.0%
Equity									
Capital stock	₱	**3,014,820**	₱	3,014,820	₱	-	0.0%	50.8%	52.0%
Additional paid-in capital (APIC)		**269,200**		269,200		-	0.0%	4.5%	5.0%
Retained earnings		**1,542,850**		1,596,543		(53,693)	(3.4%)	26.0%	27.0%
Remeasurement gain on retirement benefit liability		**32,618**		32,618		-	0.0%	0.6%	1.0%
Total Equity	₱	**4,859,488**	₱	4,913,181	₱	(53,693)	(1.1%)	81.9%	85.0%
	₱	**5,930,256**	₱	5,806,289	₱	123,967	2.1%	100.0%	100.0%

Amounts in thousands		For the Three-months ended March 31,			Horizontal Analysis		Vertical Analysis	
		2025 (Unaudited)		2024 (Unaudited)	Increase (Decrease)	% Change	2025	2024
REVENUE	₱	-	₱	-	₱ -	-	0.0%	0.0%
COST OF SALES		-		-	-	-	0.0%	0.0%
GROSS INCOME	₱	-	₱	-	₱ -	-	0.0%	0.0%
OPERATING EXPENSES		**(79,118)**		(113,291)	34,173	(30.2%)	0.0%	0.0%
LOSS FROM OPERATIONS	₱	**(79,118)**	₱	(113,291)	₱ 34,173	(30.2%)	0.0%	0.0%
INTEREST EXPENSE		**(1,336)**		(3,939)	2,603	(66.1%)	0.0%	0.0%
INTEREST INCOME		**2,519**		1,400	1,119	79.9%	0.0%	0.0%
OTHER INCOME		**162**		1,021	(859)	(84.1%)	0.0%	0.0%
LOSS BEFORE TAX	₱	**(77,773)**	₱	(114,809)	₱ 37,036	(32.3%)	0.0%	0.0%
INCOME TAX BENEFIT		**(24,080)**		(23,308)	(771)	3.3%	0.0%	0.0%
NET LOSS	₱	**(53,693)**	₱	(91,501)	₱ 37,808	(41.3%)	0.0%	0.0%

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, 2025	March 31, 2024
Net Loss	**(₱53,692,900)**	(₱91,500,715)
Quick assets	**591,971,527**	218,014,304
Current assets	**915,897,150**	562,378,290
Total assets	**5,930,256,354**	5,687,241,830
Current liabilities	**453,966,446**	324,910,595
Total liabilities	**1,070,768,537**	981,368,955
Stockholders' Equity	**4,859,487,817**	4,705,872,875
Number of common shares outstanding	**3,014,820,305**	3,014,820,305

Liquidity ratios:	**March 31, 2025**	March 31, 2024
Current ratio (1)	**2.02:1**	1.73:1
Quick ratio (2)	**1.30:1**	0.67:1
Solvency Ratios:		
Debt ratio (3)	**0.18:1**	0.17:1
Debt to Equity ratio (4)	**0.22:1**	0.21:1
Profitability ratios:		
Loss per share (5)	**(0.02):1**	(0.03):1
Book value per share (6)	**1.61:1**	1.56:1

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 = 2.02:1

b. Quick Ratio

   Quick asset / Total Current Liabilities = 1.30:1

Solvency Ratio

a. Debt Ratio

   Total liabilities / Total assets = 0.18:1

b. Debt to Equity Ratio

   Total liabilities / Shareholder's Equity = 0.22:1

Profitability Ratio

a. Return on Equity Ratio

   Net Income (Loss) / Average shareholder's equity = (0.01):1

b. Return on Assets

   Net Income (Loss)/ Average Total assets = (0.01):1

c. Fixed Assets Turnover Ratio:

   Revenue/Property Plant and Equipment = 0.00:1

d. Asset to Equity Ratio:

   Total Assets / Stockholders' Equity = 1.22:1

e. Asset Turnover:

   Revenue/Total Assets = 0.00

f. Interest Coverage Ratio

   Net Income (Loss) / Interest expense = (57.22):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 14, 2025
Signature and Title:	**DALE A. TONGCO** Treasurer
Date:	May 14, 2025

