

COVER SHEET

C S 2 0 1 2 1 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 .

(Company's Full Name)

3 R D F L O O R J T K C C E N T E R , 2 1 5 5

C H I N O R O C E S A V E , . M A K A T I C I T Y

ANN MARGARET K. LORENZO

632-0905

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

Month

Day

Annual Meeting

Definitive Information Statement (SEC Form 20-IS)

Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that the annual meeting of the stockholders of **COAL ASIA HOLDINGS, INCORPORATED** (the "Corporation") will be held on 1 July 2024 (Monday) at 9:00 in the morning. The meeting will be conducted virtually and can be accessed at the link which will be provided to stockholders after successful registration. The agenda for the meeting is as follows:

AGENDA

- 1) Call to Order
- 2) Proof of Notice of Meeting
- 3) Certification of Quorum
- 4) Approval of the Minutes of the Previous Annual Stockholders' Meeting
- 5) Approval of 2023 Operations and Results
- 6) Ratification of All Acts of the Board of Directors and Officers
- 7) Election of Directors
- 8) Appointment of External Auditor
- 9) Amendment of Articles of Incorporation – Articles II & VII
- 10) Other Matters
- 11) Adjournment

Attached is a list of the rationale for each of the above agenda items for reference.

In accordance with the rules of the Philippine Stock Exchange, the close of business on **27 May 2024** has been fixed as the record date for the determination of the stockholders entitled to notice of, and vote at, said meeting and any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote in absentia by registering through the website: <https://www.coalasiaholdings.com> on or before 5:30 p.m. on 21 June 2024. Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may access and watch the live stream of the annual stockholders' meeting and/or cast their votes on matters to be taken up during the meeting using the e-voting platform to be set up for the purpose. The e-voting platform will likewise contain a field wherein stockholders may send their comments/questions. It will be accessible until 09:00 a.m. of 01 July 2024. A section for stockholder comments/questions or a "chatbox" shall also be provided in the live streaming platform.

The stockholders are likewise encouraged to participate in the meeting by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, or via electronic copy submitted through the ASM online registration portal, on or before 5:30 p.m. on 21 June 2024. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on 26 June 2024. The votes already cast using the e-voting platform by that time will also be verified on said date.

Makati City, Metro Manila, 5 June 2024.


ANN MARGARET K. LORENZO
Corporate Secretary

RATIONALE FOR AGENDA ITEMS

Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders held on 05 December 2023

A copy of the Minutes for the 2023 Annual Stockholders' Meeting held last 05 December 2023 is currently posted on the Corporation's website (<https://coalasiaholdings.com/minutesstockholdersmeetings.html>) and can be viewed at any time. Stockholders will be asked to approve the Minutes of the 2023 Annual Stockholders' Meeting.

Agenda Item No. 5. Approval of 2023 Operations and Results

A report on the highlights of the financial performance of the Corporation for the year ended 31 December 2023 will be presented to the stockholders. A summary of the Corporation's performance for the year is also provided in the "Financial Information" section on page 49 hereof.

The Corporation's Audited Financial Statements (AFS), for which the external auditors have issued an unqualified opinion, have likewise been reviewed by the Board of Directors. A summary of the 2023 AFS shall also be presented to the stockholders.

Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting

All actions, proceedings, and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management from the date of the last Stockholders' Meeting held on 05 December 2023 to the date of this meeting shall be presented for confirmation, approval, and ratification. The items covered with respect to the ratification of the acts of the Board of Directors and Officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business.

Agenda Item No. 7. Election of Directors for 2024 to 2025

The qualifications of the incumbent members of the Board of Directors have been reviewed by the Corporate Governance Committee which has nominated them for re-election. Their proven expertise and qualifications, based on current regulatory standards and the Corporation's own criteria, will help the Company's performance that will result to its stockholders' benefit. The profiles of the directors are further detailed in the Corporation's Information Statement. If elected, they shall serve as directors for a period of one (1) year from 05 December 2023 until their successors shall have been duly elected and qualified.

Agenda Item No. 8. Appointment of External Auditors

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the reappointment of Reyes Tacandong & Co. as the Corporation's External Auditor for 2024. Reyes Tacandong & Co. is one of the leading auditing firms in the country and is duly accredited by the Securities and Exchange Commission. The stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2024.

Agenda Item No. 9 Amendment of Articles of Incorporation – Articles II & VII

The Board of Directors on 23 May 2024 approved the proposal to amend the Articles of Incorporation, particularly Articles II (Primary Purpose) and VII (Decrease in Par Value), as follows:

PARTICULAR	FROM	TO
Second Article	A. That the primary purpose of this corporation is: 1. To engage in the business of holding company; to buy and hold shares of other companies whether common, preferred, treasury, founders or other kinds of shares, either by subscribing to the unissued shares of the capital stock in 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 equity of other	A. That the primary purpose of this corporation is: x x x <u>2. To carry on directly or indirectly, the business of generating energy derived from coal, fossil, fuel, geothermal, nuclear, natural gas, hydroelectric new and renewable energy and energy generation and other viable sources of power, for lighting and power purposes and</u>

	companies: to acquire rights in the stock of other companies by way of 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 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. 2. To vote its shareholdings in other companies and exercise all the rights of a shareholder under the Corporation Code and applicable laws; 3. To do other acts and things, necessary, desirable or appropriate for the attachment of the foregoing purposes: SECONDARY PURPOSE 1. To purchase, acquire, and take over all or any part of the rights, assets, business and property of any person, partnership, corporation or association and to undertake and assume the liabilities and obligations of each persons, partnership, corporation, or association whose rights, assets, business or property may be purchased acquired or taken over; 2. To enter into any arrangement for sharing profits, union of interests, joint venture, reciprocal concession or otherwise, with any person or company engaging in or about to engage in any business or transaction which the Corporation is authorized to carry on or engage in any business or transaction that may directly or indirectly benefit the Corporation; 3. To purchase or otherwise acquire, obtain an interest in, own, hold, pledge, mortgage, assign, deposit, create trusts, exchange, sell and otherwise dispose of, alone or in syndicates or otherwise in conjunction with others; and generally deal in and with all or any of the following: all kinds warrants, options, voting trust certificates, trust certificate, bonds, mortgages, debentures, trust receipts, notes and other certificates, obligations, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, and evidences of any interest therein or in respect thereto; to acquire purchase, sell or otherwise dispose of any securities or other obligation of the Corporation, provided that the Corporation shall not engage in stock brokerage business. 4. To engage in the business of manufacturing, processing, assembling, and/or fabricating and exporting, importing, buying, acquiring, holding, selling or otherwise disposing of and dealing in goods, wares, supplies, materials,	<u>whole selling the electric power to any corporation, public electric utilities and electric cooperatives and for carrying on of all necessary and convenient buildings, structures, machinery, sub-stations, transmission lines, poles, wires and other things and devices, and to acquire and hold water and flowage rights and to acquire, lease, hold, occupy or use land rights of way and easement therein; buying, selling, brokering, marketing or aggregating electricity to end-users; to provide power generation, electricity trading and electricity supply services to distribution utilities and other entities, including but not limited to, electric cooperatives to install, build, own, lease, maintain or operate power generation facilities, using fossil fuel, natural gas, or renewable energy; and to engage in any and all acts which may be necessary, or convenient, in the furtherance of such power generation services to develop, construct, own, lease and operate electricity generation and/or distribution, and/or hydropower plants or related businesses; to engage in build-operate-transfer arrangements with the government, its branches, agencies and instrumentalities, and any non-government entity; act as consultants, contractors or principals in the business of developing, constructing, operating, repairing and maintaining of hydropower plants and systems and other power-generating or converting stations and in the manufacture, operation and repair of associated mechanical and electrical equipment; to carry on the general business of manufacture, generation, and/or transmission of electric power in accordance with existing laws, rules and regulations; and to carry on all business necessary or incident to all the foregoing; to purchase, acquire, own, lease, sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, including the importation of plants, machineries, equipment, and any and all implements necessary, desirable and required for the corporation's power generation, distribution, transmission, systems and other matters related to but not confined to energy related businesses; to engage, operate and maintain water and electric facilities or make the necessary undertakings for the distribution of such facilities to consumers, and in relation thereto, engage in other allied services and business necessary for the conduct and maintenance of the above project; to engage in the business of generation of electricity and distribution of the same through waste energy with agricultural waste and commercial/residential waste.</u>
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	articles, merchandise, commodities, properties of every kind, class and description, whether natural or artificial which may become articles of commerce, and in connection therewith, to act as indentor, principal or agent, manufacturer's representative, commission merchant, merchandise broker, factor, consignment agent or in any other representative capacity for foreign and domestic juridical entities or natural persons. 5. To purchase, own, sell, assign, negotiate, mortgage, pledge or otherwise dispose of accounts receivable, notes receivable, checks, drafts, negotiable instruments, letters of credit and other evidences of indebtedness or other obligations for the payment of money owed by any person, partnership, corporation or association, or to undertake, under such terms and conditions as the Corporation may deem fit, the collection of such accounts receivable, notes receivable, checks, drafts, negotiable instruments, letters of credit and other evidences of indebtedness or other obligations for the payment of money. 6. To act as manufacturer's representatives, indentors, commission merchants, commercial brokers or agents, or in any other representative capacity, for natural and juridical persons, whether domestic or foreign. 7. To act as managers, managing agents of administrators of corporations, partnerships, or persons, with respect to their businesses or properties and to undertake, carry on, assist or participate in the management, reorganization or liquidation of corporations, partnerships, and other forms of business firms and entities. 8. To purchase or otherwise acquire, assemble, install, construct, equip, repair, remodel, maintain, operate, hold, own, lease, rent, mortgage, charge, sell, convey or otherwise dispose of, any and all kinds of gas, works, mills, factories, installations, plants, shops, laboratories, terminals, office buildings, and other buildings and structures, roads, railroads, cars, railroad and equipment, garages, motor and road equipment, aircraft and aircraft equipment, aviation fields, water works, reservoirs, dams, canals, waterways, bridges, ports, docks, piers, wharves, marine equipment and any and all kinds of machinery, apparatus, instruments, fixtures and appliance. 9. To acquire by purchase, lease, contract, concession or otherwise any and all real estate, lands, land patents, options, grants, concessions, franchises, water and other rights, privileges, easements, estates, interests and properties of every kind and description whatsoever; or any other business in which the corporation may lawfully engage, and to own, hold, operate,	<u>2. To vote its shareholdings in other companies and exercise all the rights of a shareholder under the Corporation Code and applicable laws;</u> <u>3. To do other acts and things, necessary, desirable or appropriate to effect the foregoing purposes;</u> SECONDARY PURPOSE 1. To purchase, acquire, and take over all or any part of the rights, assets, business and property of any person, partnership, corporation or association and to undertake and assume the liabilities and obligations of each persons, partnership, corporation, or association whose rights, assets, business or property may be purchased acquired or taken over; x x x <u>10. To engage in the hotel, resorts, gaming, casino, entertainment and akin industries and business activities; to provide travelers with shelter, food, refreshment, and similar services and goods, offering on a commercial basis things that are customarily furnished within households but unavailable to people on a journey away from home.</u> <u>11. To engage in general construction business including the constructing, enlarging, repairing, or engaging in any work upon buildings, houses & condominium, roads, plants, bridges, piers, waterworks, railroads & other structures.</u> <u>12. To engage in business involving and promoting cryptocurrency, bitcoin and other digital assets, media, communication, marketing and related businesses and activities.</u> <u>13. To engage in the business of bulk water supply, retail water distribution, water treatment, septage and/or supply which involves the construction, manufacturing, supplying, operating and maintaining equipment, facilities and sewage system, and supply of chemicals that may be used for water treatment or supply such as but not limited to purification, desalination, reverse osmosis and wastewater treatment.</u> x x x
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	improve, develop, reorganize, manage, grant, lease, sell, exchange or otherwise dispose of all, the whole or any part thereof; to purchase, drill for or otherwise by purchase, lease, or otherwise and to erect, construct, enlarge, own, hold, maintain, use and operate water works; and water systems for supplying water and water power for any and all uses and purposes. X X X	
Seventh Article	SEVENTH: That the authorized capital stock of said corporation is FIVE BILLION PESOS (P5,000,000,000.00), Philippine Currency, and said capital stock is divided into FIVE BILLION (5,000,000,000) shares of stock with a par value of ONE PESO (P1.00) each. X X X	SEVENTH: That the authorized capital stock of said corporation is FIVE BILLION PESOS (P5,000,000,000.00), Philippine Currency, and said capital stock is divided into <u>FIFTY BILLION (50,000,000,000)</u> shares of stock with a par value of <u>TEN CENTAVOS (P0.10) each.</u> X X X

