COVER SHEET

C S 2 0 1 2 0 3 1 4

SEC Registration Number

C O A L A S I A H O L D I N G S I N C O R P O R A T I O N
A N D S U B S I D I A R Y

(Company's Full Name)

3 F J T K C Center 2215 Chino Roces
Avenue, Makati City

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

Jaime T. Ang

(Contact Person)

818-6772

(Company Telephone Number)

1 2 3 1

Month *Day*

(Fiscal Year)

1 7 - A

(Form Type)

0 4 3 0

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

18

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

COAL ASIA HOLDINGS INCORPORATED

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar period ended December **31, 2013**

2. Commission identification number CS 201210314 3. BIR TIN: **008-297-271-000**

4. Exact name of issuer as specified in its charter **COAL ASIA HOLDINGS INCORPORATED**

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

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code: **1231**

   3RD Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City

8. Issuer's telephone number, including area code **(02) 818-6772**

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

10. Securities registered pursuant to Sections 8 and 12 of the Code, 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	**4,000,000,004**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes **[•]** No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange - Common Shares

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 twelve (12) months (or for such shorter period the registrant was required to file such reports)
    Yes [**x**] No []

    (b) has been subject to such filing requirements for the past ninety (90) days.
    Yes **[x]** No [ ]

13. Aggregate market value of the voting shares held by non-affiliates as of December 31, 2013:
₱672 Million

The aggregate market value of the voting shares held by non-affiliates as of December 31, 2013 was determined by multiplying the number of shares held by the public by the closing share price on 28 December 2013 of ₱.84

PART I - BUSINESS AND GENERAL NFORMATION

ITEM 1 - BUSINESS

Business Development

Coal Asia Holdings, Inc. ("COAL") was organized and registered with the Securities and Exchange Commission (SEC) on June 11, 2012 primarily to engage in the business of a holding company; to buy and hold shares, either by subscribing to the unissued shares of the capital stock in the public or private offerings or by purchasing the shares of other stockholders by way of assignment in private sale; to invest in the stock or pledge, chattel mortgage or assignment; to sell, dispose, assign, pledge, or convey any or all of its shareholdings in other companies in favor of qualified persons by way of a private sale, assignment or other forms of private conveyance, all in accordance with the Corporation Code, the Securities Act and other applicable laws and regulations.

On May 28, 2012, COAL executed a Deed of Assignment with the shareholders of Titan Mining Energy Corporation (TMEC), which owns Coal Operating Contracts (COC #159) in Davao Oriental and (COC # 166 and 167) in Zamboanga Sibugay.

Currently, COAL has 100% equity interest in Titan Mining and Energy Corporation.

On June 26, 2012, the Company's Board of Directors and shareholders, through a majority vote in due course, approved of an initial public offering (IPO) as part of the Company's thrust to augment its capital funding for the ongoing site development, initial large scale operation and further explorations in the sites.

On September 14, 2012, the Philippine Stock Exchange, Inc. (PSE) approved the application of the Company for the initial listing of the 4,000,000,004 common shares with the par value of P 1.00 per share**.**

On October 8, 2012 the Securities and Exchange Commission issued to the Company the certificate of permit to offer securities for sale. This certifies that the shares of the Company have been registered and licensed for listing by way of introduction and by then sold or offered for sale in the Philippines.

On October 23, 2012, the Company's shares were listed at the PSE.

Business Consolidation

Subsidiary

Titan Mining and Energy Corporation

TMEC was incorporated with the SEC on November 11, 2008. It was originally incorporated as "Titan Exploration and Development Corporation" ("TEDC"). The change in trade name was effected to reflect the TMEC's transition from exploration to actual commercial operation. This amendment was approved by the SEC on December 23, 2009. TMEC is involved in a coal mining and energy related business.

TMEC currently has three (3) COCs in Mindanao, Philippines, namely COC # 159 in Davao Oriental, COC # 166 and COC # 167 in Zamboanga Sibugay. All COCs have completed their exploration phases.

This year, pre-development activities have been completed at the Davao Oriental Project after completion of subsurface exploration activities at Macopa, Bactinan and Sagasa. It has a reserve of 3 MMT with a possible additional 1.3 MMT from Sagasa, east of Macopa. These coal basins represent three (3) of the ten (10) coal basins in the area which has a Potential Deposit of 69 MMT. The company has requested for the conversion of the COC from exploration to development and production.

The Zamboanga Sibugay Project has completed its subsurface exploration activities and has an M&I of 2.4 MMT. TMEC will directly conduct a Feasibility Study to determine the economic viability of developing the Zamboanga Sibugay Project. The development and production phase will commence upon validation of TMEC's computed coal resource by the DOE.

Coal Operating Contracts

The Davao Oriental and Zamboanga- Sibugay Projects are covered by approved COCs with the Government through the Department of Energy ("DOE").

The Davao Oriental Project encompasses seven (7) adjoining 1,000-hectare Coal Blocks for a total area of 7,000-hectares and is covered by COC#159, which was awarded by the DOE to TMEC, then called TEDC, on September 16, 2009. This contract covers an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. This COC was renewed by the DOE for another period of two (2) years, commencing from September 16, 2011 and expired on September 15, 2013.

The company has requested for the conversion of the COC from exploration to development and production. Pre-development activities have been completed in preparation for the conversion. The development and production phase will commence upon the DOE's validation of the resource estimate made by TMEC.

The Zamboanga Project encompasses six (6) adjoining 1,000-hectare Coal Blocks for a total area of 6,000-hectares and is covered by COC#166 and COC#167, which were awarded by the DOE to TMEC, then called TEDC, on November 18, 2009. These contracts cover an Exploration Phase of two (2) years, which may be extended for another period of two (2) years, and a Development/Production Phase of 32 years. At present, COC#166 was renewed by the DOE for another period of two (2) years, commencing from November 18, 2011 and expiring on November 17, 2013. The Zamboanga Sibugay Project has completed its subsurface exploration activities and has an M&I of 2.4 MMT. TMEC will directly conduct a Feasibility Study to determine the economic viability of developing the Zamboanga Sibugay Project. The development and production phase will commence upon validation of TMEC's computed coal resource by the DOE.

TMEC is in the process of securing the renewal and term extension for COC#167, which expired on November 17, 2011. TMEC has already fulfilled and complied with the requirements of the DOE relative to the renewal and term extension of COC# 167, and is confident that it will be able to secure the DOE's approval for the said renewal and term extension.

Competitive Strengths

<u>Coal Resources & Reserves</u>

Davao Oriental Project

Ms. Gizella G. D.J. Gonzales, under the supervision of Mr. Enrique C. Payawal, TMEC's in-house CP-Geologist and Vice President for Exploration, determined TMEC to have 3 MMT of M & I Resource based on her Geologic Report dated November 2013. An additional M&I Resource of 1.4 MMT was also determined for Sagasa area east of Macopa. TMEC has an In-situ reserve of 3 MMT for Macopa/Bactinan and 1.1 MMT for Sagasa. Of the In-situ reserve of 3.0 MMT for Macopa and Bactinan, a five (5) year Surface Mining Plan involving 1 MMT was initially prepared by Engr. Raul Fellizar in January 2014. Engr. Fellizar further modeled an eight (8) year mine life considering 2.1 MMT of the reserves which has a net present value of P 911 billion and found the project to be feasible at a discount rate of 10% per annum. Engr. Raul A. Fellizar is an independent consulting mining engineer with no Competent Person ("CP") Accreditation.

Zamboanga Sibugay Project

The estimated M&I Resources for the Zamboanga Sibugay Project is 2.4 MMT.

Presence of High-Grade Quality Coal

The Proposed Five (5) Year Work Program with Financial Feasibility Report dated January 2014 for Davao Oriental Project shows the following values:

Davao Oriental Project Coal Quality	
Strip Ratio	9.96 BCM/MT
Stage	For conversion to development
Heating Value	8,258 BTU/lb
Ash Content	25.87%
Sulfur Content	0.97%

Two (2) coal seams were analyzed within the coal basin of COC#159. For Bactinan, Seam A has a coal thickness ranging from 0.50 to 3.05 meters as identified in twenty-two (22) cored holes and two (2) coal outcrops. Seam B coal thickness varies from 0.50 to 3.88 meters and has been located in two (2) outcrops and fourteen (14) cored holes. The dip angles of the coal seams vary from 20º to 30°.

Three coal seams were identified based on coal outcrops and drill intercepts at Macopa. Seam A has a coal thickness ranging from 0.50 to 4.57 meters. Seam B coal thickness varies from 0.50- to 3.40 meters. Seam C thickness is 0.10 meters. The dip angles of the coal seams also vary from 20º to 30°. The seams occur in a syncline with axis trending west Northwest (WNW) and plunging approximately 1% to the East Southeast (ESE).

The average heating value for the Macopa and Bactinan coal seams is 8,258 BTU/lb.

The Geologic Report –Zamboanga Sibugay Project shows the following values:

Zamboanga Sibugay Project Coal Quality **COC # 166**	
Stage	Resource Development
Heating Value	10,456 BTU/lb
Ash Content	26.26%
Sulfur Content	0.49%

Seven (7) coal outcrops, three (3) adits and 5 cored holes were analyzed within the coal basin at COC#166. The average heating value of the sample taken from the coal outcrops is 10,456 BTU/lb, with an average total sulfur content of 0.49% and ash content of 26.26%.

The Company believes that relative to its domestic competitors, it has the advantage of having better quality thermal coal, particularly from its Zamboanga Sibugay site, which can be sold in its raw form.

Ideal Location for Mining

TMEC's exploration camps are accessible via the municipalities' major thoroughfares and smaller in-roads. They area also located near seaports, which will be critical during the production phase.