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	2	9	4	2

C O M P A N Y   N A M E

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
rommel.casipe@marcventures.com.ph	(02) 8831-4479	0917-187-5742

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
2,174	May of each year	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Rolando S. Santos	rolly.santos@marcventures.com.ph	(02) 8831-4479	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, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱524,667,914**	₱567,105,076
Trade and other receivables	5	**67,303,613**	35,558,818
Advances to related parties	14	**3,661,862**	2,955,065
Inventories	6	**190,137,616**	119,834,699
Other current assets	7	**130,126,145**	88,055,766
Total Current Assets		**915,897,150**	813,509,424
Noncurrent Assets		**-**	
Property and equipment	8	**131,179,824**	134,538,564
Investment property	9	**16,145,833**	16,145,833
Mining rights and other mining assets	10	**4,290,392,355**	4,290,457,717
Net deferred tax assets	21	**43,614,072**	19,534,164
Other noncurrent assets	11	**533,027,120**	532,103,527
Total Noncurrent Assets		**5,014,359,204**	4,992,779,805
		₱5,930,256,354	₱5,806,289,229

	Note	**March 31, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	**₱366,868,575**	₱190,603,580
Current portion of loans payable	13	**18,502,844**	25,050,756
Advances from related parties	14	**5,000,000**	5,000,000
Dividends payable	17	**14,905,833**	14,909,583
Income tax payable		**48,689,194**	48,689,194
Total Current Liabilities		**453,966,446**	284,253,113
Noncurrent Liabilities		**-**	-
Loans payable - net of current portion	13	**51,828,569**	51,828,569
Provision for mine rehabilitation and decommissioning	15	**65,696,379**	65,696,379
Retirement benefit liability	16	**54,666,844**	49,330,830
Deferred tax liability	21	**444,610,299**	441,999,621
Total Noncurrent Liabilities		**616,802,091**	608,855,399
Total Liabilities		**1,070,768,537**	893,108,512
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		**1,542,849,798**	1,596,542,698
Cumulative remeasurement gains on retirement benefit liability - net of deferred tax	16	**32,617,926**	32,617,926
Total Equity		**4,859,487,817**	4,913,180,717
		₱5,930,256,354	₱5,806,289,229

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the Three Months Ended March 31, (Unaudited)		
	Note	**2025**	2024	2023
NET SALES		**₱–**	₱–	₱117,723,062
COST OF SALES	18	**–**	–	82,695,986
GROSS INCOME		**–**	–	35,027,076
OPERATING EXPENSES	19	**(79,117,890)**	(113,291,022)	(78,310,434)
LOSS FROM OPERATIONS		**(79,117,890)**	(113,291,022)	(43,283,358)
INTEREST EXPENSE	13	**(1,335,838)**	(3,939,056)	(2,707,988)
INTEREST INCOME	4	**2,518,951**	1,399,863	49,029
OTHER INCOME(LOSS)- Net	20	**161,968**	1,021,080	(1,148,508)
LOSS BEFORE INCOME TAX BENEFIT		**(77,772,809)**	(114,809,135)	(47,090,825)
INCOME TAX BENEFIT	21	**(24,079,909)**	(23,308,420)	(10,941,280)
NET LOSS		**(53,692,900)**	(91,500,715)	(36,149,545)
Basic loss per share	23	**(₱0.020)**	(₱0.030)	(₱0.010)

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	**2025**	2024	2023
CAPITAL STOCK - ₱1 par value				
Authorized - 4,000,000,000 shares				
Issued and outstanding	17	**₱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		**1,596,542,698**	1,478,425,453	1,547,770,977
Net loss		**(53,692,900)**	(91,500,715)	(36,149,545)
Balance at end of year		**1,542,849,798**	1,386,924,738	1,511,621,432
CUMULATIVE REMEASUREMENT GAINS ON RETIREMENT BENEFIT LIABILITY - NET OF DEFERRED TAX	16	**32,617,926**	34,928,044	40,593,200
		₱4,859,487,817	₱4,705,872,875	₱4,836,234,725