Articles II and VII of the Corporation's Articles of Incorporation will be endorsed for approval of the stockholders. The change in primary purpose is being made to reflect the addition of other sources of energy and technologies for their generation, to the Company's engagement in the power/energy generation business, while the change in secondary purpose is being made to reflect the inclusion of all other business activities that the Company may deal in. The proposed amendment to Article VII shall reflect the decrease in the par value of shares of stock from Php 1.00 to Php 0.10 to improve the liquidity in the trading of the Corporation's shares, as well as boost investor interest in and wider distribution of the Corporation's shares of capital stock thereby shoring up its marketability.

Stockholders are given the opportunity to raise questions regarding the operations and report of the Corporation through the e-voting platform. A section for stockholder comments/questions or a "chatbox" shall also be provided in the live streaming platform. Questions will be responded to during the annual stockholders' meeting before the end of the proceedings. Due to the limited time, however, not all questions may be responded to during the live stream of the annual stockholders' meeting. Questions not addressed at the meeting proper, including those that may be received during the live stream, will be responded to via email by the corporate officers concerned.



Coal Asia Holdings

Reliable energy resources through responsible mining

Guidelines for Participating via Remote Communication and Voting *in Absentia*

The 2024 Annual Stockholders' Meeting (ASM) of Coal Asia Holdings, Incorporated (the "Corporation") will be held on 01 July 2024 at 09:00 A.M. The close of business on 27 May 2024 has been fixed as the record date for the determination of the stockholders entitled to notice of, and vote at, said meeting and any adjournment thereof.

The Board of Directors of the Corporation has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote in absentia or by proxy.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until 21 June 2024, 5:30 p.m. via <https://www.coalasiaholdings.com/> and by submitting the following requirements and documents, subject to verification and validation:

For individual stockholders

1. Full Name of Stockholder
2. Scanned copy of a Valid Government ID
3. E-mail address
4. Mobile No.
5. Whether or not a proxy will be appointed for the meeting
 - a. If Yes, kindly provide the following:
 - i. Proxy Form
 - ii. Proxy Valid ID
 - iii. Proxy Contact number
 - iv. Proxy E-mail Address
6. Total Number of Shares
7. Stock Certificate Number/s (if certificated shares); Certification from broker (for uncertificated shares)

For corporate stockholders

1. Scanned copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation
2. Scanned copy of a Valid Government ID of the authorized representative
3. E-mail address of the authorized representative
4. Mobile No. of the authorized representative
5. Total Number of Shares
6. Stock Certificate Number/s (if certificated shares); Certification from broker (for uncertificated shares)

PCD Participants/Brokers

1. Scanned copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the PCD Participant/Broker
2. Scanned/Digital copy of the certificate of shareholdings issued by the PCD/Broker
3. Scanned copy of a Valid Government ID of the authorized representative
4. E-mail address of the authorized representative
5. Mobile No. of the authorized representative

Notes

1. *Please refrain from sending duplicate and inconsistent information/documents as these can result in failed registration. All documents/information shall be subject to verification and validation by the Corporation.*

2. *Please be informed that by providing us with the above documents, you consent to the Corporation's processing of your personal data in accordance with the Data Privacy Act for the purpose of validating your credentials and registration to participate and vote at the Corporation's annual stockholders' meeting.*

Should the stockholder wish to assign a proxy, the stockholder shall submit the proxy form upon registration.

ONLINE VOTING

1. Log-in to the e-voting platform by clicking the link, and using the log-in credentials, sent to the e-mail address of the shareholder to the Corporation.
2. Upon accessing the e-voting platform, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of Meeting
 - a. A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval
 - b. For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

Note: A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (7 directors) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder

3. The e-voting platform will likewise contain a field wherein stockholders may send their comments/questions.
4. Once the stockholder has finalized his vote and questions, he/she can proceed to submit the form by clicking the "Submit" button. The stockholder may no longer modify his/her vote thereafter.

ASM LIVESTREAM

The ASM will be broadcast live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will be sent to their e-mail addresses upon registration.

OPEN FORUM

During the virtual meeting, after all items in the agenda have been discussed, the Corporation will have the Question and Answer Portion, during which, the meeting's moderator will read and where representatives of the Corporation shall answer questions and comments received from stockholders, as time will allow.

Stockholders may send their questions in advance through the e-voting platform on or before 09:00 A.M. on 01 July 2024. A section for stockholder comments/questions or a "chatbox" shall also be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Corporation via e-mail.

For complete information on the annual meeting, please visit <https://www.coalasiaholdings.com/>

PROXY FORM

The undersigned stockholder of Coal Asia Holdings, Incorporated (the “Company”) hereby appoints the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on 1 July 2024 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

____ 1.1. Vote for all nominees listed below:

- 1.1.1. Harald R. Tomintz
- 1.1.2. Eric Y. Roxas
- 1.1.3. Johnson A. Sanhi, Jr.
- 1.1.4. Dexter Y. Tiu
- 1.1.5. Aristides S. Armas (Independent Director)
- 1.1.6. Juan Kevin G. Belmonte (Independent Director)
- 1.1.7. Arsenio M. Bartolome III (Independent Director)

____ 1.2. Withhold authority for all nominees listed above

____ 1.3. Withhold authority to vote for the nominees listed below:

2. Approval of minutes of previous Annual Stockholders’ Meeting.

____ Yes ____ No ____ Abstain

3. Approval of 2022 Annual Report (Operations and Results).

____ Yes ____ No ____ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last Stockholders’ Meeting to 05 December 2023.

____ Yes ____ No ____ Abstain

5. Appointment of Reyes Tacandong & Co. as external auditor.

____ Yes ____ No ____ Abstain

6. Approval of Proposed Amendments to the Articles of Incorporation of Coal Asia Holdings Incorporated – Articles II and VII

____ Yes ____ No ____ Abstain

7. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

____ Yes ____ No ____ Abstain

Printed Name of Stockholder

Signature of Stockholder /
Authorized Signatory

Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY (IN HARDCOPY TO THE OFFICE OF THE CORPORATE SECRETARY AT 2704 EAST TOWER, TEKTITE TOWERS, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY OR SOFTCOPY SUBMITTED THROUGH THE ASM ONLINE REGISTRATION PORTAL) ON OR BEFORE 21 JUNE 2024.

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of _____ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _____;
2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

"RESOLVED, that _____ be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the 'Proxy') to attend the 2024 annual meeting of the stockholders of Coal Asia Holdings, Incorporated ('Coal Asia'), or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in Coal Asia and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation;

"RESOLVED, FINALLY, that Coal Asia be furnished with a certified copy of this resolution and Coal Asia may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in _____ on _____.

Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____, affiant exhibited to me his/her Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2024.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement Pursuant to Section 20
of the Securities Regulation Code

1. Check the appropriate box
[] Preliminary Information Statement
[☒] Definitive Information Statement
2. Name of Registrant as specified in its charter:
COAL ASIA HOLDINGS, INCORPORATED
3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number: **CS201210314**
5. BIR Tax Identification Number: **008-297-271-000**
6. Address of principal office: **3rd Floor JTKC Center, 2155 Don Chino Roces Avenue,
Makati City**
7. Registrant's telephone number, including area code: **(632) 8813-8892**
8. Date, time, and place of the meeting of security holders:

Date	:	01 July 2024 (Monday)
Time	:	09:00 in the morning
Venue	:	Via videoconference, in accordance with the rules of the SEC
9. Approximate date on which the Information Statement is to be sent or given to security holders:
06 June 2024.
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA
(information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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Common Stock, ₱1.00 par value

4,000,000,004 (as of 31 May 2024)

11. Are any or all of Registrant's securities listed on a Stock Exchange?

Yes [☒] No [☐]

If so, disclose name of the Exchange : **The Philippine Stock Exchange, Inc.**
Class of securities listed : **Common Shares**

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED
TO SEND US A PROXY.**

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders.

- (a) Date, time, and place of meeting:

Date	01 July 2024 (Monday)
Time	09:00 in the morning
Place	Videoconferencing in accordance with the rules of the SEC

The approximate date on which the Information Statement will be sent or given to security holders is on 06 June 2024 (Monday).