TMEC has cordial relations with the local government units ("LGUs") in its operating areas. Furthermore, small-scale mining operators are present and prevalent in other municipalities of Zamboanga-Sibugay, which allowed TMEC to secure the Governor-, Mayor-, and Barangay-level permits in addition to the approvals from the DENR-Mine and Geosciences Bureau for the Certificate of Non-Coverage and the National Commission on Indigenous Person ("NCIP") for the Certificate of Non-Overlap. The same holds true for the Municipality of Manay, Davao Oriental which signed a Memorandum of Agreement ("MOA") with the NCIP last July 19, 2012.

The peace and order situation in the TMEC's area of operation is relatively quiet and conducive to business. There have been no recorded attacks on TMEC's mine sites in Davao Oriental and Zamboanga Sibugay. The Davao Oriental Project site is, in fact, less than five (5) kilometers away from a military detachment.

The lack of power capacity in Mindanao has also prompted the Government to push for the construction of power plants to augment the power requirement of the Mindanao power grid. As one of the coal mining companies in the area, TMEC has established a key position by initiating discussions with the DOE and other power companies that plan to expand operations in Mindanao for long-term supply agreements. TMEC also plans to supply steam coal for cement plants, canneries, and manufacturing plants in Mindanao that have converted their diesel-powered plants into coal-powered plants to mitigate costs.

Experienced Technical Management and Staff

TMEC's technical management and staff have a combined 156-years' worth of work experience in the exploration and mining industry. The team consists of a CP-Geologist accredited by the Geological Society of the Philippines-Philippine Mineral Reporting Code (GSP—PMRC), a Senior Geologist, a Mining Engineer, both licensed by the Professional Regulatory Commission, three (3) Junior Geologists, and two (2) Mining and Geology Consultants.

Experienced Executive Management

The Company's leadership team is composed of senior and experience executives with notable successes in the mining, hotel and resorts field, financial services sector, manufacturing base and real estate industries. These executives and managers have a history of successfully pioneering, building, establishing, and growing start-up companies from inception to fruition.

Business Plan

Exploration Work

Davao Oriental Project

Initial surface geologic mapping in COC#159 in Manay, Davao Oriental delineated ten (10) coal-bearing paralic basins with a Potential Deposit of 69 MMT. Sub-surface exploration via diamond drilling of two (2) of the ten (10) identified targets in June 2012 delineated a total M&I Resources of 7.1 MMT and Inferred Resource of 5.6 MMT and 7.0 MMT of Proved and Probable Reserves over a 214-hectare block using 28,000MT coal yield per hectare as determined during the preparation of the Pre-Feasibility Study covering the drilled areas of the two (2) paralic basins.

The next phase of subsurface exploration that covered the extent of the three (3) paralic basins in Barangay Bactinan Old Macopa and Sagasa located east of Macopa, was completed this year. For Macopa and Bactinan, a total of ninety-three (93) diamond drill holes were cored resulting to an M&I Resource of 3 MMT with an average calorific value of 8,258 Btu/lb. For Sagasa, 22 cored holes were drilled resulting to an M&I Resource of 1.4 MMT.

Based on the DOE's conversion standard of resource to reserve, the project has a reserve of 3 MMT with a possible additional 1.1 MMT from Sagasa, east of Macopa. These coal basins represent three (3) of the ten (10) coal basins in the area which has a Potential Deposit of 69 MMT.

The company has requested for the conversion of the COC from exploration to development and production. Pre-development activities have been completed in preparation for the conversion. The development and production phase will commence upon the DOE's validation of the resource estimate made by TMEC.

Surface and subsurface exploration in COC#166 and COC #167 in Zamboanga –Sibugay identified one (1) paralic basin in each of the two (2) COCs. Subsequent diamond drilling activities conducted at COC #166 blocked a total M&I Resource of 2.4 MMT.

Development Plan

The development plan involves all the activities required for the preparation and entry into the coal reserves, extraction, transport, handling and shipment of the coal products and other auxiliary requisites and requirements.

These activities will also include building mine access infrastructure, port facilities, stockyard facilities, a POL stock farm, blasting operation facilities, campsite facilities, supplemental infrastructure for power and water, in-house laboratory and testing, coal preparation, and beneficiation and treatment plants and facilities. The development plan also involves activities relating to the acquisition of necessary equipment, human resource staffing, securing requisite governmental and non-governmental organizations' certifications and approvals, as well as environmental protection compliance.

The development plan also calls for identifying key customers and markets for the eventual coal production output.

Mining Plan and Layout

The feasibility study suggests that coal deposits from the Davao Oriental Project will be extracted mainly through open-pit mining, and eventually moving into underground mining. The coal deposits of the Zamboanga-Sibugay Project, on the other hand, will be extracted through underground mining right from the initial stages of extraction.

The characteristics, mode of occurrence, and depth of burial of the coal deposits necessitate the extraction be undertaken in three (3) progressive stages, namely; (a) initial surface extraction (b) intermediate near surface and shallow underground extraction, and (c) final deep underground extraction.

The mine layout will be entirely based on surface operation. Surface extraction would be a series of tracts 100-meters in length measured along the outcrops and about 50-meters in width down slope to dip of coal. Tracts are opened one at a time, progressive and contiguous fashion to minimize surface disturbance footprint. Each exploited tract is reclaimed by backfill of stripped open-burden on completion of shallow underground operation. Refilled cavity is restored. Pre-determined access and vent ways to deep underground operations are preserved. Each tract when opened is service by entry and exit ramps. The main haulage route is a re-conditioned barangay feeder access road.

Production and Operational Parameters

The following initial operating parameters are planned for the area covered by the Feasibility Study for the Davao Oriental Project.

Production and Operational Parameters	
Total Coal Reserves	3 MMT
Mine Life	10 years

Annual Production	240,000MT (average)
Monthly Production	20,000 average

Key affiliates in the Mining and Energy Industry

COAL's key affiliates in the mining and energy industry are presented below. These companies are considered related parties because they have the same certain common shareholders with COAL.

PacificoSulMineracao Corporation

PacificoSulMineracao Corporation is an affiliate of TMEC that owns mining rights to 6-iron ore, nickel, and chromite areas in the provinces of Aurora, Nueva Ecija, Zambales, Zamboanga del Sur, and Zamboanga Sibugay spanning a total of almost 32,000 hectares.

Colossal Petroleum Corporation

Colossal Petroleum Corporation is an affiliate of TMEC. It was established for potential investments in oil, gas, petroleum, acids and chemicals, other geothermal natural resources and mining projects.

Risks Related to the Company and its Subsidiary

Risks Inherent in the Mining Business

There are numerous hazards and risks normally encountered in the mining business. These include, but are not limited to, unusual and hindering geological formations, unfavorable weather conditions, flooding, and other occurrences that may arise out of the drilling and removal of material. Any such occurrence may cause damage to mines, life, property, the environment, as well as legal liability. Although proper safety measures will be implemented, theses safety measures will not cancel out the above –mentioned risks.

The location and establishment of mineral resources, ore, reserves, mine construction, ore extraction, and metallurgical development will require major expenditures. It is often difficult to ensure that these investments will result in meaningful returns.

The Company, through its subsidiary, has undertaken extensive research and exploratory work on its COC areas that improve its chances for success. Furthermore, the Company's technical team has a combined 156 years' experience in exploration and development of mines with the top mining companies both in the Philippines and abroad. These key technical personnel were hired to improve the Company's for success in the mining business.

Risks Related to Exploration and Future Coal Reserves

The company is subject to exploration risk. If the Company fails to explore, acquire and develop coal resources, the Company's coal reserves will decline and will not be able to sustain its business. There is no assurance that the reserves will be economically viable. The success of the Company's business is dependent upon its successful exploration and conversation of coal resources to coal reserves.

Converting the coal resources to coal reserves will take time and additional investment. The Company continuously undertakes additional and confirmatory drilling activities within its COC areas, which

will remove uncertainty as to its economic viability and improve on its existing mine development plans.

Risks Related to the Estimation of Coal Resources and Reserves and the Valuation of Coal Reserves.

There are many factors involved in the process of estimating coal resources, some of which are beyond the Company's control. The company cannot ascertain that measured indicated, and/or inferred tonnage and grades will be accurately achieved, or that the level of recovery will be realized.

The company bases the estimation of the coal resources in COC #159 on the PMRC-compliant technical report generated on June 2013 by Mr. Enrique C. Payawal incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales, under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a Potential Deposit of 69 MMT. Drilling at Sagasa further determined an additional M&I resource of 1.4 MMT.

Reserves in the area following the DOE's Reserve Classification resulted to 3 MMT for Macopa and Bactinan and 1.1 MMT for Sagasa.

Risks Related to Drilling and Mining Equipment

The company' sole subsidiary, TMEC, has and will continue to engage the service of an external diamond drilling contractor to mitigate the risks that may be encountered during drilling activities. Despite outsourcing the work to an experienced drilling company, there is no assurance that the operating company core recovery. However, these risks are mitigated by engaging drilling contractors with sufficient fleet of drilling equipment and manpower pool. Contracted drilling companies are likewise penalized for not attaining required standard core recoveries.

A significant investment will be made by TMEC in major mining equipment once it goes into mine development and production. There is no guarantee that this equipment will not suffer breakdowns, defected and obsolescence or loss: thus causing a delay in the Company's operations. TMEC intends to cover all its equipment with adequate insurance and sufficient stock of replacement parts. Minor mining equipment will be rented, so the risk will be transferred to the minor mining equipment contractor.

Risks Related to Customer Demand

The coal that will be produced from TMEC's Davao Oriental and Zamboanga-Sibugay Projects is intended to be sold to coal-fired power plants, cement plants, tuna canneries, and other industrial users of coal in both the Philippines and other countries. If the aforementioned potential buyers of TMEC's coal decide to purchase coal from other sources, then TMEC may have no alternative customers. This may have an adverse impact on the revenues of the Company.