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Three Months Ended March 31, (Unaudited)		
	Note	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax benefit		**(₱77,772,809)**	(₱114,809,135)	(₱47,090,825)
Adjustments for:				
Depletion	10	**3,077,595**	1,539,803	1,703,309
Depreciation and amortization	8	**6,106,241**	7,219,142	6,210,096
Interest expense	13	**1,335,838**	3,939,056	2,707,988
Interest income	4	**(2,518,951)**	(1,399,863)	(49,029)
Unrealized foreign exchange gain	20	**–**	(1,117,682)	–
Provision for expected credit loss	5	**–**	180,000	–
Operating loss before working capital changes		**(69,772,086)**	(104,448,679)	(36,518,461)
Decrease (increase) in:				
Trade and other receivables		**(31,744,795)**	(18,610,852)	39,844,332
Inventories		**(70,302,917)**	(63,368,312)	(63,524,980)
Other current assets		**(42,070,379)**	(9,130,930)	(89,047,075)
Increase in:				
Trade and other payables		**176,264,995**	29,642,674	230,194,723
Net cash generated from operations		**(37,625,182)**	(165,916,099)	80,948,539
Interest received		**2,518,951**	1,399,863	49,029
Net cash provided by operating activities		**(35,106,231)**	(164,516,236)	80,997,568
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Mining rights and other mining assets	10	**3,142,957**	8,653,507	7,961,975
Property and equipment	8	**9,464,981**	4,338,722	(37,398,920)
Decrease (increase) in:				
Other noncurrent assets		**(11,348,322)**	31,808,703	(22,103,300)
Advances to related parties		**(706,797)**	130,908	(1,783,954)
Net cash provided by (used in) investing activities		**552,819**	44,931,840	(53,324,199)

(Forward)

		For the Three Months Ended March 31, (Unaudited)		
	Note	**2025**	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Loans	13	**(₱6,547,912)**	(₱6,684,000)	(₱60,574,441)
Interest	26	**(1,335,838)**	(3,939,056)	(2,707,988)
Dividends		**–**	(297,055,873)	–
Increase in advances from related parties		**–**	478,484	–
Net cash used in financing activities		**(7,883,750)**	(307,200,445)	(63,282,429)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(42,437,162)**	(426,784,841)	(35,609,060)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**567,105,076**	603,877,818	546,893,643
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱524,667,914**	₱177,092,977	₱511,284,583

See accompanying Notes to Consolidated Financial Statements.

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2025 and December 31, 2024
AND FOR THE PERIOD ENDED MARCH 31, 2025, 2024 and 2023

1. **Corporate Information**

General Information

Marcventures Holdings, lnc. ("MHI" or the "Company"), singly and collectively with its subsidiaries, is referred herein as "the Group". The 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 Company's shares of stock were initially listed in the Philippine Stock Exchange, Inc. (PSE) on January 10, 1958. As at March 31, 2025 and December 31, 2024, 3,014,820,305 shares of the Company's shares of stock are listed in The Philippine Stock Exchange, Inc. (PSE).

Registered Address

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

Information about the Subsidiaries

All of the subsidiaries of the 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 the Mineral Production Sharing Agreement (MPSA) No. 016-93-X Surigao Mineral Reservation (SMR) 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.

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, Mines 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 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 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.

On April 24, 2024, BGRC submitted its application for renewal of its MPSA. Without prejudice to BRC's application of its MPSA, BRGC submitted a request for restitution of the term of its MPSA. Also submitted was the application for the Declaration of Mining Project Feasibility (DMPF) for the Proposed Nickel Laterite Project under MPSA NO. 015-93-XI. On May 6, 2024, BGRC applied for restitution of the MPSA for 14 years due to force majeure events. To date, the application is under the evaluation of the MGB. BGRC's MPSA expired last July 1, 2024

Alumina Mining Philippines, Inc. (AMPI)
AMPI was incorporated and registered with the SEC on August 31, 2001 to engage in the mining business. The 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 4, 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.