- (b) The complete mailing address of the principal office of Coal Asia Holdings, Incorporated (the “Company”) is at **3rd Floor, JTKC Center, 2155 Don Chino Roces Ave., Makati City.**

Item 2. Dissenters’ Right of Appraisal

Sections 41 and 80 of the Revised Corporation Code provide for a shareholder’s exercise of the right of appraisal (defined as the right of any stockholder to dissent and demand payment of the fair value of his shares). The instances where the right of appraisal may be exercised are as follows:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company’s property and assets;
3. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

There are no items in the agenda that may give rise to a dissenting shareholder’s exercise of the right of appraisal

Section 81 of the Revised Corporation Code provides for the appropriate procedure for the exercise of the right of appraisal, viz:

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

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

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) Except for the election of directors, no person who has been a director or officer or any nominee for election as director of the Company or associate of such person has substantial interest, direct or indirect, in any matter to be acted upon.
- (b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the Company during the stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (A) As of 31 May 2024, the Company has 4,000,000,004 common shares outstanding and each share is entitled to one vote. 16,437,760 (or 0.41%) of the outstanding common shares of the Company were held by non-Filipinos.
- (B) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is **27 May 2024**.
- (C) In the forthcoming annual stockholders' meeting, stockholders shall be entitled to elect seven (7) members to the Board of Directors. Each stockholder may vote such number of shares for as many as seven (7) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by seven (7).
- (D) Security ownership of certain record and beneficial owners and management.
 - (1) 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 May 2024:

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* G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	(see footnote)	Filipino	1,435,165,882	35.88%
Common	Sterling Bank of Asia - Trust Group Sterling Bank Corporate Center**	Dexter Y. Tiu Eric Y. Roxas Alexander Y. Tiu Gertim G. Chuahiong***	Filipino	2,560,000,000	64.00%

**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 JTKC Equities, Inc. (owning 640,000,000 common shares or 16%), there are no other persons known to the Corporation to hold more than 5% of the Company's capital stock whose shares are under PCD Nominee Corporation.*

***Sterling Bank of Asia - Trust Group is the trustee of Messrs. Dexter Y. Tiu, Eric Y. Roxas, Alexander Y. Tiu, and Gertim G. Chuahiong*

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

(2) Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of 31 May 2024.

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	PERCENT OF CLASS
Common	Harald R. Tomintz	1,000	Direct	Austrian	0.00
Common	Dexter Y. Tiu	640,000,000	Direct	Filipino	16.00
Common	Johnson A. Sanhi, Jr.	1,000	Direct	Filipino	0.00
Common	Eric Y. Roxas	640,000,000	Direct	Filipino	16.00
		200,000	Indirect		
Common	Arsenio M. Bartolome III	1	Direct	Filipino	0.00
Common	Juan Kevin G. Belmonte	1	Direct	Filipino	0.00
Common	Aristides Armas	210,001	Direct	Filipino	0.00
Common	Rosanna T. Desiderio	1	Direct	Filipino	0.00
All directors and executive officers as a group		1,280,212,004			32.00

(3) Voting Trust Holders of 5% or More

There is no party known to the Company as holding any voting trust or any similar arrangement for 5% or more of the Company's voting securities.

Changes in Control

There is no arrangement known to the Company which may result in a change in control of the Company.

Item 5. Directors and Executive Officers

The following are the Directors and Executive Officers of the Company:

NAME	POSITION WITH THE COMPANY	DATE OF FIRST ELECTION/ LAST ELECTION
Harald R. Tomintz	Director and Chairman	July 2012/05 December 2023
Johnson A. Sanhi, Jr.	Director, President and Chief Operating Officer	July 2014/05 December 2023
Dexter Y. Tiu	Director and Treasurer	June 2012/05 December 2023
Eric Y. Roxas	Director	June 2012/05 December 2023
Arsenio Bartolome III	Independent Director	August 2017/05 December 2023
Juan Kevin G. Belmonte	Independent Director	July 2012/05 December 2023
Aristides Armas	Independent Director	July 2012/05 December 2023
Rolando P. Domingo	Chief Financial Officer	June 2018/05 December 2023
Ann Margaret K. Lorenzo	Corporate Secretary	March 2017/05 December 2023
Gianna Chris Gaile E. Bitancor	Assistant Corporate Secretary	05 December 2023
Rosanna T. Desiderio	Chief Information Officer/ Investor Relations Officer/ Compliance Officer	June 2012/05 December 2023

Board of Directors

The present members of the Board of Directors (“BOD”) were elected during the stockholders’ meeting held on 05 December 2023. The term of the current members of the BOD shall be until the next stockholders’ meeting, or on 01 July 2024.

The Corporate Governance Committee is composed of its Chairman, Mr. Arsenio M. Bartolome III, and two members, Messrs. Aristides S. Armas and Juan Kevin G. Belmonte. In accordance with the Securities Regulation Code and its Implementing Rules and Regulations, the Corporate Governance Committee nominated Messrs. Tomintz, Sanhi, Tiu, Roxas, Belmonte, Armas and Bartolome for election to the Board.

The business experience for at least the last five (5) years of the Company’s candidates for election as Directors, as well as the Executive Officers, are as follows:

Harald R. Tomintz, 71, Austrian, Chairman of the Board

Harald R. Tomintz is the Chairman of the Company. In addition, since 2015, he also serves in the Board of Directors of Philippine Power and Development Corporation. His past positions include being the President of Rekom Manila, and VATECH Phils., Inc. (2002-2004), member of the Executive Committee, Director of Semirara Coal Corporation (1992-1997), and Director of Ferrochrome Philippines (1992-1995). He holds a degree in Mechanical Engineering from BULME in Graz-Goesting and SZA Vienna, Austria.

Johnson A. Sanhi, Jr., 60, Filipino, President & Chief Operating Officer

Johnson A. Sanhi, Jr. has been with TMEC from 2010 to present. He was previously VP-Operations of Stronghold Steel Corporation. He was Vice President and Plant Manager at Cathay Pacific Steel Corporation where he worked for 23 years. He has earned Masteral units in Chemical Engineering from the University of the Philippines Diliman. He obtained his Bachelor of Science degree in Chemical Engineering from De La Salle University.

Dexter Y. Tiu, 52, Filipino, Director and Treasurer

Dexter Y. Tiu, Filipino is the Treasurer and Director of the Company. Mr. Tiu is the Chairman and CEO of Pure Energy Holdings Corporation. He is both Director and Treasurer of Titan Mining & Energy Corporation. He is also a director of JTKC Equities, Inc. and Star Equities, Inc. He holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

Eric Y. Roxas, 61, Filipino, Director

Eric Y. Roxas is an incorporator and Director of the Company. Mr. Roxas is also a Director and President of Pure Energy Holdings Corporation. Concurrently, he is the President of Repower Energy Development Corporation and NexGen Energy Corporation. He is also a Director and Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

Independent Directors

Pursuant to the requirements of Section 38 of the SRC, the Company's Board of Directors and stockholders approved the amendment of the Company's By-Laws adopting the requirement on the nomination and election of independent directors on 18 June 2012. The Amended By-Laws was approved by the SEC on 22 June 2012.

The nomination, pre-screening and election of independent directors were made in compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws.

The Corporate Governance Committee endorsed the nominations for re-election as independent directors given in favor of Messrs. Juan Kevin G. Belmonte (by Mr. Dexter Y. Tiu), Aristides S. Armas (by Mr. Johnson A. Sanhi, Jr.) and Arsenio M. Bartolome III (by Mr. A. Bayani K. Tan). The Corporate Governance Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Company's Manual on Corporate Governance and Rule 38 of the Implementing Rules of the Securities Regulation Code.

The nominees, who are also incumbent independent members of the Board of Directors and whose required information are discussed below, are in no way related to the stockholders who nominated them and have signified their acceptance of their respective nominations. These nominees are expected to attend the scheduled Annual Stockholders' Meeting.

Juan Kevin G. Belmonte, 62, Filipino, Independent Director

Juan Kevin G. Belmonte is an Independent Director of the Corporation. He is also currently the President & CEO of Philstar.com, and Chairman of NuvoLand Philippines. He is concurrently a director of People Asia, Philstar Daily, Inc., IP Ventures Corporation, IP E-Games Corporation, and PhilPlans Inc. 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 a former director of Bantay Kalikasan, ABS-CBN Foundation Initiative, and the Development Bank of the Philippines. 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.

Aristides S. Armas, 79, Filipino, Independent Director

Aristides S. Armas was the President of Asia United Leasing & Finance Corporation and Asia United Fleet Management Services, Inc. until 2018. He was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. Mr. Armas is concurrently an Independent Director of Pure Energy Holdings Corp. and NexGen Renewable Energy Corp. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Arsenio M. Bartolome III, 83, Filipino, Independent Director

Arsenio M. Bartolome III is the Chairman and President of Amber Properties, Inc and is concurrently a director in CIBI Foundation, Inc. He previously held several positions in the public sector, namely North Luzon Railway Corporation (Chairman and President), Philippine National Bank (President and Chief Executive Officer), Bases Conversion and Development Authority (First Chairman and President), Century Bank, Los Angeles, California (Chairman), PNB International Finance, Hong Kong (Chairman) and PNB Europe (Chairman). He also previously held positions in the following private sector institutions: Urban Bank (Chairman and President), H&Q Philippine Ventures, Inc. (Chairman), First Philippine Fund, New York City (Chairman), Rizal Commercial Banking Corporation (Treasurer and Senior Vice President), Multinational Investment Bancorporation (General Manager), Citibank, Manila (Head, Treasury Group), Bancom Development Corporation (Head, Money Market Department) and Wells Fargo Bank, San Francisco, California (Negotiator, International Banking). Mr. Bartolome also served as President of the following professional associations: Management Association of the Philippines, Financial Executives of the Philippines, Asian Pacific Bankers Club, Development Bankers Association of the Philippines, and Money Market Association of the Philippines. He was also previously a director of Bankers Association of the Philippines and Philippine Chamber of Commerce and Industry, as well as governor of the Makati Stock Exchange. Mr. Bartolome has a degree in Business Administration in University of the East (Manila). He also took up an Advanced Banking Program from American Institute of Banking (San Francisco Chapter) and a Top Management Program from the Asian Institute of Management (Manila).

Principal Officers

Harald R. Tomintz, 71, Austrian, Chairman of the Board

Johnson A. Sanhi, Jr., 60, Filipino, President & Chief Operating Officer

Dexter Y. Tiu, 52, Filipino, Director and Treasurer

Rolando P. Domingo, 77, Filipino, Chief Financial Officer

Rolando P. Domingo is the Chief Financial Officer of the Company. He was a banker for 20 years, holding VP Controller and other key positions at BPI Family Bank, Asian Bank, and BSA. He has over 25 years' experience in real estate as SVP-Controller for the St. Francis Square Group, and is well versed in SEC and BIR regulatory, financial and tax matters. He is both a licensed Certified Public Accountant and an Attorney at Law. He obtained his BSC - Major in Accounting in 1969, and his LLB - Bachelor of Laws in 1992, from Far Eastern University.