The Company believes that, based on results gathered from coal samples from both Davao Oriental and Zamboanga-Sibugay, the quality if its subsidiary's coal is comparable, if not superior, to that of other potential sources of coal both in the Philippines and other neighboring Asian countries.

TMEC has already signed a Memorandum of Agreement with a Chinese Thermal power plant owner for a 10-year supply of coal equivalent to 600,000 MT per year. TMEC will fulfill its commitment under this agreement through its planned production in Davao Oriental.

Risks Related to Coal Price

The viability of the company's and its subsidiary's business is highly dependent on the price of coal, the sale of which is the primary source of TMEC's revenues. As a globally traded commodity, the price of coal can be quite volatile and its price as affected by numerous factors, including demand from customers, changes in domestics and international coal supply conditions, the price of alternative fuels, among many other factors. In the recent years, the price of coal has seen a significant spike driven by strong demand from the rapidly developing economies of China and India. There can be no assurance however, that the currently favorable world coal prices will be sustained. Furthermore, a substantial and extended decline in the price of coal will reduce TMEC's earnings potential.

Risks Related to Foreign Exchange

TMEC intends to export a significant portion of its coal production to take advantage of higher prices for better quality coal in other markets. As such, a considerable part of the Company's revenue may be subject to fluctuations between its base currency, the Philippine Peso, and the buyer's base currency. Such fluctuations may negatively affect the Company's margins. To protect against such risks, TMEC will endeavor to include in its export sales contracts hedging provisions to protect against significant adverse movement in foreign exchange rates.

Risks Related to Domestics and International Competition

The Company faces completion from both local and foreign coal mining companies. In 2011, about 77.00% of local coal consumption locally was met by coal importations. Historically, the Philippines have imported coal primarily from Indonesia, Austria and China. Among local producers of coal, Semirara Mining Corp. ("SCC"), a listed company, is the country's largest producer and the acknowledgement market leader, accounting for about 94.00% of total domestic coal production in 2011. As a result of SCC's dominant position in the market, it enjoys significant advantages over a new entrant in the market such as the Company.

The Company will also face competition from other domestic's coal producers including new coal producers who have or are in the process of acquiring rights to or operating other coal deposits in the country. As indicated in the section "The Philippine Coal Market", the DOE estimates that the country has a total of approximately 435.0 MMT of in situ coal reserves dispersed over various provinces in the country as of December 31, 2010. Coal mining operations in these previously untapped sites will increase coal availability and may have an effect on domestic coal prices. In addition, the proximity of some of these new coal-mining sites to the Company's target customers may create delivery and logistics cost advantages to these new entrants to the detriment of the Company.

Relative to imported foreign coal, and considering the cost of shipping and other logistics costs and duties and taxes imposed on coal imports, the Company believes that it has cost advantages for coal of equivalent quality. Furthermore, Indonesia, the leading exporter of thermal coal in the world, is mulling legislation that will: (a) ban the export of thermal coal with a heating value of 10,250 BTU/lb. and below by 2014; (b) levy additional taxes on the export of thermal coal; and (c) impose a domestic market quota for coal producers. Such developments in Indonesia would potentially benefit the Company, as Indonesia is one of the primary sources of thermal coal for the country given its proximity. Lastly, countries such as India have banned the export of coal to preserve their huge coal reserves for their own domestics use.

The Company believes it has the advantage of having better quality thermal coal, particularly from its Zamboanga-Sibugay site, and proximity of both sites to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on exploration and drilling activities and expects that its coal reserves and projected production levels will result to certain scale advantages.

Risks Related to Limited Operating History and Track Record

The company was incorporated on June 11, 2012 has had limited operations.

TMEC, the Company's only operating subsidiary, was incorporated in November 11, 2008. TMEC spent its first few years of operations on the acquisition and exploration of its COCs. TMEC acquired COC #159 on September 16, 2009 and COC #166 on November 18, 2009 under the PECR of 2009.

TMEC commenced surface investigation exploration on COC #159 during two periods: from October to November 2009 and May to June 2010, which resulted in the identified of coal exposures/outcrops. Trenches were dug along major coal exposures and estimates were set resulting in an initial report on estimated Potential Deposit of 53MMT in June 2010. A second surface investigation conducted by Mr. Arturo A. Ona, an independent consulting geologist, under NI-43101 from Nevada, USA on June 2011 on the mudstone "islands" gave a figure of about 68 MMT tons of coal. An initial 10 probes/exploratory DDH programmed for Bactinan and Old Macopa areas with mudstone units (two (2) out of 13 mudstone potential coal bearing areas) were initiated in late November 2010. A second drilling program was undertaken in August 2011where nine (9) holes were drilled with seven (7) holes intercepting coal seams at depth. In April 2012, Mr. Enrique C. Payawal, TMEC's Vice President for Exploration and an accredited Competent Person-Geologist, conducted a field geological investigation to determine the resources in COC #159. The results of the investigation were collated and reported through an Internal Geological Report. The report provides that out of 72.0 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 7.1 MMT and Inferred Resources of 5.6 MMT. The remaining Potential Deposit for the Davao Oriental Project id 59.3 MMT. A Pre-Feasibility Study was completed in June 2012 by an independent consulting mining engineer, Engr. Rafael R. Baladad on a combined 214-hectare block from Bactinan and Old Macopa identifying total Probable and Proved Reserves of 7 MMT.

A PMRC-compliant technical report was generated on June 2013 by Mr. Enrique C. Payawal incorporating the recently concluded exploration drilling campaign at the Davao Oriental Project. Said report was revised three months after to include a section on reserve estimate in conformance with the Department of Energy's standard of Coal Reserves Classification. The final report authored by Ms. Gizella Gonzales under the supervision of Mr. Enrique C. Payawal was submitted to the DOE on December 2013. The report stated that the project has an M&I of 3 MMT with an average calorific value of 8,258 Btu/lb for Bactinan and Macopa with a Potential Deposit of 69 MMT. It also mentioned the on–going diamond drilling activity conducted at Sagasa, located southeast of Macopa. The M&I resource for Sagasa was determined to be 1.4 MMT.

A five (5) year work program with financial feasibility for the project was prepared on July 2013 authored by Engr. Raul A. Fellizar, an independent consulting mining engineer.

Both reports were submitted to the DOE in support of TMEC's request to convert COC # 159 from exploration phase to development and production phase. As of December 2013, TMEC is in the process of obtaining said conversion from the DOE.

In April 2012, Ms. Gizella Greta D.J. Gonzales, TMEC's Senior Geologist, conducted a field geological investigation to determine the resources in COC #166 and COC #167. The results of the investigation were collated and reported through an Internal Geologic Report. This report was reviewed and verified by Mr. Enrique C. Payawal. The report provides that out of the 51.1 MMT Potential Deposit identified during the surface exploration (mapping), the results of the diamond drilling (subsurface exploration) provide TMEC to have estimated M&I Resources of 1.2 MMT and Inferred Resources of 2.3 MMT. The remaining Potential Deposit for the Zamboanga-Sibugay Project is 47.6 MMT.

In April 2014, A final technical report was generated for COC # 166 wherein it was determined that the M&I for COC # 166 is 2.4 MMT.

Notwithstanding the limited operating history and track record, the management of the Company and TMEC believe that its organization, business systems and process, have been built up substantially to the level adequate for full-scale coal mining operations.

In addition, the Company's management and technical team have a combined 156 years' experience in exploration and development of mining companies with the top mining companies both in the Philippines and in other countries. In addition, the Company's Board of Directors has an established record in starting-up companies and developing these companies to a strong position in their respective market segments.

Risks Related to Reliance on Key Personnel

The success of TMEC depends upon, among other factors, the retention of its key personnel as well as its ability to attract and retain a strong management team. The Company believes there is significant demand for TMEC's skilled professionals not only locally but also from companies outside of the Philippines, particularly companies operating in Asia. The inability of TMEC to hire and retain qualified personnel could impair its ability to undertake the exploration and mine development of its two sites. This may cause TMEC to incur additional costs by having to engage third parties to perform these activities.

Risks Related to Labor Matters

TMEC is naturally exposed to the risk if industrial or labor disputes. At present, 22 of the rank and file employees are regular and 32 are probationary. Furthermore, once TMEC starts production, it will need to employ more workers.

At present, TMEC's labor force in all locations is not unionized; hence the risk of work stoppage due to strikes or similar concerted action is mitigated. The Company complies with all the labor laws, rules, and regulations, thus avoiding any significant dispute with its workers. The Company's management believes that current relations between the Company and its employees are generally good. None of the employees is under any collective bargaining agreement. The Company has not experienced any work stoppage or strike since it started operations.

Risks Related Philippine Laws and Regulations

The business of TMEC is subject to various Philippines Laws and regulations. The DOE is mandated by RA 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation.

On July 6, 2012, President Benigno S. Aquino III issued E.O. 79 entitled. "Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources' E.O. 79 pertains to the mining sector but it does not cover coal mining as the latter is covered under RA 7492, or the Philippine Mining Act of 1995.

There is risk those government regulators, both at the national and local levels, may implement more stringent policies and/or regulations that will make it more difficult or more costly for TMEC to operate its business.

The Company and TMEC have no control over these events. However, TMEC has put into place a compliance team that focuses on ensuring TMEC's adherence to laws, rules, and regulations that are in practice.