On January 20, 2025, AMPI submitted the Annual MPSA Status Report for the year 2024 and it states that there were no major exploration activities due to the security issues with the insurgents. Activities conducted were concentrated to research, review of related literature and preparation for submission of mining project feasibility.

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

On January 20, 2025, BARI submitted the Annual MPSA Status Report for the year 2024 and it states that there were no major exploration activities due to the security issues with the insurgents. Activities conducted were concentrated to research, review of related literature and preparation for submission of mining project feasibility.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance
The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. 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 Company and its wholly owned subsidiaries as at March 31, 2025, December 31, 2024 and 2023 and for the period ended March 31, 2025, 2024, and 2023.

A subsidiary is an entity that is controlled by the Company and is consolidated from the date on which control is transferred to the 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 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, 2024 and 2023, the Group's cash and cash equivalents, 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") account are classified under this category. 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 March 31, 2025 and December 31, 2024, the Group's trade and other payables (excluding excise tax and other statutory payables), loans payable, advances from related parties and dividends payable are classified under this category.

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, advances to contractors and suppliers, mining and office supplies, and prepaid expenses.

Prepaid Income Tax. Prepaid income tax represents overpayments of income taxes over the periods and amounts withheld by the Group's customers in relation to its income. Prepaid income tax can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source.

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.

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.

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:

	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.

Investment Property
Investment property is 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 life of the investment property.

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.

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 costs are carried at cost less any impairment in value.

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.

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

Past service cost is 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.

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 Group nor can they be paid directly to the Group. Fair value of plan assets is based on market price information.

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.

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.

OCI comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards. 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.

<u>Cost and Expense Recognition</u>

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.

<u>Leases</u>

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.

<u>Foreign Currency-Denominated Transactions</u>

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 gives 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.

Provision for Mine Rehabilitation and Decommissioning. The Group recognizes provision when there is a 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**

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.

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 and equipment and investment property are disclosed in Notes 8 and 9.

Evaluation of Lease Commitments - 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.

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 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 2025, 2024, and 2023 are not significant and not recognized.

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 2025, 2024, and 2023. 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 2025, 2024, and 2023. The carrying amount of input VAT is disclosed in Note 11.

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 2025, 2024, and 2023. 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.

The carrying amount of mine rehabilitation asset, recognized under the mine and mining properties is disclosed in Note 10.

Provision for mine site rehabilitation and decommissioning is 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 contract areas are not expired, (b) a request for restitution has been applied with the MGB for the expired MPSA, (c) the Group continuous to conduct exploration and evaluation activities based on its approved Exploration Work Programs and Environmental Work Programs, and (d) 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 2025, 2024, and 2023.

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 is 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 other nonfinancial assets. Accordingly, no impairment loss was recognized in 2025, 2024, and 2023.

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.

The carrying amount of 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, 2025 (Unaudited)	Dec. 31, 2024 (Audited)
Cash equivalents	**₱224,829,449**	₱272,759,488
Cash in banks	**299,732,163**	294,244,333
Cash on hand	**106,302**	101,255
	₱524,667,914	₱567,105,076

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, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)	Dec. 31, 2023 (Audited)
Cash in banks and cash equivalents		**₱2,518,951**	₱5,942,481	₱10,098,015
Other noncurrent assets	11	**–**	46,277	205,496
		₱2,518,951	₱5,988,758	₱10,303,511

5. Receivables

This account consists of:

	March 31, 2025 (Unaudited)	Dec. 31, 2024 (Audited)
Advances to officers and employees	**₱39,700,259**	₱34,722,589
Others	**27,804,954**	1,037,829
	67,505,213	35,760,418
Allowance for ECL	**(201,600)**	(201,600)
	₱67,303,613	₱35,558,818

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	**March 31, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)
Balance at beginning of year		**₱201,600**	₱–
Provision	19	–	201,600
Write-off		–	–
Balance at end of year		**₱201,600**	₱201,600

6. **Inventories**

This account consists of beneficiated nickel ore amounting to ₱190.14 million and ₱119.83 million as at March 31, 2025 and December 31, 2024, 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 ₱70.30 million, and ₱63.37 million and ₱63.52 million for the three (3) months ended March 31, 2025, 2024 and 2023, respectively (see Note 18).