Enrique C. Payawal, 81, 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.

Ann Margaret K. Lorenzo, 35, Filipino, Corporate Secretary

Ann Margaret K. Lorenzo, Filipino, 35, is the Corporate Secretary of the Corporation. She is concurrently the Corporate Secretary of the following companies: Repower Energy Development Corporation, Arquee Corp., Green Asia Resources Corp., and GGO Realty Holdings, Inc. She is also the Assistant Corporate Secretary of Asia United Bank Corporation, Pacific Online Systems Corporation, Crown Asia Chemicals Corporation, Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., The Spa and Lodge at Tagaytay Highlands, Inc., Jin Natura Resources Corp., Jin Navitas Resource, Inc., Catmon Felix, Inc., Yeoj Commoditas, Inc., Yeoj Socialis, Inc., Yeoj Turbulentus, Inc., Yeoj Universalis, Inc., Bayby Earth, Inc., Jaman Boracay Corporation, Jaman Cebu Corporation, Jaman Hari Corporation, Jaman Reyna Corporation, Jaman Tagaytay Corporation, Corellia Ventures Incorporated, Sacareen Ventures Incorporated, Iridium Ventures Incorporated, and Bluepanel Equities and Development Inc. Ms. Lorenzo is a Senior Associate at Tan Venturanza Valdez where she specializes in securities law, special projects, and data privacy. She also lectures at the Paralegal Training Program of the UP Law Center on corporate housekeeping and data privacy. She obtained her Bachelor of Arts degree in English Studies (cum laude) and Juris Doctor degree from the University of the Philippines in 2010 and 2014, respectively. She was admitted to the Philippine bar in April 2015.

Gianna Chris Gaile E. Bitancor, 28, Filipino, Assistant Corporate Secretary

Gianna Chris Gaile E. Bitancor, Filipino, 28, is the Assistant Corporate Secretary of the Corporation. She is concurrently the Assistant Corporate Secretary of the following companies: Goodyear Steel Pipe Corporation, Repower Energy Development Corporation, Ambergris Plus Parking Services Incorporated, Professional Parking Management Corporation, Park Secure Management Corporation, Navfix Flight Services, Inc., Rainbow Edcop Holdings Corporation, Jin Navitas Electric Corp. and Lunch Bucks Gourmand, Inc. She is also the Corporate Secretary of Numbers That Matter Inc. Ms. Bitancor is a Junior Associate at Tan Venturanza Valdez. She obtained her Bachelor of Arts degree in Art Studies (cum laude) and Juris Doctor degree from the University of the Philippines in 2017 and 2022, respectively. She was admitted to the Philippine bar in May 2023.

Rosanna T. Desiderio, 58, Filipino, Chief Information Officer, Investor Relations Officer, and Chief Compliance Officer

Rosanna T. Desiderio has been with the Company since its incorporation. She is concurrently the Accounting Manager of TMEC, COAL's wholly owned subsidiary. She is a Certified Public Accountant since 1985. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines.

Family Relationships

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

Significant Employees

No single person is expected to contribute more significantly than others to 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 contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Involvement in Certain Legal Proceedings

As of the date of this report, to the best of the Company's knowledge, there has been no occurrence within the past five years 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:

- any bankruptcy petition filed by or against any business of which the incumbent directors or executive officer of the Company was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, or a criminal case, excluding traffic violations and minor offenses, pending against any of the incumbent directors or executive officers of the Company;
- 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 the involvement of any of the incumbent directors or executive officers of the Company in any type of business, securities, commodities or banking activities; and
- any finding by 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, that any of the incumbent Directors or executive officers of the Company has violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Self-dealings and Related Party Transactions

To the best of the Company's knowledge, no director is engaged in self-dealing or in any related party transactions that are not arms' length.

Certain Relationships and Related Transactions

Transactions with and/or Dependence on Related Parties

The term "Related Parties" covers the Corporation's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

The transactions of the Group, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

Nature of Transactions	Amount of Transactions	Outstanding Balances	
		March 31, 2024	December 31, 2023
Advances to related parties -			
Entities under common ownership	Advances for working capital	₱800,000	₱7,055
		₱2,870,917	₱2,070,917
Advances from related parties:			
Stockholders	Advances for working capital	₱-	₱-
Entities under common ownership	Advances for working capital	1,760,270	3,259,820
		₱1,760,270	₱3,259,820
Trade payables -			
Entities under common ownership	Rental	₱-	₱-

Terms and Conditions

Advances to/from related parties are unsecured, noninterest-bearing, generally settled in cash and due on demand. No impairment loss on advances to related parties was recognized in 2023, 2022 and 2021.

Trade payables to related parties are unsecured, noninterest-bearing, generally settled in cash and are due and demandable.

Please refer to Note 13 (Related Party Transactions) on page 36 of the Unaudited Consolidated Financial Statements for the First Quarter of 2024.

Other Transactions

The advances of the Parent Company to TMEC amounting to ₱565.3 million and ₱565.3 million as at December 31, 2023 and 2022, respectively, were eliminated during consolidation. These advances were for working capital purposes. No impairment loss on these advances was recognized in 2023, 2022 and 2021.

The Group has a lease agreement for its office space with its related party under common control, JTKC Equities, Inc., valid until July 31, 2015 and renewable upon mutual consent of both parties. Rental expense amounted to Nil in 2023, 2022 and 2021 (see Note 19).

Disagreement with Director

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Company regarding the latter's operations, policies, or practices.

Item 6. Compensation of Directors and Executive Officers

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 2023, 2022, and 2021.

NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Harald R. Tomintz <i>Chairman</i>	2023	₱600,000		
Dexter Y. Tiu <i>Treasurer</i>	2023	₱600,000		
Total for the Executive Officers as a group	2023	₱1,300,000		
	2022	₱1,300,000		
	2021	₱1,300,000		
	Estimated for 2024	₱1,300,000		
Total for the Executive Officers & Directors as a group	2023	₱1,300,000		
	2022	₱1,300,000		
	2021	₱1,300,000		
	Estimated for 2024	₱1,300,000		

For 2023, the estimated aggregate compensation paid to all officers and directors as a group amount to ₱1,300,000.00.

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 or special meeting of the stockholders.

In 2023, the directors did not receive any compensation and/or per diems for attending meetings.

Standard Arrangements and other Arrangements

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

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no existing employment contracts with executive officers. Furthermore, there are no special retirement plans for executive officers. There is also no arrangement for compensation

to be received from the Company in the event of a change in control of 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 7. Independent Public Accountants

Representatives of the principal accountant (Reyes Tacandong & Co.), the Company's external auditors for the most recently completed fiscal year are expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Details on the selected/recommended principal accountant and partner-in-charge for the ensuing year are as follows:

ARTHUR VINSON U. ONG
Partner

Reyes Tacandong & Co. audited the Company's statement of financial position as of 31 December 2023, and the statement of comprehensive income, statement of changes in stockholders' equity and statement of cash flows for the year ended 31 December 2023 and a summary of significant accounting policies and other explanatory notes. Their responsibility is to express an opinion on these financial statements based on their audit. The audits were conducted in accordance with Philippine Standards on Auditing. The partner who handled the Company's external audit was Mr. Arthur Vinson U. Ong.

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

In compliance with SRC Rule 68 3 (b) (iv), the assignment of Reyes, Tacandong & Co.'s managing partner shall not exceed five (5) years.

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

	2023	2022
Audit Fee	₱570,000	₱540,000
Other fees	-	-
TOTAL	₱570,000	₱540,000

It is the policy of the Company that 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 Messrs. Aristides S. Armas (Chairman), Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

Professional fees paid to the external auditor are purely audit engagement fees. The external auditor was not engaged for professional services for tax accounting, compliance, advice, planning, and any other form of tax services.

It is the policy of the Company that 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. Arsenio M. Bartolome III, and Eric Y. Roxas) prior to said report being endorsed to the Board of Directors for approval.

The Company will recommend the accounting firm of Reyes Tacandong & Co. for reappointment at the scheduled annual stockholders' meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

There are no matters to be taken up during the Annual Stockholders' Meeting relating to the matters covered by Items 9 to 14.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The Company will seek the approval by the stockholders of the Minutes of the previous Annual Stockholders Meeting held on 05 December 2023, during which the following were taken up: (1) Call to Order, (2) Certification of Notice and Quorum (3) Approval of the Minutes of the previous stockholders' meeting, (4) President's Report and Presentation of Audited Financial Statements, (5) Ratification of All Acts of the Board of Directors and Officers, (6) Election of Directors, (7) Appointment of Reyes Tacandong & Co. as External Auditors, (8) Other Matters, and (9) Adjournment. All items were approved by the majority of the stockholders who cast their votes through the online platform set up by the Company or through sending their proxy forms and proxy votes to the Corporate Secretary. The Corporate Secretary tallied the votes from proxies and the online voting platform.

A copy of the Minutes for the 2023 Annual Stockholders' Meeting held last 05 December 2023 is currently posted on the Corporation's website and can be viewed at any time. (<https://coalasiaholdings.com/files/ASM-231205.pdf>).

The Minutes contain the approval of the items:

1. The Minutes of the 2022 Annual Stockholders' Meeting
2. The President's Report for the year ended 31 December 2022, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2022
3. Ratification of all the acts of the Board of Directors and Officers of the Corporation from the date of the last stockholders' meeting up to date of the 2023 ASM
4. Election of the following as members of the Board of Directors of the Corporation for the year 2023-2024 after receiving the requisite votes:

Harald R. Tomintz
Johnson A. Sanhi, Jr.
Dexter Y. Tiu
Eric Y. Roxas
Juan Kevin G. Belmonte (*Independent Director*)
Aristides S. Armas (*Independent Director*)
Arsenio M. Bartolome III (*Independent Director*)

5. The proposal to re-appoint Reyes Tacandong & Co. as the Corporation's external auditor for year 2023

All items were approved by the stockholders representing 80.01% of the outstanding capital stock who cast their votes through the online platform set up by the Company or through sending their proxy forms and proxy votes to the Corporate Secretary. The Corporate Secretary tallied the votes from proxies and the online voting platform.