Risks Related to Taxation

The Philippines currently has tax systems that encourage investment in coal mining operations to address the wide demand between local demand and supply. The current COC system gives the following incentives to contractors:

- Exemption from all taxes except income tax;
- Exemption from payment of tariff duties and compensation tax on importation of machinery / equipment / spare parts / materials required for coal operations;
- Allow entry of alien technical personnel;
- The right of ingress to and egress from the COC area; and
- Recovery of operating expense

TMEC registered with the Board of Investment under the Omnibus Investment Code of 1987 for the exploration and development of indigenous thermal coal in Davao Oriental and Zamboanga-Sibugay as a new producer of coal under the 2012 Investment Priorities Plan. There is no guarantee, however, that the existing tax regime will remain, and that no changes will be implemented that will be adheres to the Company's operations.

The industry, however, maintains a liaison within the legitimate branch of the Government, which helps ensure that coal-mining operations will continue to enjoy a fair tax environment in the years to come.

Risks Related to Company's COCs

Risks Related to Expiration of COCs

Substantially all of the Company's assets and revenues are derived from TMEC's COCs and rights under the COCs issued by the DOE, which give TMEC exclusive rights to conduct exploration, development and coal-mining operations on the areas designated by these COCs. These COCs contain respective terms, and allow maximum extension periods subject to the application of extension before the COC's expiration date.

While the term extension of a COC is provided for, any extension is ultimately at the discretion of the DOE and at the satisfaction on the DOE that has been substantial accomplishment of the commitments as stipulated in the DOE approved work program. There can be no assurance that the DOE will extend the term of these COCs upon their respective expiration. The DOE may also impose new terms and conditions during this extension that may not be acceptance to the Company.

The table ensuing sets forth the original expiration dates and the maximum extension periods for the COCs covering the Davao Oriental and Zamboanga-Sibugay Projects:

Table 1: Summary of Coal Operating Contracts of TMEC

COC	Coal Block Nos.	Applicant	Date Awarded	Original Expiration Date	Max. Extension
Davao Oriental Coal Operating Contract					
159	CB-136 CB-137				
	CB-176 CB-177 CB-188	TMEC	September 16, 2009	September 15, 2011 (2 years Exploration)	September 15, 2013)2 years Extension)
	CB-217 CB-218				
Zamboanga-Sibugay Coal Operating Contracts					
166	CB-280 CB-320 CB-241	TMEC	November 18, 2009	November 17, 2011 (2years Exploration)	November 17, 2013 (2 years

	CB-281 CB-359				Extension)

Any inability or failure on the part of TMEC or the Company to meet their respective obligations, or comply with the terms and conditions under any of the COCs may constitute a material breach thereof and could lead to the cancellation or termination of such COC. A cancellation or termination of any COC pertaining to the Davao Oriental and Zamboanga-Sibugay Projects will adversely affect the business, financial condition and results of operations of the Company.

TMEC is in the process of fulfilling their respective obligation as regards the COC and satisfying the terms and conditions of the COCs, including the requirements of the DOE in connection therewith. For the Davao Oriental Project, as a pre-requisite to enter the development and productivity phase, TMEC has completed the Feasibility Study. For the Zamboanga-Sibugay Project, TMEC plans to complete the Feasibility Study by the third quarter of 2014 to be able to enter the development and production phase.

TMEC plans to enter the development and production phase by the first half of 2014 for the Davao Oriental Project and second half of 2015 for the Zamboanga-Sibugay Project. COAL intends to use its IPO proceeds to fully fund TMEC's planned exploration, development, and production in the Davao Oriental Project and use a portion of it partially fund its planned exploration in the Zamboanga-Sibugay Project. If TMEC suddenly cannot proceed to the development/production phase for some unexpected reason, the Company's long term business performance and eventually, its viability will be at risk. To address the risk, TMEC continuous to fulfill and comply with, and even exceed the conditions that the DOE set forth in the COCs it granted to TMEC. These conditions include the conduction and completion of exploration work commitment and financial investments in the coal projects. Thus with the proceeds coming from the IPO and the Company's good standing with the DOE as regards its COCs. The Company is confident that it will be able to secure the COC for the development/production stage by the first half of 2014 for the Davao Oriental Project and by the second half of 2015 for the Zamboanga-Sibugay Project.

Risks Related to Environmental Protection, Safe Mining Operations, and Social and Economic Development

TMEC's COCs not only grant it rights over certain coal-mining assets but also prescribe guidelines for coal-mining operations among which includes rules with respect to environmental protection, safe mining operation, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limits of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an environmental compliance certificate ("ECC") from the Department of Environment and Natural Resources ("DENR"). There is also the possibility that existing laws and regulations may be amended or new laws may be enacted in the future.

Risk Related to Third Party Claim on Specified Areas Defined in COCs

Under the terms of its COCs. TMEC was appointed and constituted as the exclusive party that will conduct the coal operations over the specified areas defined in such COCs. There is, however, no assurance that other parties will not claim mining rights adverse to TMEC over such designated areas or that the Company will be able to successfully defend its right to conduct coal operations over such areas against any such adverse claims.

Risk Related to the Philippines

Risks Related to Political or Social Instability in the Philippines

The Philippines has from time to time experienced political and military instability. In the last few years, there has been political instability in the Philippines, including public and military protests arising from alleged misconduct by the former administration. No assurance can be given that the political environment in the Philippines will stabilize and any political or social instability in the future could result in inconsistent or sudden changes in regulations and policies that affect the Company ot its partners, which could have an adverse effect on the Company's business, results of operations and financial condition.

President Benigno S. Aquino III was elected President of the Philippines after the presidential elections held on May 10, 2010. There is no assurance that the new President of the Philippines will continue to implement the economic policies favoured by the previous administration. Any potential instability could have an adverse effect on the Philippine economy, the Company's business, and the Company's result of operations and financial condition.

Risks Related to Terrorist and Insurgent Groups' Activities in the Philippines

The island of Mindanao has had a long history of terrorist activities and insurgency in certain isolated areas instigated by groups such as or connected to the Moro Islamic Liberation Front, Abu Sayyaf, and the New People's Army. In recent months, there have been reports of New People's Army attacks on mining company facilities of Xstrata's Sagittarius Mines Inc. (SMI) and of firms associated with the mining company in the hinterlands of Davao del Sur, South Cotabato, and Sultan Kudarat, and couple of small mining companies in the Compostella Valley. There is no guarantee that such attacks will not occur in the Company's subject areas in Davao Oriental and Zamboanga-Sibugay.

The Company, through TMEC, has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of access road and the construction of church in Zamboanga-Sibugay. As of the date of this Prospectus, there have been no attacks or threats of attacks received by the Company in either Davao Oriental or Zamboanga-Sibugay

Risk Related to Anti-Mining Groups

There is high anti-mining sentiment in the Philippines, brought mainly by the country's past and highly-publicized episodes of community destruction and environmental degradation resulting from mining operations. This is especially true in less developed regions, where there are anti-mining advocacies of groups such as LGUs, non-governmental organizations and environmental groups, communist separatists and other militant groups, and even the Catholic Church. The methods may vary, from peaceful protests to local bans on mining operations. There have also been sporadic acts of violence, including destroying equipment and inflicting bodily harm.

As a result of these factors, the Philippines has become a high-risk, high-reward environment for mining operations. In developed countries, where many of the large international mining outfits operate, profit margins are often slimmer but this lower profitability is made up for by greater stability.

TMEC has good relationships with the respective LGUs in Davao Oriental and Zamboanga-Sibugay. Furthermore, TMEC has maintained excellent relationships with the host communities of its two coal projects through an active Corporate Social Responsibility program, which have included the replanting of trees that may have been uprooted in the building of access road and the construction of a church in Zamboanga-Sibugay. As of the date of this Prospectus, there have been no attacks or threats attack received by the Company in either Davao Oriental or Zamboanga-Sibugay. In Davao Oriental, TMEC also had good rapport with the local indigenous people, having entered into a MOA with the NCIP on July 19, 2012.

Risk Related to Occurrence of Natural Catastrophes or Blackouts

The Philippines has experienced a number of major natural catastrophes in recent years including typhoons, floods, volcanic eruptions, earthquakes, mudslides, and droughts. Natural catastrophes may disrupt the Company's ability to deliver its services and impair the economic conditions in the affected

areas, as well as the overall Philippine economy. The Philippines has also experienced power outages from power generation shortages and transmission problems, and from disruptions such as typhoons and floods. These types of events may materially disrupt and adversely affect the Company's business and operations. The Company cannot assure prospective investors that the insurance coverage the Company maintains will adequately compensate it for all damages and economic losses resulting from natural catastrophes or blackouts, including possible business interruptions.

Risk Related to Foreign Exchange Controls

Currently, the Philippines has liberal foreign exchange controls. The BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- Suspend temporarily or restrict sales of foreign exchange;
- Require licensing of foreign exchange transactions; or
- Require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

Risks Related to the Shares

Risks Related to Trading and Liquidity

The Company's common stock will be traded in the PSE. Trading of the Offer Shares, however, is not expected to commence until 10 calendar days after the end of the Offer Period, Thereby making an investment in the Offer Shares illiquid before said date.

There can be no assurance that a holder of the Offer Shares will be able to dispose of such Offer Shares in a timely manner. As a result, a holder of such Offer Shares may not be able to take full advantage of market gains during periods of share price increase and conversely, may not be able to limit losses during periods of sharp price declines.

Risks Related to Market Volatility

The market price of securities fluctuates, and it is impossible to predict whether the price of such securities will rise or fall. An individual security may experience upward and downward movements, and may even lose its entire value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There may also be a substantial difference between the buying price and selling price of each security.

Historical price performance is not a guide for future price performance and there may be a big difference between the purchase price of the securities and the eventual price at which these securities are sold. The market price of the Offer Shares will be influenced by, among other factors, the Company's financial position, results of operations, and overall stock market conditions, as well as Philippine economic, political and other factors.