7. **Other Current Assets**

This account consists of:

	March 31, 2025 (Unaudited)	Dec. 31, 2024 (Audited)
Prepaid income tax	**₱54,178,733**	₱49,986,362
Advances to contractors and suppliers	**30,259,666**	23,883,848
Mining and office supplies - net of allowance for obsolescence	**1,182,647**	4,913,745
Prepaid expenses	**11,419,452**	1,639,703
Others	**33,085,647**	7,632,108
	₱130,126,145	₱88,055,766

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, 2025 (Unaudited)	Dec. 31, 2024 (Audited)
Balance at beginning of year	**₱15,640,373**	₱16,090,948
Provision	**–**	(450,575)
Balance at end of year	**₱15,640,373**	₱15,640,373

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:

		December 31, 2024 (Audited)				
	Note	Land	Building and Improvements	Office Furniture, Fixtures and Equipment	Heavy and Transportation Equipment	Total
Cost						
Balances at beginning of year		₱58,597,484	₱149,313,770	₱140,377,210	₱394,315,753	₱742,604,217
Additions		–	–	14,874,047	6,447,575	21,321,622
Reclassification	9	–	–	(376,761)	(5,503,198)	(5,879,959)
Balances at end of year		58,597,484	149,313,770	154,874,496	395,260,130	758,045,880
Accumulated Depreciation and Amortization						
Balances at beginning of year		–	97,660,884	124,673,180	379,342,248	601,676,312
Depreciation and amortization		–	5,706,729	15,027,808	6,690,674	27,425,211
Reclassification	9	–	–	(376,761)	(5,217,446)	(5,594,207)
Balances at end of year		–	103,367,613	139,324,227	380,815,476	623,507,316
Carrying Amount		₱58,597,484	₱45,946,157	₱15,550,269	₱14,444,654	₱134,538,564

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

	Note	For Three Months Ended March 31, (Unaudited)		
		2025	2024	2023
Charged to:				
Cost of sales	18	**₱5,196,678**	₱4,055,111	₱4,023,734
Operating expenses	19	**909,563**	3,164,031	2,186,362
		₱6,106,241	₱7,219,142	₱6,210,096

The portion of the Group’s property and equipment with carrying amounts of ₱45.9 million and ₱50.7 million as at March 31, 2025 and December 31 ,2024, respectively, is pledged as security under a real estate mortgage on its loans payable (see Note 13).

In 2024, the Group disposed certain items of property and equipment with carrying amount of ₱0.3 million for aggregate proceeds of ₱0.4 million, resulting to gain on sale of ₱0.1 million.

Fully depreciated property and equipment with cost of ₱523.0 million as at March 31, 2025 and December 31 ,2024 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	**March 31, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)
Cost			
Balance at beginning of year		**₱25,000,000**	₱25,000,000
Reclassification	8	**–**	–
Balances at end of year		**25,000,000**	25,000,000
Accumulated Depreciation			
Balances at beginning of year		**8,854,167**	7,604,167
Depreciation		**–**	1,250,000
Balances at end of year		**8,854,167,**	8,854,167
Net Carrying Amount		**₱16,145,833**	₱16,145,833

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:

		December 31, 2024 (Audited)					
				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	₱176,228,529	₱2,566,488,843	₱44,167,841	₱2,610,656,684	₱5,722,464,735
Additions		–	1,496,470	9,301,383	–	9,301,383	10,797,853
Balances at end of year		2,935,579,522	177,724,999	2,575,790,226	44,167,841	2,619,958,067	5,733,262,588
Accumulated Depletion							
Balances at beginning of year		564,956,355	–	799,778,032	17,889,089	817,667,121	1,382,623,476
Depletion	18	17,345,665	–	42,668,508	167,222	42,835,730	60,181,395
Balances at end of year		582,302,020	–	842,446,540	18,056,311	860,502,851	1,442,804,871
Net Carrying Amount		₱2,353,277,502	₱177,724,999	₱1,733,343,686	₱26,111,530	₱1,759,455,216	₱4,290,457,717