The Company will also seek approval by the stockholders of the 2023 Operations and Results contained and discussed in the Annual Report attached and made part of this Information Statement. Approval of the reports will likewise constitute approval of the Audited Financial Statements as well as approval and ratification of the acts of management and of the Board of Directors for the past year.

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-Laws, or Other Documents

The Board of Directors of the Company, in a meeting held on 23 May 2024, has approved the proposal to amend the Company's Articles of Incorporation as follows:

1. Change in Primary and Secondary Purpose; and
2. Change in Par Value of Shares of Stock from Php 1.00 to Php 0.10.

The change in primary purpose is being made to reflect the addition of other sources of energy and technologies for their generation, to the Company's engagement in the power/energy generation business, while the change in secondary purpose is being made to reflect the inclusion of all other business activities that the Company may deal in. The proposed amendment to Article VII shall reflect the decrease in the par value of shares of stock from Php 1.00 to Php 0.10 to improve the liquidity in the trading of the Corporation's shares, as well as boost investor interest in and wider distribution of the Corporation's shares of capital stock thereby shoring up its marketability.

The Second Article shall be amended to read as follows:

"A. That the primary purpose of this corporation is:

To carry on directly or indirectly, the business of generating energy derived from coal, fossil, fuel, geothermal, nuclear, natural gas, hydroelectric new and renewable energy and energy generation and other viable sources of power, for lighting and power purposes and whole selling the electric power to any corporation, public electric utilities and electric cooperatives and for carrying on of all necessary and convenient buildings, structures, machinery, sub-stations, transmission lines, poles, wires and other things and devices, and to acquire and hold water and flowage rights and to acquire, lease, hold, occupy or use land rights of way and easement therein; buying, selling, brokering, marketing or aggregating electricity to end-users; to provide power generation, electricity trading and electricity supply services to distribution utilities and other entities, including but not limited to, electric cooperatives to install, build, own, lease, maintain or operate power generation facilities, using fossil fuel, natural gas, or renewable energy; and to engage in any and all acts which may be necessary, or convenient, in the furtherance of such power generation services to develop, construct, own, lease and operate electricity generation and/or distribution, and/or hydropower plants or related businesses; to engage in build-operate-transfer

arrangements with the government, its branches, agencies and instrumentalities, and any non-government entity; act as consultants, contractors or principals in the business of developing, constructing, operating, repairing and maintaining of hydropower plants and systems and other power-generating or converting stations and in the manufacture, operation and repair of associated mechanical and electrical equipment; to carry on the general business of manufacture, generation, and/or transmission of electric power in accordance with existing laws, rules and regulations; and to carry on all business necessary or incident to all the foregoing; to purchase, acquire, own, lease, sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, including the importation of plants, machineries, equipment, and any and all implements necessary, desirable and required for the corporation's power generation, distribution, transmission, systems and other matters related to but not confined to energy related businesses; to engage, operate and maintain water and electric facilities or make the necessary undertakings for the distribution of such facilities to consumers, and in relation thereto, engage in other allied services and business necessary for the conduct and maintenance of the above project; to engage in the business of generating of electricity and distribution of the same through waste energy with agricultural waste use has commercial/residential and agricultural waste.

SECONDARY PURPOSE

1. To purchase, acquire, and take over all or any part of the rights, assets, business and property of any person, partnership, corporation or association and to undertake and assume the liabilities and obligations of each persons, partnership, corporation, or association whose rights, assets, business or property may be purchased acquired or taken over;

x x x

10. To engage in the hotel, resorts, gaming, casino, entertainment and akin industries and business activities; to provide travelers with shelter, food, refreshment, and similar services and goods, offering on a commercial basis things that are customarily furnished within households but unavailable to people on a journey away from home.

11. To engage in general construction business including the constructing, enlarging, repairing, or engaging in any work upon buildings, houses & condominium, roads, plants, bridges, piers, waterworks, railroads & other structures.

12. To engage in business involving and promoting cryptocurrency, bitcoin and other digital assets, media, communication, marketing and related businesses and activities.

13. To engage in the business of bulk water supply, retail water distribution, water treatment, septage and/or supply which involves the construction, manufacturing, supplying, operating and maintaining equipment, facilities and sewage system, and supply of chemicals that may be used for water treatment or supply such as but not limited to purification, desalination, reverse osmosis and wastewater treatment.

x x x"

The Seventh Article shall be amended to read as follows:

"SEVENTH: That the authorized capital stock of said corporation is FIVE BILLION PESOS (P5,000,000,000.00), Philippine Currency, and said capital stock is divided into FIFTY BILLION (50,000,000,000) shares of stock with a par value of TEN CENTAVOS (P0.10) each. x x x"

There are no expected adverse effects on the operations of the Corporation due to the amendments.

Item 18. Other Proposed Action

The following are to be proposed for approval during the stockholders' meeting:

1. Minutes of the Annual Stockholders' Meeting held on 05 December 2023;
2. 2023 Operations and Results;
3. Ratification of all Acts of the Board of Directors and Officers;
4. Election of Directors for 2024-2025;
5. Appointment of Reyes Tacandong & Co. as External Auditors; and
6. Other Matters

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

3. Membership in the relevant board committees;
4. Appointment of principal officers at the Organizational Board Meeting; and
5. Approval of Financial Reports.

Management reports which summarize the acts of management for the year 2023 are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

Item 19. Voting Procedures

- (a) Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.
- (b) Two inspectors, who are officers or employees of the Corporation, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place. If no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend, then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on 01 July 2024, the Corporate Secretary and/or his representative together with the Compliance Officer, have been designated as inspectors who have been tasked to oversee the counting of votes.
- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the corporation; provided, however, that in the election of directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law. For the purpose of this year's annual stockholders' meeting, which will be held only in a virtual format, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by either of the following:
 - i. by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City

on or before 5:30 p.m. on 21 June 2024.

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

- ii. by registering your votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose, the link for which will be sent to the stockholders after successful registration. Voting will be open until 09:00 in the morning of 01 July 2024.
- (d) The method of counting votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting shall be done by the inspectors abovementioned

Omitted Items

Items 8, 9, 10, 11, 12, 13, and 14 are not responded to in this report, the Company having no intention to take any action with respect to the information required therein.

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, I hereby certify that the information set forth in this report is true, complete and correct.

This report is signed in the City of Pasig, Metro Manila on 5 June 2024.

ISSUER: COAL ASIA HOLDINGS, INCORPORATED


ANN MARGARET K. LORENZO
Corporate Secretary

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Coal Asia Holdings Incorporated (“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 and authorized to be sold or offered for sale in the Philippines.

The shares of COAL were listed with the Philippine Stock Exchange (PSE) on October 23, 2012.

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 TMEC’s transition from exploration to actual commercial operation. This amendment was approved by the SEC on December 23, 2009. TMEC is involved in coal mining and energy-related business.

TMEC originally had 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.

COC #159

In 2016, preliminary mine development activities have commenced at the Davao Oriental Project. Bulk samples were collected and subjected to test firing and coal analysis.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The Department of Energy (DOE) has completed its validation of TMEC's coal resource estimate for the Davao Project.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to Sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT were granted.

TMEC acquired its Certification Precondition (CP) for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas occupied by indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

COC #166

TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018, incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligations due to peace and order disturbances in the area, security threats to the employees by lawless elements and dwindling worldwide coal prices.

Coal Operating Contracts

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

COC #159

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’s Exploration Phase was renewed by the DOE for another period of two (2) years, commencing from September 16, 2011 and ended on September 15, 2013.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The DOE has completed its validation of TMEC’s coal resource estimate for the Davao Project.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk samples were collected and subjected to test firing and coal analysis.

In support of the company’s request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties, hence no interference from Indigenous Peoples was expected. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

COC #166

The Zamboanga Project encompasses four (4) adjoining 1,000-hectare Coal Blocks for a total area of 4,000-hectares and is covered by COC #166, which was 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. The Exploration Phase of 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. Subsequently, the Zamboanga Sibugay Project has completed its subsurface exploration activities and has a Measured & Indicative Resource (M&I) of 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligation due to peace and order disturbances in the area, security threats to the employees by lawless elements and dwindling worldwide prices of coal.

Competitive Strengths

Coal Resources & Reserves

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 1.9 MMT was also determined for Sagasa area east of Macopa.

PMRC Coal Resource	
Area	M&I (MMT)
Macopa & Bactinan	3 MMT
Sagasa	1.9 MMT
Total M&I	4.9 MMT

TMEC, using DOE Coal Resource Classification parameters, has an In-situ reserve of 3 MMT for Macopa/Bactinan and 1.5 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. On October, 2014, a ten (10) year Surface Mining Plan considering 1.8 MMT of the reserves was prepared by Engr. Raul A. Fellizar as required by the DOE. Engr. Raul A. Fellizar is an independent consulting mining engineer with PRC Registration No. 1668.

DOE Coal Reserve (In Situ)	
Area	In Situ (MMT)
Macopa & Bactinan	3 MMT
Sagasa	1.5 MMT
Total (In Situ)	4.5 MMT

Area	5-Year Surface Mining Plan	10 Year Surface Mining Plan
Macopa & Bactinan	1 MMT	1.8 MMT
Sagasa		

Davao Oriental Project Coal Quality 10 Year Work Plan Values	
Strip Ratio	10.47 BCM/MT
Stage	Pre-Development
Heating Value	8,290 BTU/lb
Ash Content	21.65%
Sulfur Content	1.88%

A Ten (10) Year Work Program with Financial Feasibility Report was submitted to the DOE in October 2014 for the Davao Oriental Project. Two (2) to three (3) coal seams were observed within the coal basin of COC#159. In 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 20° to 30°.

Bactinan	Coal Thickness	Where Identified
A	0.50 - 3.05 m	22 drillholes and 2 coal outcrops
B	0.50 - 3.88 m	14 drillholes and 2 coal outcrops

Three coal seams were identified based on coal outcrops and drill intercepts in 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 20° to 30°. The seams occur in a syncline with axis trending west northwest (WNW) and plunging approximately 1° to the East Southeast (ESE).

Macopa	Coal Thickness
A	0.50-4.57 m
B	0.50-3.40 m
C	0.10 m

Six (6) coal seams were interpreted based on coal outcrops and drill intercepts at Sagasa. Seam A, the bottom most seam, has a coal thickness ranging from 0.15 to 0.85 meters. Seam B coal thickness varies from 0.12 to 2.63 meters. Seam C coal thickness varies from 0.05 to 1.34 meters. Seam D coal thickness varies from 0.09 to 2.40 meters. Seam E coal thickness varies from 0.10 to 2.64 meters. The topmost seam, Seam F coal thickness ranges from 0.05 to 1.80 meters. The dip angles of the coal seams also vary from 30° to 45°. The seams occur in a monocline striking Northwest (NW) and dips to the North East (NE).