(2) Business of Issuer

Products

COAL is an investment holding company primarily engaged in the business of investing in coal and other related energy through its subsidiary, Titan Mining and Energy Corporation;

TMEC is engaged in coal mining exploration and the extraction, processing and trade of coal and other energy related products. TMEC is currently exploring the different areas totaling 13,000- hectares covered by the three (3) COCs that were awarded by the DOE.

Distribution of Products

Coal from incidental outcrops and small scale operators were primarily sold to local costumers like local canneries and food manufacturing companies.

Competition

The Company directly competes with other coal mining companies in the Philippines. A list of these other coal-mining companies is presented in the following tables on existing COC holders.

Table 1: Coal Holders of COC - Exploration		
COC #	**Company**	**Location Mine**
140, 141	PNOC - Exploration Corp.	Tago, Surigao del Sur; Naguilian, Isabela
146	Aragon Coal Resources, Inc.	Benito Soliven & Naguilian, Isabela
151	Guidance Management Corp.	Calatrava, Negros Occidental
154	DMC - Construction Equipment Resources, Inc.	South Cotabato and Sultan
159, 166, 167	Titan Mining and Energy Corporation	Manay, Davao Oriental, Diplahan-Buug, Zamboanga Sibugay
162	ASK Mining & Energy Corporation	Cagwall-Marihatag, Surigao del Sur
165	3Kings Sunrise Mining Corp.	Carmen, Cebu
169, 174, 175	Blackgem Resources & Energy Inc.	Tarragona, Davao Oriental; Bataan Island, Rapu-Rapu, Albay: Cateel and Banganga, Davao Oriental
170	Deli Equipment & Construction Corp.	Saranggani & South Cotabato
171	Cedaphil Mining Corp.	Toledo, Cebu
172	Core 8 Mining Corp.	Toledo, Cebu
173	BBB Mining and Energy Corp.	Asturias, Balamban and Danao City, Cebu
176	Goodyield Resources Development, Inc.	Lingig, Surigao del Sur
177	Gdeal Mineral Resources, Co., Inc.	Godod, Zamboanga del Norte
178	Kwangming Mineral Co., Inc.	Naga & Kabasalan, Zamboanga Sibugay
179,180	SKI Energy Energy Resources, Inc.	Pnamungahan and Naga, Cebu
181	Timberwolves Resources, Inc.	Guigaquit, Surigao del Norte

The largest coal mining company in the Philippines, based on production output, is Semirara Mining Corporation that accounted for more than 94% of total production in the Philippines of 7.3 MMT in 2011. Currently, Semirara has an existing coal supply contract with SemiraraCalaca Power Corporation. The potential requirement of the Calaca plant is approximately 1.5 to 2.0 MMT. In March 2003, the National Power Corporation tested Semirara coal for its Masinloc plant, while deliveries were made to Sual and Pagbilao Power Plants in 2004 and 2005. These plants have potential demand of 600,000 to 800,000 MT of Semirara coal per annum.

Aside from Semirara, most other coal mining companies are in various stages of the Exploration Phase or the Development –Production Phase. These companies produce small volume of coal either as incidental production derived from exploratory adits or as output of small scale permittees operating under the supervision of the holder of the COC whose tenements encompass the area of small-scale permittees.

Most of the output of coal mining companies is used as fuel to feed boilers used by industries in power generation, cement, and food. It is often critical that the coal mined or produced is of lower ash content to ensure efficient heat generation. It is critical that coal producers, whatever BTU coal they produce, should install a coal washing plant.

As a strategy, some coal mining companies have also entered the power generation business to find ready markets for their coal output.

Most coal mining companies will also look for the end-markets near their mine sites to reduce logistics cost for the transport and delivery of the product.

The Company believes it has the advantage of having better quality thermal coal, particularly from its Zamboanga-Sibugay site, and proximity of both sides to new coal plants being set-up in Mindanao. Against other prospective competitors, the Company has already made significant progress on exploration and drilling activities and expects that its coal reserves and projected production levels will result to certain scale advantage.

Expenses on Development Activities

As of 31 December 2013, TMEC has spent ₱267 Million on exploration and development activities.

Costs and Effects of Compliance with Environmental Laws

TMEC is required to conduct an environmental impact study prior to the start of development and production. In November 2012, TMEC contracted the services of Lichel Technologies, Inc. to do the environmental impact study of its coal mining project in Davao Oriental. A comprehensive ECC application was filed with the DENR already and awaiting its release**.**

Employees

The present manpower complement, as well as the projected manpower complement for the next 12 months, is as follows:

	2013	Next 12 months
Administration and Accounting	6	0
Exploration and Development		
Regular	26	26
Contractual	68	50

There is no collective bargaining agreement in effect between management and the employees.

Transaction with and/or Dependence of Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence.

TMEC has transactions with related parties, PacificoSulMineracao Corporation pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.

TMEC also received advances from Stronghold Steel Corporation ("SSC") to fund equipment acquisition and finance exploration activities for the Davao and Zamboanga Sibugay Projects.

TMEC also leases office space from JTKC Equities. Dexter Y. Tiu of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.

The aforementioned companies and TMEC are related parties under common ownership with certain stockholders of COAL.

TMEC has no other transactions with other parties that the Company or its related parties have relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

Government Approvals on Products and Services

TMEC secured permits and licenses from the Philippine Government for their explorationactivities.There is no extraordinary government approvals needed for TMEC'S present business activities. TMEC also does not foresee any effect of existing or probable government regulations on its business. It is important to note that the recently issued Executive Order No. 79 series of 2012 of the mining sector does not cover coal mining. Coal Mining is covered under Presidential Decree No.972, or the Coal Development Act, while E.O. 79 pertain to mining activities under Republic Act No. 7492, or the Philippine Mining Act of 1995.

Environmental Laws

TMEC's COCs not only grants it rights over certain coal-mining assets but also prescribes guidelines for coal-mining operations among which include rules with respect to environmental protection, safe mining operations, and social and economic development of the surrounding areas. These guidelines include safety rules for underground and surface mine operations covering requirements for exit, escape ways, submission of mine maps, ventilation, allowable limit of toxic and explosive gases, control of coal dust, ground support, rescue organization for emergency situations, fire protection, handling of explosives, health and sanitation facilities and other miscellaneous safety rules, air, water, hazardous materials and waste management, and the rehabilitation of mine sites. In addition, TMEC is required to conduct an environmental impact study prior to start of development and production pursuant to securing an ECC from the DENR. There is also the possibility that existing laws andregulations may be amended or new laws may be enacted in the future.

TMEC has been issued Certificates of Non-Coverage by the Environmental Management Bureau for its COCs#159, # 166 and# 167.

ITEM 2: Properties

The mine sites under COC #159 are located in the Municipality of Manay, Davao Oriental, while mine sites under COCs #166 are located in the Municipality of Diplahan and Buug, Province of Zamboanga-Sibugay. The infrastructure and road network, office administration buildings, and power plants are some of the improvements made by the TMEC on the mine sites. Properties of TMEC in the mine sites are primarily composed of the following: Drilling Equipment, Survey Equipment, Testing Equipment, Transpiration Equipment, and Office Furniture and Equipment.

TMEC also lease office space from its affiliate, JTKC Equities, Inc. which commenced in 2010 and was renewed in 2013, shall be valid until 31 July 2014 and renewable upon mutual consent of both parties.

All properties are free of any liens and encumbrances.

ITEM 3: Legal Proceedings

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc. (ULC), some of its members have initiated legal actions ULC, the Universal Rightfield Property Holdings, Inc. (URPHI) and the Universal Leisure Corp. (ULCorp), as well as their respective incumbent and former officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan. The case filed include a criminal case for Estafa (docketed as I.S. No. 08-K- 19713) filed before the City Prosecutor of Manila. A Counter-Affidavit has already been filed before the City Prosecutor seeking to dismiss the Compliant for the lack of cause of action. Neither the Corporation nor its other directors and major shareholders are parties to the same legal suit aside from Atty. Tan.

Aside from the foregoing, to the best of the Company's knowledge, there are no occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director or executive officer of the Company in the past five years and as of date:

- any bankruptcy petition filed by or against any business of which the incumbents directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;

- any conviction by final judgment in a criminal proceeding, domestic of foreign, pending against any of the incumbent directors or senior management of the company;

- any order, judgment, or decree, not subsequent reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and

- any finding by documents or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

ITEM 4: Submission of Matters to a Vote of Security Holders

There were no matters during the fourth quarter of the fiscal year covered by this report that were submitted to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5 –Market for Issuer's Common Equity and Related Stockholders Matters

Market Information

The Company's common equity is listed and traded on the Philippines Stock Exchange on October 23, 2013.

The trading prices at the PSE for the year 2013.

Quarter	High	Low	Close
1Q 2013	1.13	0.91	1.04
2Q 2013	1.10	0.85	0.93
3Q 2013	1.04	0.91	0.98
4Q 2013	1.00	0.81	0.84

Holders of Common Equity

As of December 31, 2013, the Company had 18(eighteen) stockholders as per its stock and transfer agent, RCBC-Stock and Transfer Agent. The list of shareholders reported by the Stock and Transfer Agent were as follows:

	Name of Stockholders	**No. of shares**	**Percentage**
1	PCD Nominee Corp. (FIL)	784,948,004	19.63%
2	JTKC Equities, Inc.	640,000,000	16.00%
3	Dexter Y. Tiu	640,000,000	16.00%
4	Gertim G. Chuahiong	640,000,000	16.00%
5	Alexander Y. Tiu	640,000,000	16.00%
6	Eric Y. Roxas	640,000,000	16.00%
7	PCD Nominee Corp. (NF)	13,854,000	0.35%
8	Alexander C. Quibin	570,000	.01%
9	Pacifico B. Tacub	400,000	.01%
10	Miguel D. Marana or CenonBienvenido	95,000	.00%

11	CenonBiendvenido D. Marana	40,000	.00%
12	Christopher Puno	30,000	.00%
13	Orpha C. Puno	22,000	.00%
14	Alexander G. Asuncion	15,000	.00%
15	Romeo B. Molano	15,000	.00%
16	Ronald S. Bes	8,000	.00%
17	Maria Ana B. Mariano	2,000	.00%
18	Guillermo F. Gili Jr.	1,000	.00%
		4,000,000,004	**100.00%**

As of 31 December 2013, 13,854,000 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 0.35%. This is significant below the foreign ownership limit 40%.

Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation.

Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended December 31, 2013, we have not issued any securities constituting an exempt transaction.

ITEM 6: Management's Discussion and Analysis or Plan of Operation

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2013 and for the period ended June 11, 2012 to December 31, 2012.

MANAGEMENT'S DISCUSSION ON COAL'S FINANCIAL		
Summary of Financial Information		
The following table presents the summary financial information for		
COAL from January 1 -December , 2013		
COAL's Summary Audited Consolidated Financial Information		
as at		
	2013	**2012**
	(One year)	***Six months**
Amounts are Php		
Consolidated Statement of Comprehensive Income		
Sales	-	50,486,990
Cost of Sales	-	31,789,845
Gross Profit	-	18,697,145
Operating Income	(12,357,506)	(53,401,779)
Income (loss) before income tax	(4,038,593)	(50,219,321)
Net Income (loss)	(1,908,412)	(53,327,036)
Consolidated Statement of Financial Position		
Assets		
Cash	54,039,096	53,207,409
Funds held in escrow	217,799,969	528,319,614
Advances to Affiliates	1,590,651	1,980,565
Prepayments and other current assets	5,545,850	1,581,463
Total Current Assets	**278,975,566**	**585,089,051**
Exploration and evaluation assets	266,549,664	137,755,851
Property, plant and equipment -net	296,416,032	148,298,463
Intangible asset	1,565,104	266,490
Coal Reserves	3,131,596,101	3,131,596,101
Deferred Tax Asset	2,765,587	402,917
Total Non-Current Assets	**3,698,892,488**	**3,418,319,822**
TOTAL ASSETS	**3,977,868,054**	**4,003,408,873**
Liabilities and Equity		
Trade and other payables	28,723,802	13,235,279
Advances from related parties	1,821,745	40,821,745
Income tax payable	-	579,788
Total Current Liabilities	**30,545,547**	**54,636,812.00**
Retirement benefit liability	3,100,425	1,343,055
Total Non-Current Liability	**3,100,425**	1,343,055
Capital Stock	4,000,000,004	4,000,000,004
Deficit	(55,235,448)	(53,327,036)
Net unrealized gain on available-for-sale		
financial assets in funds held in escrow	(542,474)	756,038
Stockholders' Equity	**3,944,222,082**	**3,947,429,006**
TOTAL LIABILITIES AND EQUITY	**3,977,868,054**	**4,003,408,873**
Key Indicators		
Gross Profit Margin (%)	0.00%	37.03%
Net Income (loss) Margin (%)	0.00%	-105.63%
Return on Asset (%)	-0.05%	-1.33%
Return on Equity(%)	-0.05%	-1.35%
Current Ratio(x)	9.13	10.71
Total Liabilities to Equity (x)	0.009	0.01
Earnings Per Share (Basic) (Php 0.0000)	(0.00048)	(0.01333)
Book Value Per Share (Php 0.0000)	0.9861	0.9869
* The Parent Company was incorporated on June 11, 2012		

A. <u>Comprehensive Income for the year ended December 31, 2013</u>

Sales

There are no sales for 2013, TMEC focused on exploration and pre development of COCs' areas

G***eneral and Administrative Expenses***

General and Administrative expenses amount to ₱12.4 million for the year ended December 31, 2013. These expenses comprised primarily of Rental expenses amounting to₱ 3.6 M, Salaries and Wages amounting to ₱3.2 M, Professional fees amounting to ₱1.1 M Listing Fee ₱.4 M and various expenses to ₱0.9 M.

Operating Income and Operating Loss Margin

The Company incurred an Operating Loss of ₱12.4 M.

Interest Income

Interest income amounted to ₱7.35 M, which came from interest earned from bank deposits and funds held in escrow.

*G**ain of AFS financial assets in funds held in escrow***

Gain on AFS financial assets in funds held in escrow amounted to ₱0.97M

Net Income and Net Income Margin

The Net Loss of the Company for the year amounted₱1.91M

A. <u>Consolidated Statement of Financial Position as of December 31, 2013</u>

Cash

Cash amounted to ₱54.04 million as of December 31, 2013. This corresponds to a 1.36% contribution to Total Assets.

Advances to Affiliates

Advances to Affiliates amounted to ₱1.59 million as of December31, 2013. These were advances to PacificoSulMineraçao Corporation and Colossal Petroleum Corporation for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. This is .04% of the total assets.

Funds held in escrow

Funds held in escrow amounted to ₱217.80 million as of December 31, 2013. The proceeds of IPO that are in custody of a Custodian bank. This corresponds to a 5.48% contribution to Total Assets.

Prepayments and Other Current Assets

Prepayments and Other Current Assets amounted to ₱5.45 million as of December 31, 2013. This corresponds to a 1.37% contribution to Total Assets.

Exploration and Evaluation Assets

Exploration and Evaluation Assets amounted to ₱266.55 million as of December 31, 2013. This corresponds to a 6.70% contribution to Total Assets. These assets correspond to the costs incurred in the exploration of the mining properties in Davao Oriental and Zamboanga-Sibugay, which included drilling works and topographic surveys conducted.

Property, Plant and Equipment

Property, Plant and Equipment amounted to ₱296.42 million as of December 31, 2013. This corresponds to a 7.45% contribution to Total Assets.

Intangible Assets

Computer software for exploration amounted to ₱1.57 million as of December 31, 2013. This corresponds to a .04% contribution to Total Assets.

Coal Reserves

Coal Reserves amounted to ₱3.13 billion as of December 31, 2013. This represents the fair value of the coal reserve acquired as a result of the business combination. This accounted for 78.73% of Total Assets.

Deferred Tax Assets

Deferred tax assets amounted ₱2.77 million as of December 31, 2013, which represents the deferred tax assets relating to retirement benefit cost. This accounted for 0.07% of Total Assets.

Trade and Other Payables

Trade and Other Payables amounted to ₱28.72 million asof December 31, 2013, which is primarily composed of accrued expenses and trade payables. This accounted for 85.37 % of Total Liabilities.

Advances from Related Parties

Advances from Related Parties amounted to Php1.82 million. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. This is 5.41% of the total liabilities.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱3.10 millionas of December 31, 2013. This accounted for 9.21% of Total Liabilities.

Capital Stock

Capital Stock amounted to ₱4.0 billion as of end of December 2013. This accounted for 101.41% of Total Stockholders' Equity as of December 31, 2013

Deficit

Deficit amounted to ₱55.24 million as of end December 2013. This accounted for -1.41% of Total Stockholders' Equity as of December 31, 2013.

B. **Consolidated Statement of Financial Position as of December 31, 2013vs. for the period June 11-December 31**,

Funds held in escrow

Decrease by ₱310.51 million mainly due to usage of funds in exploration, purchased of major equipment, infrastructure and other development expenses.

Prepayments and other current assets

Increase by₱3.96 million mainly due to advances made by landowners.

Exploration and Evaluation assets

The increase of exploration and evaluation assets mainly due to drilling activities and geological surveys made in the COC areas.

Property, Plant and Equipment

Significant increase because of additional purchase of machinery and equipment, lot acquisitions, road widening and infrastructure development.

Intangible Asset

Intangible asset due to purchase of Gemcom GEMS and MapInfo Discover Bundle licenses

Deferred Tax Asset

Increase in deferred tax asset due to tax effect on loss incurred.

Trade and other payables

Increase in trade and other payables mainly due to acquisition of mining equipment on account, term 120 days.

Advances from related parties

Advances from related parties were settled in 2013.

Notes on the COAL's Financial Information

Coal Reserves

The account "Coal Reserves" refer to the proven and probable coal reserves, which are defined as the estimated quantities of coal that geological data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and that are considered commercially producible.

Coal reserves are amortized from the commencement of production on a unit of production basis, which is the ratio of coal production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period. 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 coal reserves or future development costs are accounted for prospectively.

Exploration and Evaluation Asset

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity includes:

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

The account "Exploration and evaluation asset" is carried at cost less accumulated impairment losses.

Exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment, and any impairment loss recognized, before reclassification.

The assets, liabilities, income and expense and operating and investing cash flows as at and for the year ended December 31,2013 from the exploration for and evaluation of coal resources are as follows:

	31-Dec-13

Total Assets	574,229,675
Total Liabilities	326,645,788
Revenue	-
Expenses	9,158,523
Net cash provided by operating activities	48,102,437
Net cash provided by investing activities	278,025,107
Net cash provided by financing activities	229,256,220

Exploration and evaluation asset pertains to costs incurred for the exploration and evaluation of the mining property situated in the province of Davao Oriental and Zamboanga Sibugay, Philippines.

COC #159, COC #166, and COC #167 provide a certain minimum work expenditure obligations covered by the work program of exploration phase.

The recovery of the exploration and evaluation asset is dependent upon the success of future exploration and evaluation activities and events.

Movements of this account are as follows:

	31-Dec-2013
Balance at beginning of year	137,755,851
Additions for the year	128,793,813
Cost at the end of year	266,549,664

No impairment loss was recognized in 2013.

The Group obtained an independent valuation report using the discounted cash flow approach to estimate the value of the coal reserves. The expected net present value of the coal reserve is estimated at P12.5 billion.