Mining Rights

Mining rights of the Group consist of:

	Dec. 31, 2024 (Audited)
Mining rights on explored resources of MMDC	₱712,464,137
Mining rights of BGRC, AMPI and BARI	1,640,813,365
	₱2,353,277,502

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

Mining rights of BGRC, AMPI and BARI. This represents the mining rights resulting from the merger of the 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	**March 31, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)
Input VAT		**₱341,818,640**	₱340,927,381
Input VAT for refund		**88,389,809**	88,389,809
Final mine rehabilitation fund (FMRF)		**89,916,041**	89,916,041
Rehabilitation cash fund (RCF)	22	**5,677,795**	5,677,795
Rental deposit	22	**1,133,050**	1,133,050
Monitoring trust fund (MTF)		**167,435**	168,289
Others		**5,923,493**	5,891,162
		₱533,027,120	₱532,103527

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, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)
Trade payables		**₱136,593,548**	₱125,997,983
Advances from customers		**156,591,601**	–
Accrued expenses:			
Compliance		**11,779,827**	11,747,307
Interest	13	**972,009**	972,009
Salaries and rent		**10,253,803**	319,347
Excise tax and other statutory payables		**42,834,373**	45,050,036
Others		**7,843,413**	6,516,898
		₱366,868,575	₱190,603,580

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, 2025 (Unaudited)	Dec. 31, 2024 (Audited)
Long-term loans	**₱51,828,569**	₱76,879,325
Less: Current portion	**18,502,844**	25,050,756
Noncurrent portion	**₱70,331,413**	₱51,828,569

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 ₱45.9 million and ₱50.7 million as at March 31, 2025 and December 31, 2024, respectively (see Note 8), and its investment property with carrying amount of ₱16.1 million and ₱17.4 million, respectively, as at March 31, 2025 and December 31, 2024 (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:

	March 31, 2025 (Unaudited)	Dec. 31, 2024 (Audited)
Balance at beginning of year	**₱76,879,325**	**₱132,604,857**
Payments	**(6,547,912)**	**(57,682,032)**
Availments	**–**	**1,956,500**
Balance at end of year	**₱ 70,331,413**	**₱76,879,325**

14. Related Party Transactions

Significant transactions with related parties include the following:

Related Parties under Common Management

	Transaction Amounts		Outstanding Balances		
	March 31, 2025 (Unaudited)	Dec. 31, 2024 (Audited)	**March 31, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)	Nature and Terms
Advances to related parties	**₱706,797**	₱–	**₱3,661,862**	₱2,955,065	Working fund; unsecured; noninterest-bearing; Collectible on demand
Advances from related parties	**₱–**	₱–	**₱5,000,000**	₱5,000,000	Working fund; unsecured; noninterest-bearing; payable on demand

As at period ended March 31, 2025 and December 31, 2024, 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, 2025 (Unaudited)**	Dec. 31, 2024 (Audited)
Balance at beginning of year		**₱65,696,379**	₱62,847,468
Accretion of interest	13	**–**	2,848,911
Balance at end of year		**₱65,696,379**	₱65,696,379

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, 2024.

The principal actuarial assumptions used to determine retirement benefit liability as at December 31, 2024 and 2023 are as follows:

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, 2024 (Audited)
Current service cost	₱6,362,524
Net interest cost	2,768,040
	₱9,130,564

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

	Dec. 31, 2024 (Audited)
Retirement benefit liability	₱64,288,966
Fair value of plan asset	14,958,136
	₱49,330,830

The retirement benefit liability recognized in the consolidated statements of financial position as at December 31, 2024 and changes in the present value of defined benefit obligation are as follows:

	Dec. 31, 2024 (Audited)
Balance at beginning of year	₱51,901,439
Retirement benefits expense recognized in profit or loss:	
Current service cost	6,362,524
Interest cost	3,248,104
Remeasurement losses (gains) recognized in OCI:	
Changes in financial assumptions	2,198,264
Deviations of experience from assumptions	787,291
Benefits paid	(208,656)
Balance at end of year	₱64,288,966