Sagasa	Coal Thickness
A	0.15 - 0.85 m
B	0.12 - 2.63 m
C	0.05 - 1.34 m
D	0.09 - 2.40 m
E	0.10 - 2.64 m
F	0.05 - 1.80 m

The average heating value for the Macopa, Bactinan and Sagasa coal seams is 8,290 BTU/lb.

On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are ongoing.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

Zamboanga Sibugay Project

After drilling sixteen (16) holes with a total length of 3,367.8 meters, with trench and exploration adit length of 222.64 meters, TMEC estimated the M&I Resources for the Zamboanga Sibugay Project to be 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing. The development and production phase conversion of the COC shall follow thereafter.

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	10,456 BTU/lb
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 are 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-Environment and Management Bureau for the Certificate of Non-Coverage and the National Commission on Indigenous Peoples (“NCIP”) for the Certificate of Non-Overlap. The same holds true for the Municipality of Manay, Davao Oriental through its acquisition of its Environmental Compliance Certificate (ECC) on May 16, 2014 and a signed Memorandum of Agreement (“MOA”) with the Mandaya Tribe facilitated by the NCIP last July 19, 2012 for its Exploration Phase. TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

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. The Davao Oriental Project site is, in fact, less than a hundred (100) meter away from a military detachment.

In Zamboanga Sibugay however, unfavorable insurgent situations have been reported in the upland areas, as well as kidnappings of personnel and other untoward incidents perpetuated by the NPAs and lawless elements.

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, all duly licensed by the Professional Regulatory Commission, one (1) Junior Geologist, 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. Preliminary sub-surface exploration via diamond drilling (22 cored drill holes) 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 in 2013. 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 1.9 MMT.

Based on the DOE's conversion standard of resource to reserve, the project has a reserve of 3 MMT with a possible additional 1.5 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 Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

Zamboanga Sibugay Project

On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligation due to peace and order disturbances in the area, security threats to employees by lawless elements and worldwide dwindling prices of coal.

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.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, core house/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

Mining Plan and Layout

The feasibility study states 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.

On March 2014, a bulk sampling pit was dug exposing the coal at Macopa to find out the bulk coal quality in the area. The stockpiled incidental coal formed part of the 8,000 MT of coal Permit to Sell/Transport incidental coal requested from the DOE.

Production and Operational Parameters

The following initial operating parameters are planned for the area covered by the Feasibility Study for the Davao Oriental Project submitted last December 21, 2018 to the DOE.

Production and Operational Parameters	
Total Mineable Reserves for Macopa and Sagasa (by Open Pit Extraction)	1.2 MMT
Mine Life	9 years
Annual Production	148,000 MT
Monthly Production	12,300 MT

Marketing Plan

The company has developed a marketing strategy and marketing plan based on its geographic location, competitive strengths, and the industries it primarily hopes to serve.

The mines are located in Mindanao Island, whose growth and development are crippled by, among others, a power crisis. This has resulted in regular, rotating power outages causing hefty losses to industries and businesses situated therein, not to mention inconvenience to its populace. The same situation holds true for its neighboring group of islands to the north, the Visayas. To remedy this situation, the government has put in place incentives for private firms setting up power plants in Visayas and Mindanao. With the advent of new technologies that are environmentally-sound, many of these power plants that have been set up or are still to be put up are coal-fired power plants.

Based on information obtained from the DOE, by 2017 the total projected coal demand in Visayas and Mindanao is estimated at 13.5 Million Metric Tons Per Annum (MMTPA). Of this total, demand from coal-fired power plants accounts for about 64%. On the other hand, from a geographic standpoint, demand from Mindanao accounts for about 57% of the combined total for Visayas and Mindanao. Aside from serving the requirements of power plants, the Company also plans to serve cement manufacturers which account for about 35% of the total projected coal demand by 2017. Lastly, the Company also plans to serve Canneries located in General Santos City, which account for more than 1% of total projected demand by 2017.

The new market potential in Mindanao, in particular, is a prime motivator for continued exploration in the areas covered by the Company's COCs. Again, based on 2017 projections, at full production capacity the Company can only serve around 7% of market demand in that area, with the remaining 93% coming mainly from imports and also from other local coal miners such as Semirara, etc.

Management Plan

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP) from the NCIP thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Conversion of COC 166 to Development and Production Phase by the DOE has a pending improvement of coal market price and peace and order situation in the general area where the COC is situated. The estimated date of conversion is within six months to one year.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa Sellers to the Company.

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 certain common shareholders with COAL.

Pacifico Sul Mineracao Corporation

Pacifico Sul Mineracao 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 geological structures not clearly manifested on the ground surface, 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, these 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 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 resources will be economically viable. The success of the Company's business is dependent upon its successful exploration and conversion 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 in 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 remaining Potential Deposit of 69 MMT considering the undrilled carbonaceous mudstone areas of the 7,000-hectare COC. Further drilling at Sagasa further determined an additional M&I resource of 1.9 MMT.

Reserves in the area following the DOE's Reserve Classification resulted to 3 MMT for Macopa and Bactinan and 1.5 MMT for Sagasa.

The DOE has completed its validation of TMEC's coal resource estimate for the Davao Project (Macopa and Bactinan) on March 16, 2014 and (Sagasa) on August 30, 2018.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

The DOE has likewise completed its validation of TMEC's coal resource estimate for the Zamboanga Sibugay Project on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design, and costing.

Risks Related to Drilling and Mining Equipment

The Company's 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 can minimize errors or discrepancies in 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, defect 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 of 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.

Risks Related to Coal Price

The viability of the Company's and its subsidiary's business is highly dependent on the worldwide 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. 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 portion of its coal production to take advantage of higher prices for better quality coal in other markets. As such, a 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 Domestic and International Competition

The Company faces competition 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, Australia and China. Among local producers of coal, Semirara Mining Corp. ("SCC"), a listed company, is the country's largest producer and the acknowledged 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 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.

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 and 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 Philippine Energy Contracting Round (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 identification 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 in 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 mudstones potential coal bearing areas) were initiated in late November 2010. A second drilling program was undertaken in August 2011 where 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 is 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 in 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 1.9 MMT.

A five (5) year work program with financial feasibility for the project was prepared in 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.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

In support of the Company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE in October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

As of December 2018, 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 0.5 MMT.

On May 13, 2014, TMEC submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the

Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

The development and production phase conversion of the COC shall follow thereafter. 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 of industrial or labor disputes. At present, 9 of the rank-and-file employees are regular and 2 are probationary. Furthermore, once TMEC starts full production, it will need to employ more mining engineers, operators, staff, and 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 Philippine 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.

The listing of COAL shares was approved with the submission of a Philippine Mineral Reporting Code (PMRC)-compliant technical report by a Competent Person (CP)-Geologist that indicated the coal resources of COAL's Coal Operating Contracts. Thereafter, the PSE required COAL to also submit a PMRC-compliant technical report by a CP-Mining Engineer, to be submitted to the PSE not later than December 31, 2012.

COAL attempted to submit said report to the PSE, but circumstances beyond its control resulted in further delays and penalties.

On September 30, 2015, Engr. Rufino B. Bomasang, the lone CP-Mining Engineer for coal in the Philippines, submitted to the PSE a PMRC-compliant Technical Report entitled "Final Report on the Economic Assessment of the COC #159 Davao Coal Project."

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	Remarks
Davao Oriental Coal Operating Contract						
159	CB-136	TMEC	16-Sep-09	15-Sep-11 (2 years Exploration)	September 15, 2013) 2 years Extension)	Submitted Geologic Report, 5 and 10 year mining plan, ECC, Permit to Sell incidental Coal Production from DOE; Amended 10Year Work Program and Feasibility Study covering Macopa and Sagasa submitted on October 2017 and December 2018. NCIP CP for Exploration acquired last December 14, 2018; preparations for FPIC for CP Development and__Production on going.
	CB-137					
	CB-176					
	CB-177					
	CB-188					
	CB-217					
	CB-218					
Zamboanga-Sibugay Coal Operating Contracts						
166	CB-280	TMEC	18-Nov-09	November 17, 2011 (2years Exploration)	November 17, 2013 (2 years Extension)	Submitted Geologic Report, DOE review and validation completed; 5 Year Work Program with Feasibility Study Submitted to DOE February 26, 2016; submitted amended Study on August 2016 after initial review. Additional amendments submitted by TMEC on March 31, 2017 and September 20, 2018. NCIP CNO acquired.
	CB-320					
	CB-241					
	CB-281					

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 its obligations with regard to the COCs 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. In addition, its coal resources have also been validated by the DOE. For the Zamboanga-Sibugay Project, TMEC will conduct the Feasibility Study since the DOE has completed its review of TMEC's exploration results last August 7, 2015 to be able to enter the development and production phase.

TMEC plans to enter the development and production phase as soon as the DOE converts the COC to Development & Production phase for the Davao Oriental Project. COAL used its IPO proceeds to fully fund TMEC's exploration, development, and production in the Davao Oriental Project and used a portion of it to 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 continuously fulfills and complies with, and even exceeds 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 spent 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 for the Davao Oriental 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"). Nonetheless, in support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. 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 or its partners, which could have an adverse effect on the Company's business, results 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. There have been attacks by the New People's Army 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 a couple of small mining companies in the Compostela 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 a church in 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 the access road, donation of an ambulance in Davao Oriental and the construction of a church in Zamboanga-Sibugay. As of the date of this Report, there have been no attacks or threats of attack received by the Company at its mining site in Davao Oriental. 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 and the issuance of the Certification Precondition for Exploration on December 14, 2018.

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, storm surges 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 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 exploration and the extraction, processing and trade of coal and other energy related products.

Distribution of Products

Coal from incidental outcrops and small-scale operators were primarily sold to local customers such as 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 (as of June 2017). Most of the companies listed below, except for Semirara Mining Corporation, have shut down their operations as of this writing.