The Group obtained an enterprise report dated March 15, 2013 to estimate the enterprise value of COC 159, Coal Blocks Nos. 217 (Macopa) and 136 (Bactinan). Discounted cash flow approach was used in the valuation of the coal reserve of COC 159, Coal blocks Nos. 217 (Macopa) and 136 (Bactinan) is estimated at P4.1 billion.

Impairment of Nonfinancial Assets

The carrying amounts of COAL's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's net recoverable value is estimated.

Any impairment loss is recognized if the carrying value of an asset or its cash-generating unit exceeds its net recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of COAL. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable value of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine net recoverable value. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized.

Revenue Recognition of Sale of Coal

Revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic

benefits will flow to the Group, and the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized.

Specifically, revenue from coal sales is recognized when the goods are delivered, the title to the goods has passed to the buyer and the amount of revenue can be measured reasonably.

Other Financial Information

As of and for period ended December 31, 2013:

- No material changes on COAL's financial position (changes of 5.00% or more) can be computed as the Company has only been incorporated on June 11, 2013.
- COAL is not aware of any known trends, or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in COAL's liquidity increasing or decreasing in any material way.
- It is not aware of any event that would trigger direct or contingent financial obligation that is material to COAL, including any default or acceleration of an obligation.
- All material off-balance sheet transactions, arrangements, obligations and other relationships of COAL with unconsolidated entities or other persons created during the period were considered.
- There were no known trends, events, or uncertainties on net revenues or income from continuing operations.
  Coal Asia Holdings Incorporated.
- COAL is not aware of any significant elements of income and loss that did not arise from COAL's continuing operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.
- COAL is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

ITEM 7 – Financial Statements

Please refer to the attached audited consolidated financial statements of the Company as at and for the year Ended December 31, 2013 and 2012, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong& Co.

The Company was incorporated on June 11, 2012. Since the of Reyes Tacandong& Co., there hasbeen no change in auditor and there has been no disagreement on accounting and financial disclosures.

The aggregate fees for each of last two (2) fiscal years for professional services rendered by the external auditors are as follows:

	2013	2012
Audit Fee	₱500,000	₱345,000
other fees	-	300,000
TOTAL	₱500,000	₱645,000

It is the policy of the Companythat services to be rendered by independent auditors, as well as the corresponding fees thereof, must first be reviewed by the Audit and Risk Committee (the members of said Committee being composed of Mr. Aristides S. Armas (Chairman), Mr. Jaime T. Ang, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

ITEM 8 – Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

Reyes Tacandong& Co. was appointed as external auditor for the year ended December 31, 2013.

There was no disagreement with the external auditor on any matter pertaining to accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9 – Directors and Executive Officers

The Company's Board of Directors is responsible for the overall management of the business and assets of the Company. The Board of Directors is composed of eight (8) members, each of whom serves for a term of one (one) year until his /her successor is duly elected and qualified.

Board of Directors

The following are the incumbent members of the Board of Directors of the Company:

Harald R. Tomintz, 60, Austrian, Chairman of the Board

Harald R. Tomintz, 60, is the **Chairman** of the Company. Mr. Tomintz is also the President of Rekom Manila Corporation and the Board Supervisor of Zhangzhun Stronghold Steelworks Corp. His past positions include being a President of VATECH Phils., Inc. (2002-2004), member of the Executive Committee and Director of Semirara Coal Corporation (1992-1997), and Director of Ferrochrome Philippines (1992-1995). He holds a degree in Mechanical Engineering from SZA Vienna.

Jaime T. Ang, 57, Filipino, Director and President

Jaime T. Ang, Filipino, 57, is a Director and **President** of the Company, Concurrently; he is the President of TMEC, the Company's wholly owned subsidiary. He is also a director and the President of both Seahouse Fishery and Aquatic Resources, Inc. and Jackpot Leisure Development Corp. He is a Certified Public Accountant since 1976. He holds a Master in Business Administration degree from the Ateneo de Manila University and holds a Bachelor of Science degree in Accountancy from the Philippine School of Business and Administration.

Dexter Y. Tiu, 42, Filipino, Director and Treasurer

Dexter Y. Tiu,Filipino, 42, is **Treasurer and Director** of the Company. Concurrently, he is the President of Stronghold Steel Corporation. He is also a director of both JTKC Equities, Inc. and Star Equities, Inc. He is also the Treasurer and a director of TKC Steel Corp. and Vice Chairman of ZhangzhunStronghold Steelworks Corp. He holds the Bachelor of Science degree in Mechanical Engineering from the De La Salle University.

Eric Y. Roxas, 50, Filipino, Director, Corporate Secretary

Eric Y. Roxas is an incorporator of the Company and Corporate Secretary.Concurrently**,** he is the President of Husky Trading Corp., Supra Finishing Corp., Phil. Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also the Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De LaSalle University**.**

Bayani K. Tan. 56, Filipino, Director

Bayani K. Tanis the Managing Partner of the Law firm of Tan Venturanza Valdez. He also concurrently holds the following positions: Managing Director, Shamrock Development Corporation (1998-present); Managing Trustee, SC Tan Foundation, Inc. (1986 – present); Chairman and President, Yehey! Money Inc. (2001-Prsent); Legal Counsel, Xavier School, Inc. (2005-present); Director and Corporate Secretary of St. Scholastica's Hospital-Catarman, Inc. (2010-present).

Aristides S. Armas, 68, Filipino, Independent Director

Aristides S. Armasis the President of UCPB Leasing and Finance Corporation from November 2003 to present. He has 40 years of experience in banking and finance. He previously held executive positions in BA Finance Corporation and CPB Savings Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Juan Kevin G. Belmonte, 50, Filipino, Independent Director

Juan Kevin G. Belmonte is the President & CEO of philstar.com, President of People Asia, and Vice President of Nuvoland Philippines. He is also a director of Philstar Daily, Inc., IPVG Corporation, IP E-

Games Corporation, EEI Corporation, and the Development Bank of the Philippines. He is also current Chairman and immediate past President of the Cactus and Succulent Society of the Philippines. He was a former manager and partner of Arthur Andersen & Co. – SGV & Co., and senior consultant and manager of Andersen Consulting in Chicago, USA, and past director of BantayKalikasan and ABS-CBN Foundation Initiative. He holds a Master of Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University and has a Bachelor of Arts degree in Economics from Ateneo de Manila University.

Rosanna T. Desiderio, 47, Filipino, Accounting Manager

Rosanna T. Desiderio has been with TMEC since January 2009 to present. She is concurrently the Chief Compliance Officer of COAL, TMEC's parent company. She is a Certified Public Accountant since 1985. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines.

Executive Officers

Enrique C. Payawal, 70, Filipino, Vice President-Exploration

Enrique C. Payawal is an **exploration** and **mine geologist** with over 40 years of experience in both metal and non-metal deposits. He is a licensed practicing geologist from December 1968 to present and an accredited Competent Person by the Geological Society of the Philippines in accordance with the Philippine Mineral Reporting Code (PMRC) in regards to reporting of Exploration Results and Mineral Resources from June 2009 to present.

Gizella Greta D.J. Gonzales, 37, Filipino, Senior Geologist

GizellaGreata D.J. Gonzales is an **exploration Geographic Information System (GIS)/ Database geologist** with over five (5) years' work experience in gold, copper, coal, and nickel and iron deposits. She is a licensed practicing geologist since 2000. She holds a Bachelor of Science degree in Geology from the University of the Philippines.

Arnold S. Manat, 54, Filipino, Mining Engineer

Arnold S. Manat is a **Mining Engineer** with twenty five (25) years' work experience in the exploration, mine engineering and operations management of an open pit coalmine and related fields though stints with Semirara Mining Corporation and others. He is a licensed Mining Engineer since 1981.

Principal Officers

Principal Officers of Coal Asia Holdings Incorporated				
Name	**Age**	**Nationality**	**Present Position**	**Period of Service in the Company**
Jaime T. Ang	57	Filipino	President	June 11, 2012-present
Dexter Y. Tiu	42	Filipino	Treasurer	June 11, 2012-present
Eric Y. Roxas	50	Filipino	Corporate Secretary	June 11, 2012-present
Rosanna T. Desiderio	48	Filipino	Chief Information Officer and Acting Chief Compliance Office	June 11, 2012-present

Significant Employees

No single person is expected to contribute more significant than others do the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. Other than standard employment contacts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Family Relations

Mr. Dexter Y. Tiu and Alexander Y. Tiu, who are both major shareholders of the Company,are siblings. The are no other family relationships known to the Company other than the ones disclosed.

Involvement in Legal Proceedings

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc. (ULC), some of its members have initiated legal actions against ULC, the Universal Rightfield Property Holdings, Inc. (URPHI) and the Universal Leisure Corp. (ULCorp), as well as their respective incumbent and former officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan. The cases filed include a criminalcase for Estafa (docketed as I.S. No. 08-K-19713) filed before the City Prosecutor of Manila. A Counter-Affidavit has already been filed before the City Prosecutor seeking to dismiss the Complaint for lack of cause of action. Neither COAL nor the other directors and major shareholders of COAL are parties to the same legal suit aside from Atty. Tan.

Except as otherwise discussed above and to the best of the Company's knowledge, there has been no occurrence during the past five (5) years up to the date of this Prospectus of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 10; Executive Compensation

COAL's directors and executive officers do not receive regular compensation for their services as they are seconded from TMEC

The following table shows the aggregate compensation received by the directors and officers of the Company for calendar years 2011 and 2012, as the estimated aggregate compensation for calendar year 2013.