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

	Dec. 31, 2024 (Audited)
Balance at beginning of year	₱7,672,955
Contributions	6,371,000
Remeasurement gain	642,773
Interest income	480,064
Benefits paid	(208,656)
Balance at end of year	₱14,958,136

Sensitivity analysis on defined benefit obligation as at December 31, 2024 is as follows:

	Change in basis points	Effect on defined benefit obligation Dec. 31, 2024 (Audited)
Salary increase rate	+1%	₱5,685,597
	-1%	(4,968,362)
Discount rate	+1%	(4,785,804)
	-1%	5,672,744

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, 2024 (Audited)		
	Cumulative Remeasurement Gains	Deferred Tax Liability (see Note 21)	Net Remeasurement Gain
Balance at beginning of year	₱46,585,245	(₱11,657,201)	₱34,928,044
Actuarial loss	(2,342,782)	32,664	(2,310,118)
Balance at end of year	₱44,242,463	(₱11,624,537)	₱32,617,926

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, 2025, December 31, 2024, and 2023 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

<u>**Cash Dividends**</u>

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

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

18. Cost of Sales

This account consists of:

		For Three Months Ended March 31, (Unaudited)		
	Note	**2025**	2024	2023
Contractual services		**₱15,185,277**	₱16,109,503	₱73,798,113
Production overhead		**20,626,754**	17,693,532	36,851,748
Salaries and allowances		**26,216,613**	23,970,363	27,021,259
Excise tax		**–**	–	2,822,803
Depletion	10	**3,077,595**	1,539,803	1,703,309
Demurrage		**–**	–	–
Depreciation	8	**5,196,678**	4,055,111	4,023,734
		63,368,312	63,368,312	146,220,966
Net movements in inventories		**(70,302,917)**	(63,368,312)	(63,524,980)
		₱–	₱–	₱82,695,986

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	**For Three Months Ended March 31, (Unaudited)**		
		2024	2024	2023
Salaries and allowances		**₱16,221,497**	₱18,029,845	₱16,035,955
Taxes and licenses		**10,602,674**	27,538,720	17,643,110
Environmental expenses	22	**5,116,378**	5,206,355	8,284,104
Professional fees		**12,679,661**	13,766,827	7,876,403
Social development programs	22	**1,469,544**	1,406,507	797,588
Representation		**25,064,824**	1,761,294	5,766,193
Royalties	22	**–**	**–**	1,236,092
Outside services		**1,640,037**	3,579,670	4,066,375
Community relations		**1,402,486**	1,443,345	1,620,052
Depreciation and amortization	8	**909,563**	3,164,031	2,186,362
Rent expense	22	**267,458**	1,786,600	944,203
Communication, light and water		**753,945**	1,003,167	835,813
Transportation and travel		**161,502**	763,696	414,819
Provision for ECL	5	**–**	180,000	–
Others		**2,828,321**	33,660,965	10,603,365
		₱79,117,890	**₱113,291,022**	₱78,310,434

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)**		
		2025	2024	2023
Rent income	22	**₱300,000**	₱300,000	₱200,000
Foreign Exchange Gain(Loss)		**(241,504)**	721,080	(1,380,407)
Others		**103,472**	–	31,899
		₱161,968	₱1,021,080	(₱1,148,508)

21. **Income Taxes**

The components of income tax benefit are shown below:

	For Three Months Ended March 31, (Unaudited)		
	2025	2024	2023
Current tax benefits	**₱24,079,909**	₱23,308,420	₱10,941,280
	₱24,079,909	₱23,308,420	₱10,941,280

The Group's net deferred tax assets arising from temporary differences are summarized as follows:

	Dec. 31, 2024 (Audited)
Deferred tax assets:	
Retirement benefit liability	₱10,152,192
Provision for mine rehabilitation	5,474,562
Allowance for obsolescence on mining supplies	3,910,092
Net operating loss	–
	19,536,846
Deferred tax liability -	
Unrealized foreign exchange gain	(2,682)
	₱19,534,164