Table 2: Coal Operating Contract (COC) holders		
COC No.	NAME OF COMPANY	LOCATION OF CONTRACT AREA
5,189,190	Semirara Mining Corporation	Semirara Island, Caluya, Antique; Bulalacao, Oriental Mindoro; Maitum and Kiamba, Sarangani
13	Ibalong Resources & Development Corporation	Mantalongon, Dalaguete, Cebu
9	Adlaon Energy Development Corporation	Brgy. Santicon, Bala-as, Maloray&Manlapay, Municipalities of Dalaguete &Argao, Cebu
83	Benguet Corporation	Lianga, Marihatag& San Miguel, Surigao del Sur
68,77,78	Filipinas (Prefab) Systems, Inc.	Bulalacao, Mindoro Oriental, Payao, Zamboanga Sibugay,
93	A Blackstone Energy Corporation	Lalat, Zamboanga Sibugay
116, 123	D. M. Wenceslao and Associates, Inc.	Baculod, Gattaran and Iguig, Cagayan
127	Smart Mining and Resources Development Corporation (SMRDC)	Bislig, Surigao del Sur
41, 122, 184,185,186	PNOC Exploration Corporation	Bug, Imelda, Payao, Malangas, Zamboanga Sibugay, Cauayan, Isabela, Trento, Agusan del Sur and Lingig, Surigao del Sur
104,137	Batan Coal Resources Corporation	Liguan, Batan Island, Rapu-Rapu, Albay,
125, 153	Lima Coal Development Corporation	Batan Island, Rapu-Rapu, Albay, Bacon and Gubat, Sorsogon
126	DagumaAgro Minerals Inc.	South Cotabato and Sultan Kudarat
128, 129	SAMAJU Corporation	Bilbao, Batan Island, Rapu-Rapu, Albay, Bagaobawan, Batan Island, Rapu-Rapu, Albay
130	Grace Coal Mining & Development Corporation	Diplahan and Bug, Zamboanga Sibugay
131	Forum Cebu Coal Corporation	Dalaguete, Cebu

132	First Asian Resource Mining Corp.	Balamban, Cebu
134	Sultan Energy Phils. Corporation	Sultan Kudarat, South Cotabato
136,179,180	SKI Energy Resources, Inc.	Carmen, Asturias and Catmon, Cebu; Alpaco, Naga, Cebu
135	SKI Construction Group, Inc.	Cahumayan, Portland & Dungga, Danao City, Cebu
187	SKI Mining Corp.	Trento, Agusan del Sur
138	Bonanza Energy Resources, Inc.	Maitum, Sarangani Province and Ned, Lake Sebu, South Cotabato
142	Visayas Multi-Minerals Mining and Trading Corporation	Toledo City, Cebu
145	Great Wall Mining and Power Corporation	San Miguel & Tandag, Surigao del Sur
148	Abacus Coal Exploration and Development Corp.	Tandag, Surigao del Sur
149	IL Rey'c Coal Mining Exploration Corp.	Danao City, Cebu
151	Guidance Management Corp.	Calatrava, Negros Occidental
154	DMC-Cons truction Equipment Resources, Inc.	Bagumbayan, Sultan Kudarat
162	ASK Mining & Exploration Corp.	Cagwait-Marihatag, Surigao del Sur
165	3Kings Sunrise Mining Corp.	Carmen, Cebu
169,174,175	Blackgem Resources & Energy Inc.	Tarragona, Davao Oriental;Batan Island, Rapu-rapu, Albay; Cateel and Baganga, Davao Oriental
170	Dell Equipment & Cons truction Corp.	Sarangani & South Cotabato
171	Cedaphil Mining Corp.	Toledo City, Cebu
172	Core 8 Mining Corp.	Toledo City, Cebu
173	BBB Mining and Energy Corp.	Asturias, Carmen, Danao, Cebu
181	Timberwolves Resources, Inc.	Guigaquit, Surigao del Norte
182,200,202	Altura Mining Philippines, Inc.	Bagamanoc, Caramoran and Panganiban, Catanduanes; Rapu-Rapu, Albay; Bislig, Surigao del Sur
183	Blackstone Mineral Resources, Inc.	Naga, Zamboanga Sibugay
188	Mega Philippines, Inc.	Lake Sebu, South Cotabato; Palimbang, Sultan Kudarat; and Maitum, Sarangani

191	South Davao Development Corp., Inc.	San Jose and Magsaysay, Occidental Mindoro
192,201,203	Empire Asia Mining Corporation	Bislig and Lingig, Surigao del Sur; Kitcharao, Agusan del Norte; Bislig, Surigao del Sur & Trento, Agusan del Sur
193	Coal Black Mining Corporation	Tandag and Tago, Surigao del Sur
194, 195, 198,199	Sahi Mining (SMC)	Butuan City, Agusan del Norte and Sibagat Agusan del Sur; Godod, Zamboanga Del Norte & Kabasalan, Zamboanga Sibugay
196, 197	Philsaga Mining Corporation	Bunawan and Trento, Agusan del Sur
176	Yolo Mining Resources, Inc. (Formerly Goodyield Resources Development, Inc.)	Trento, Agusan del Sur and Boston, Davao Oriental

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 Semirara Calaca 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.

As a strategy, Semirara Mining Corp. has entered the power generation business to find a ready market 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 advantages over other coal mining companies.

Expenses on Development Activities

As of 31 December, 2023 TMEC, has spent ₱637.22 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 released on May 16, 2014.

Employees

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

	2022	Next 12 months (pending conversion of COC)
Administration and Accounting	1	1
Exploration and Development		
Regular	2	2
Contractual	0	0

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

Transaction with and/or Dependence of Related Parties

The term “Related Parties” covers the Corporation’s directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation’s parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

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

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 a 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 exploration activities. There is no extraordinary government approval 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 pertains 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 and regulations 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 and # 166. An Environmental Compliance Certificate (ECC) was granted to TMEC for COC # 159 on May 16, 2014.

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. Infrastructure such as living quarters, coal quality laboratory, road network (camp road and camp to pit) and pier facilities are some of the improvements made by 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 leases office space from its affiliate, JTKC Equities, Inc. which commenced in 2010 and renewable upon mutual consent of both parties. In 2017, the Group renewed the lease agreement with lesser area to save on costs.

All properties are free of any liens and encumbrances.

ITEM 3: LEGAL PROCEEDINGS

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 incumbent's 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 or 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.

PART II - SECURITIES OF THE REGISTRANT

(1) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

The Company's common equity was first listed and traded on the Philippines Stock Exchange on October 23, 2012.

The trading prices of the Corporation's shares at the PSE for the last trading day of each quarter for year 2023, and the first quarter for year 2024 are as follows:

Quarter	High	Low	Close
1Q 2023	0.199	0.199	0.199
2Q 2023	0.165	0.163	0.165
3Q 2023	0.174	0.15	0.15
4Q 2023	0.12	0.12	0.12
1Q 2024	0.170	0.113	0.14

The trading prices at the PSE for the year 2022 and 2021 are as follows:

Quarter	High	Low	Close
1Q 2022	0.245	0.242	0.245
2Q 2022	0.22	0.22	0.22
3Q 2022	0.202	0.202	0.202
4Q 2022	0.20	0.20	0.20
1Q 2021	0.285	0.28	0.28
2Q 2021	0.32	0.31	0.32
3Q 2021	0.29	0.275	0.29
4Q 2021	0.265	0.265	0.265

As of the latest practicable trading date (31 May 2024), the price of the company's securities closed at ₱0.187.

(2) Holders of Common Equity

As of 31 May 2024, the Company had 24 stockholders as per its stock and transfer agent, Professional Stock Transfer, Inc. The list of shareholders reported by the Stock and Transfer Agent were as follows:

	Name of Stockholders	No. of shares	Percent
1	PCD Nominee Corp. (F and NF)	1,435,165,882	35.47%
2	Sterling Bank of Asia - Trust Group FAO Eric Y. Roxas	640,000,000	16.00%
3	Sterling Bank of Asia - Trust Group FAO Gertim G. Chuahiong	640,000,000	16.00%
4	Sterling Bank of Asia - Trust Group FAO Alexander Y. Tiu	640,000,000	16.00%
5	Sterling Bank of Asia - Trust Group FAO Dexter Y. Tiu	640,000,000	16.00%
6	Yan, Lucio W. Yan &/or Clara Y.	4,000,000	0.10%
7	Tacub, Pacifico B.	400,000	0.01%

8	Regina Capital Devt. Corp.	120,000	0.00%
9	Sucaldito, Enrique L.	100,000	0.00%
10	Mendoza, Roseller A.	65,000	0.00%
11	Comia Jr., Juan D.	50,000	0.00%
12	Puno, Orpha C.	22,000	0.00%
13	Young, Bartholomew Dybuncio	20,000	0.00%
14	Asuncion, Alexander G.	15,000	0.00%
15	Marana, Cenon Bienvenido C.	13,500	0.00%
16	Marana, Marie Jane C.	13,500	0.00%
17	Rayos Del Sol, Oscar M.	10,000	0.00%
18	Mariano, Maria Ana B.	2,000	0.00%
19	Limgenco, Dondi Ron R.	1,111	0.00%
20	Gili Jr, Guillermo F.	1,000	0.00%
21	Bes, Ronald S.	1,000	0.00%
22	Falcotelo, Matthew Henri H.	10	0.00%
23	Bautista, Joselito T.	1	0.00%
Total		4,000,000,004	100.00%

The Company only has one class of share, common shares, and all such common shares have equal voting rights.

As of 31 May 2024, 16,437,760 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 0.41%. This is significantly below the foreign ownership limit of 40%.

(3) Dividends

The Company has not declared any kind of dividend to its shareholders since its incorporation. As of 31 May 2024, the Company has no unrestricted retained earnings.

(4) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended 31 December 2023, the Company has not issued any securities constituting an exempt transaction.

PART III - FINANCIAL INFORMATION

(A) Management's Discussion and Analysis

Plan of Operation

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP) from the NCIP

thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Conversion of COC 166 to Development and Production Phase by the DOE has a pending improvement of coal market price and peace and order situation in the general area where the COC is situated. The estimated date of conversion is within six months to one year.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa sellers to the Company.

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2023, 2022, and 2021.