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Jaime T. Ang *President*				
Enrique C. Payawal Vice President – *Exploration and Mining*				
GizellaGreta DJ Gonzales *Senior Geologist*				
Roy L. Matillano *Senior Geologist*				
Arnold Manat *Mining Engineer*				
Total for the Executive Officers as a group	2013	₱7,650,517		
	2012	₱5,731,350		
	2011	₱4,689,708		
		₱8,250,517		
		₱5,781,350		
		₱4,689,708		

For 2013, the estimated aggregate compensation paid to all officers and directions as a group amount to P8, 250,517.00

Compensation of Directors

Under the By-Laws, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and appropriated among the directors in such manner, as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular of special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of Prospectus, the Company has no existing arrangements with members of the Board of Directors, executive officers and employees.

Employment Contracts, Termination of Employment, Change in Control of Arrangements

There are no special employment contracts between the Company and its executive officers. Furthermore, there are no special retirement plans for executives.

There is also no arrangement for compensation to be received from the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers nor are there any adjustments in the exercise price of said warrants or options.

ITEM 11: Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The following persons or group are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 31 December 2013:

Title of Class	Name and Address of Record Owner and Relationship with issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation[(1)] G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	*(see footnote)*	Filipino	784,984,004	19.63%
Common	Sterling Bank of Asia – Trust Group Sterling Bank Corporate Center	Dexter Y. Tiu Eric Y. Roxas	Filipino	1,280,000,000	32%

[*]PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in COAL are to be voted.

Apart from the foregoing, there are no other persons holding more than 5% of the Company's outstanding capital stock.

Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 31 December 2013:

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Harald R. Tomintz (Austrian)	1,000	Direct	.00
Common	Dexter Y. Tiu (Filipino)	640,000,000	Direct	16.00
Common	Jaime T. Ang (Filipino)	1,000	Direct	
Common	Eric Y. Roxas (Filipino)	640,200,000	Direct	16.005
Common	A. Bayani K. Tan (Filipino)	200,001	Direct	.050
Common	Juan Kevin G. Belmonte (Filipino)	1	Direct	0.00
Common	Aristides Armas (Filipino)	201	Direct	0.000
Common	Rosanna Desiderio (Filipino)	1	Direct	0.00
Common	All directors and executive officers as a group	1,280,402,204		32.01

ITEM 12: Certain Relationships and Related Transactions

Transactions with and/or Dependence on Related Parties

The Company has no other transactions with other parties (outside the definition of "related parties ") that the Company or its related parties have relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly dependent, parties on arm's length basis, other than the following;

- TMEC has transactions with related parties, PacificoSulMineracao Corporation and Colossal Petroleum Corporation, pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable in demand.

- TMEC also received advances from Stronghold Steel Corporation, a related party by virtue of common ownership with the stockholders of COAL to finance exploration and development of the Davao Oriental and Zamboanga-Sibugay Projects, for working capital purposes, and to fund acquisition of equipment.

- TMEC also leases office space from JTKC Equities, Inc. The lease agreement shall be effective until March, 2013. Dexter Y. Tiu, a director of both TMEC and COAL and a major stockholder of COAL, and Alexander Y. Tiu, a major stockholder of COAL, are also stockholders of JTKC Equities, Inc.

PART IV - CORPORATE GOVERNANCE

ITEM 13: Corporate Governance

The Company's Corporate Governance Manual (the "Manual") was approved by the Board of Directors on July 10, 2012. The Manual is a supplement to the Company's Amended By-Laws.

Adoption and Implementation

The Company is in the process of implementing the abovementioned Manual. To date, the Company has elected two (2) directors, Messrs. Aristides Armas and Juan Kevin Belmonte, who qualify as "independent" pursuant to Section 38 of the Securities Regulation Code.

The Manual also provides for the formation of the following committees: Executive, Audit and Risk, Nomination, and Compensation and Remuneration.

To measure the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance, the Manual mandates the establishment by the Company of an evaluation system consisting of a self-rating assessment and performance system by Management and submission of certifications by the Compliance Officer on the Company's compliance with the provisions of the Manual.

Furthermore, to ensure the Company's adherence to the adopted leading practices on good corporate governance, the Chairman of the Board is mandated to designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. He shall have direct reporting responsibilities to the Chairman of the Board.

The Compliance Officer shall perform the following duties:

- Monitor compliance with the provisions and requirements of the Manual;
- Appear before the SEC upon summons on similar matters that need to be clarified by the same;
- Determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board;
- Issue a certification every January 30th of the year on the extent of the Company's compliance with the Manual for the completed year, explaining the reason/s of the latter's deviation from the same; and
- Identify, monitor and control compliance risks.

Independent Directors

The amended By-laws require the Company to have two (2) independent directors in its Board of Directors. The Manual requires that there must be at least one (1) independent director voting in the Company's Audit and Risk

Committee, Nomination Committee, and Compensation and Remuneration Committee. Independent directors must hold no interests or relationships with the Company that may hinder their independence from the Company or its management, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Under the SEC Code of Corporate Governance, an independent director is required to attend board meetings for quorum requirements, unless he is duly notified of the meeting but deliberately and and without justifiable cause fails to attend the meeting.

Audit and Risk Committee

The Company has an Audit and Risk Committee composed of three (3) members, at least one of whom must be an independent director. The independent director chairs the Committee. Each member is required to have an adequate understanding of accounting and auditing principles in general and of the Company's financial management systems and environment in particular.

The Audit and Risk Committee's duties and responsibilities include, but are not limited to, the following:

- Checking all financial reports against their compliance with both the internal and financial management handbook and pertinent account standards, including regulatory requirements;
- Performing oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal, and other risks of the Company, and crisis management; and
- Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the Company through a procedures and policies handbook that will be used by the entire organization.
- Oversee the Company's risk management function.
- Develop a formal risk management policy that guides the Company's risk management and compliance processes and procedures.
- Design and undertake its enterprise-wide risk management activities in accordance with internationally recognized frameworks.
- Discuss and review policies with respect to risk assessment and risk management including the Company's major financial and business risk exposures and the actions Management has undertaken to control them.
- Set the tone and influence the culture of risk management which includes determining the appropriate risk appetite (risk-taker or risk-averse) or level of exposure as a whole or on any relevant individual issue; determining what types of risk are acceptable and which are not.
- Monitor the management of significant risk to reduce the likelihood of unwelcome surprises.
- Satisfy it that less significant risks are being actively managed with the appropriate controls in place and working effectively.
- Annually review the Company's approaches to risk management and recommend to the Board changes or improvements to key elements of its processes and procedures.

Aristides Armas was appointed as the Chairman of the Audit and Risk Committee during the meeting of the Board of Directors of the Company on July 10, 2012. On the same Board meeting, Jaime T. Ang and Eric Y. Roxas were also appointed the members of the Audit and Risk Committee.

Nomination Committee

The Company has a Nomination Committee composed of three (3) members, at least one of whom must be an independent director. The independent director chairs the Nomination Committee. The
Nomination Committee's duties and responsibilities include:

- Pre-screening and short-listing all candidates nominated to become a member of the Board, as well as those nominated to other positions requiring appointment by the Board; and
- Redefining the role, duties, and responsibilities of the CEO by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

HaraldTomintz was appointed as the Chairman of the Nomination Committee during the meeting of the Board of Directors of the Company on July 10, 2012. On the same Board meeting, Dexter Tiu and Juan Kevin Belmonte were also appointed the members of the Nomination Committee.

Compensation and Remuneration Committee

The Company has Compensation and Remuneration Committee composed of three (3) members, at least one of whom must be an independent director. The independent director chairs the Compensation and Remuneration Committee. The Compensation and Remuneration Committee's duties and responsibilities include:

- Establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing remuneration packages of corporate officers and directors; and
- Providing oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy, and control environment.

Jaime T. Ang was appointed as the Chairman of the Compensation and Remuneration Committee during the meeting of the Board of Directors of the Company on July 10, 2012. On the same Board meeting, Aristides Armas and Eric Y. Roxas were also appointed the members of the Compensation and Remuneration Committee.

Compliance with Rules on Corporate Governance

The Company is not aware of any non-compliance with or deviation from its Manual. The Company will continue to monitor compliance with the Rules on Corporate Governance issued by the SEC and will remain committed in ensuring the adoption of other systems and practices of good corporate governance to enhance its value for its stockholders.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

Please refer to the attached audited consolidated financial statements of the Company as at and for the year ended December 31, 2012, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong& Co.

Reports on SEC Form 17-C

The Company did not file any report on SEC Form 17-C, as amended, during the last six month period covered by this report.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on _____, 2014.

By:

HARALD R. TOMINTZ
Chairman of the Board

JAIME T. ANG
President

DEXTER Y. TIU
Treasurer

ROSANNA T. DESIDERIO
Accounting Manager

ERIC Y. ROXAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 30 2014 day of _____ 2014, affiants exhibiting to me their Community Tax Certificates/Passports, as follows:

NAMES	CTC/PPT No.	Date of Issue	Place of Issue
HARALD R. TOMINTZ	L02532767	07/24/2004	DFA-Manila
DEXTER Y. TIU	EB4447146	01/14/2012	DFA-Manila
JAIME T. ANG	EB8227253	05/29/2013	DFA-NCR East
ERIC Y. ROXAS	EB6304388	09/10/2012	DFA-NCR East
ROSANNA T. DESIDERIO	EB5341373	5/10/2012	DFA-Manila

ATTY. GERVACIO B. ORTIZ JR.
NOTARY Public City of Makati
Until December 31, 2014
IBP No. 656159-Lifetime Member
MCLE Compliance No. III-0014282
Appointment No. M-199-(2013-2014)
PTR No. 4225505 Jan. 2, 2014/Makati
Makati City Roll No. 40091
101 Urban Ave., Brgy. Pio del Pilar,
Makati City

Doc. No. 480;
Page No. 98;
Book No. XXI;
Series of 2014.