The presentation of net deferred tax assets are as follows:

	Note	Dec. 31, 2023 (Audited)
Through profit or loss		₱31,158,701
Through other comprehensive income	16	(11,624,537)
		₱19,534,164

The Group's deferred tax liability amounting to ₱442.0 million as at December 31, 2024 and 2023, is attributable to the mining rights of BGRC, 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
2024	2027	₱60,551,154	₱–	₱–	₱60,551,154
2023	2026	55,501,652	–	–	55,501,652
2022	2025	66,025,714	–	–	66,025,714
2021	2026	69,189,004	–	–	69,189,004
2020	2025	89,254,499	–	–	89,254,499
		₱340,522,023	₱–	₱–	₱340,522,023

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
2024	2027	₱24,000	₱–	₱–	₱24,000
2023	2026	20,700	–	–	20,700
2022	2025	3,000	–	–	3,000
2021	2024	2,471	–	(2,471)	–
		₱50,171	₱–	(₱2,471)	₱47,700

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 ₱1.13 million as at March 31, 2025 and December 31, 2024. (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 is computed as follows:

	For Three Months Ended March 31, (Unaudited)		
	2025	2024	2023
Net loss shown in the consolidated statements of comprehensive income (a)	**(₱53,692,900)**	(₱91,500,715)	(₱36,149,545)
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)	**(₱0.020)**	(₱0.030)	(₱0.010)

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 MARCH 31, 2025 AND 2024

Ratio	Formula	March 31, (Unaudited) 2025	2024
Current ratio	Total Current Assets	**₱915,897,150**	₱562,378,290
	Divided by: Total Current Liabilities	**453,966,446**	324,910,595
	Current ratio	**2.02:1**	1.73:1
Acid test ratio	Total Current Assets less Inventory	**₱591,971,527**	₱218,014,304
	Divided by: Total Current Liabilities	**453,966,446**	324,910,595
	Current ratio	**1.30:1**	0.67:1
Solvency ratio	Net Loss Before Depreciation and Amortization, and Depletion	**(₱62,876,736)**	(₱100,259,660)
	Divide by: Total liabilities	**1,070,768,537**	981,368,955
	Solvency ratio	**(0.06):1**	(0.10):1
Debt-to-equity ratio	Total Liabilities	**₱1,070,768,537**	₱981,368,955
	Divide by: Total equity	**4,859,487,817**	4,705,872,875
	Debt-to-equity ratio	**0.22:1**	0.21:1
Asset-to-equity ratio	Total Assets	**₱5,930,256,354**	₱5,687,241,830
	Divide by: Total equity	**4,859,487,817**	4,705,872,875
	Asset-to-equity ratio	**1.22**	1.21:1
Interest rate coverage ratio	Pretax loss before interest	**(₱76,436,971)**	(110,870,079)
	Divided by: Interest expense	**1,335,838**	3,939,056
	Interest rate coverage ratio	**(57.22):1**	(28.15):1
Return on asset	Net loss	**(₱53,692,900)**	(₱91,500,715)
	Divide by: Total average assets	**5,868,272,792**	5,917,706,135
	Return on asset ratio	**(0.01)**	(0.02):1
Return on equity	Net loss	**(₱53,692,900)**	(₱91,500,715)
	Divide by: Total average equity	**4,886,334,267**	4,807,609,491
	Return on equity ratio	**(0.01)**	(0.02):1
Net profit margin ratio	Net loss	**(₱53,692,900)**	(₱91,500,715)
	Divide by: Total revenue	**–**	–
	Net profit margin ratio	**N/A**	N/A

MARCVENTURES HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF AGING OF RECEIVABLES

As at March 31, 2025

	Trade Receivables	Advances	Others	Total
30 – 60 days	₱–	₱19,850,130	₱ 13,801,677	₱ 33,651,807
61 – 90 days	–	11,910,078	8,482,606	20,392,684
>90 days	–	7,940,052	5,520,671	13,460,723
Allowance for ECL	–	–	(201,600)	(201,600)
	₱–	**₱39,700,259**	**₱27,603,354**	**₱67,303,613**