COAL's Summary Audited Consolidated Financial Information			
as at			
	2023	2022	2021
	(One year)	(One year)	(One year)
Amounts are in Php			
Consolidated Statement of Comprehensive Income			
Sales	-	-	
Cost of Sales	-	-	-
Gross Profit	-	-	-
General and Administrative Expenses	-22,168,229	-31,502,566	-40,697,189
Provision for Impairment Loss on EEA	-211,922,923	-	-334,422,038
Operating Income	-234,091,152	-31,502,566	-375,119,227
Other Income	750,000	-	-
Interest Income	1,171	965	4,170

Finance Cost	-	-	-
Income (loss) before income tax	-233,338,783	-31,482,025	-386,269,771
Provision For (Benefit From) Income Tax - Deferred	-1,198	19,576	-11,154,714
Net Income (loss)	-233,338,783	-31,482,025	-386,269,771
Consolidated Statement of Financial Position			
Assets			
Cash and cash equivalents		462,164	851,497
Funds held in escrow	-	-	-
Advances to Affiliates	2,070,917	2,063,862	2,063,862
Prepayments and other current assets	449,293	449,293	444,151
Total Current Assets	3,027,028	2,975,319	3,359,510
Exploration and evaluation assets	90,881,117	302,804,040	302,804,040
Property, plant and equipment –net	49,749,965	67,050,852	91,690,697
Coal Reserves	3,131,596,101	3,131,596,101	3,131,596,101
Deferred Tax Asset	-	-	-
Other Noncurrent Asset	1,082,925	1,082,925	1,082,925
Total Non-Current Assets	3,273,310,108	3,502,533,918	3,527,173,763
TOTAL ASSETS	3,276,337,136	3,505,509,237	3,530,533,273
Liabilities and Equity			
Trade and other payables	10,004,964	9,146,696	8,787,106
Advances from related parties	69,275,381	66,015,561	59,975,890
Current portion of loans payable	-	-	-
Income tax payable	-	-	-
Total Current Liabilities	79,291,595	75,162,257	68,762,996
Loan Payable-net of current portion	-	-	-
Retirement benefit liability	494,396	444,604	366,300
Deferred Tax Liability	1,191,303	1,203,751	1,223,327
Total Non-Current Liability	1,685,699	1,648,355	1,589,627
Capital Stock	4,000,000,004	4,000,000,004	4,000,000,004

Deficit	-807,969,084	-574,630,301	-543,148,276
Other Comprehensive income	3,328,922	3,328,922	3,328,922
Stockholders' Equity	3,195,359,842	3,428,698,625	3,460,180,650
TOTAL LIABILITIES AND EQUITY	3,276,337,136	3,505,509,237	3,530,533,273
Key Indicators			
Gross Profit Margin (%)	-	-	-
Net Income (loss) Margin (%)	-	-	-
Return on Asset (%)	-	-	-
Return on Equity (%)	-	-	-
Current Ratio(x)	0.04:1.00	0.06:1.00	0.05:1.00
Total Liabilities to Equity (x)	.02:1.00	.02:1.00	.01:1.00
Earnings Per Share (Basic) (Php 0.0000)	-0.058	-0.0079	-0.0965
Book Value Per Share (Php 0.0000)	0.7988	0.8571	0.8700

Additional Disclosures for issuers with no revenues from operations in two (2) fiscal years

- (1) The Company is planning will continue processing its permitting applications with, among others, the Department of Energy and the National Commission on Indigenous Peoples, in order to pursue commercial operations.
- (2) As stated in the Consolidated Financial Statements for 2023 of the Company, the Group has not started commercial operations because of the delays in getting necessary approvals from the government of its COCs. This reduced the Group's operating funds. However, there is the commitment of the majority stockholders to provide continuing financial support not only for the Group's pre-operating activities but also for its working capital requirements when the Group starts commercial operations. There are no plans to raise additional funds from any public offering within the next twelve (12) months.
- (3) There are no product research and development planned within the next twelve (12) months.
- (4) There are no expected purchase or sale of plant and significant equipment within the next twelve (12) months.
- (5) There are no expected significant changes in the number of employees within the next twelve (12) months.

Comprehensive Income for the year ended December 31, 2023 vs. Comprehensive Income for the year ended December 31, 2022 vs. Comprehensive Income for the year ended December 31, 2021

Sales

There were no sales for 2023, 2022 and 2021. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

As at December 31, 2018, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166). The Group has applied for a change in status of the COCs from exploration and evaluation stage to development and production stage.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the Pre-Condition Certificate (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the NCIP.

General and Administrative Expenses

General and administrative expenses amounted to ₱22.17M, due mainly to personnel costs, professional fees, communication expense, depreciation expense and taxes. This results in the decrease of the general and admin expenses due to the property and equipment being fully depreciated.

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. It bears an annual interest rate of 9%. On August 31, 2018, the Company fully paid its loans payable.

No interest expense incurred for the year 2023.

Interest Income

Interest income which came from interest earned from bank deposits, cash equivalents, restricted cash and funds held in escrow was Nil in 2023, 2022 and 2021.

Other Income

No sale of incidental produced coal since 2018.

Net Income

As a result of the foregoing, The Group realized net loss of P233.3 Million, P31.5 Million, P386.3 Million in 2023, 2022, and 2021, respectively.

Consolidated Statement of Financial Position

December 31, 2023 vs. December 31, 2022

Cash and Cash Equivalent

Cash and cash equivalents increased by P0.04 Million or 10%, to P0.50 Million as of December 31, 2023 from P0.46 Million as of December 31, 2022 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2023 was P2.07 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2023, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P0.00 Million or 0%, to P0.449 Million as of December 31, 2023 from P0.449 Million as of December 31, 2022, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were decreased by P211.00 Million due to impairment.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by P17.3 Million or 25% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to P3.13 Billion as of December 31, 2023. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets balance is Nil as of December 31, 2023 and December 31, 2022.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to ₱1.08 Million.

Trade and Other Payables

Trade and other payables increased by P0.9 Million, to P10.0 Million as of December 31, 2023 from P9.1 Million as of December 31, 2022.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to P69.3 Million and P66.0 Million as at December 31, 2023 and 2022.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to P0.49 Million of December 31, 2023, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to P807.97 Million as of end December 31, 2023. Deficit increased because of increased expenses and no sales during the year.

December 31, 2022 vs. December 31, 2021

Cash and Cash Equivalent

Cash and cash equivalents decreased by P0.04 Million or 46%, to P0.46 Million as of December 31, 2022 from P0.85 Million as of December 31, 2021 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2022 was P2.0 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2022, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P0.0005 Million or 0%, to P0.449 Million as of December 31, 2022 from P0.444M as of December 31, 2021, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

There were no changes in Exploration and Evaluation due to the delay on exploration and pre-development phase of the mining properties in Davao Oriental.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by P24.6 Million or 27% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to P3.13 Billion as of December 31, 2022. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to P1.08 Million.

Trade and Other Payables

Trade and other payables increased by P0.3 Million, to P9.1 Million as of December 31, 2022 from P8.8 Million as of December 31, 2021.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to P66.0 Million and P59.9 Million as at December 31, 2022 and 2021.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to P30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to P30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to P0.44 Million of December 31, 2022, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to P574.6 Million as of end December 31, 2022. Deficit increased because of increased expenses and no sales during the year.

Consolidated Statement of Financial Position**Notes on the COAL's Financial Information*****Coal Reserves***

The Parent Company acquired TMEC in 2012 in exchange for Parent Company's common shares valued at P3,200.00 million. The Parent Company recognized the portion of consideration amounting to ₱3,131.6 Million as coal reserves.

In 2023 and 2022, the Group carried out a review of the recoverable amount of its coal reserves, exploration and evaluation assets, property and equipment, and intangible assets. The impairment test is based on value in use calculations using discounted cash flow approach from the Group's operations.

The key assumptions used to determine the value in use of the nonfinancial assets are as follows:

	2023	2022
Coal price	\$197/MT	\$212/MT
Foreign exchange rate	₱55.57:\$1	₱56.12:\$1
Discount rate	10.35%	10.58%
Estimated coal	17.3 MMT	17.3 MMT

projections are based on the most recent feasibility study approved by the senior management and submitted to the DOE. The values assigned to each key assumption are estimated with reference to recent external market information.

Average forecast period for COC #159 and COC #166 is at 9 years and 5 years, respectively. The average forecast period for COC #159 is greater than 5 years as the management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a zero-growth assumption for forecasts beyond the average forecast period.

Based on the impairment test performed, management assessed that the recoverable amounts of the coal reserves and other nonfinancial assets exceed its carrying amount. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying amounts of the nonfinancial assets to materially exceed their respective recoverable amounts.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information.

The independent valuation determined the value of the Group's coal reserves at ₱12.5 Billion.

Exploration and Evaluation Asset

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

Exploration and evaluation activity include:

- 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 are no longer classified as such when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset are 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, 2021 from the exploration for and evaluation of coal resources are as follows:

	2023	2022
Total assets	P694,459,716	P710,171,730
Total liabilities	610,247,896	606,966,412
Expenses	19,745,303	29,073,283
Net cash used in operating activities	(2,411,127)	(4,371,225)
Net cash used in investing activities	(857,055)	(1,973,022)
Net cash provided by financing activities	3,250,000	6,009,266

Exploration and evaluation asset pertain 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 and COC #166 provide a certain minimum work expenditure obligation 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:

	2023
Balance at beginning of year	P302,804,040
Additions for the year	-
Impairment for the year	(211,922,923)
Cost at the end of year	P90,881,117

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 P 12.5 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 nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash- generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent

cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Exploration and Evaluation Assets. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test:

- a. the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned.
- c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area.
- d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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, 2023:

- No material changes on COAL's financial position (changes of 5.00% or more).
- 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 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.

PART IV - MANAGEMENT AND CERTAIN SECURITY HOLDERS

Please refer to the portion of this Information Statement on "Directors and Executive Officers".

PART V - CORPORATE GOVERNANCE

In compliance with the initiative of the Securities and Exchange Commission ("SEC") under Memorandum Circular No. 19, Series of 2016, the Company's Revised Manual on Corporate Governance (the "Manual") was approved by the Board of Directors on 30 May 2017. The Manual is a supplement to the Company's Amended By-Laws.

For the year 2023, the following directors and officers of the Company attended the Corporate Governance Training held by the Institute of Corporate Directors on the corresponding dates:

Name	Position	Date
Harald R. Tomintz	Chairman	21 July 2023
Johnson A. Sanhi, Jr.	President and Chief Operating Officer	21 July 2023
Dexter Y. Tiu	Director and Treasurer	21 July 2023
Aristides S. Armas	Independent Director	21 July 2023
Arsenio M. Bartolome III	Independent Director	21 July 2023
Ann Margaret K. Lorenzo	Corporate Secretary	27 October 2023

Other portions of this Corporate Governance Section have been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013. The Integrated Annual Corporate Governance of the Corporation was submitted to the SEC and PSE on 30 May 2023.

For the meetings of the Board in 2023, the following directors were present:

DIRECTOR	APRIL 20	JUNE 16	JULY 12	DECEMBER 05	%
1. Harald R. Tomintz	✓	✓	✓	✓	100
2. Johnson A. Sanhi Jr.	✓	✓	✓	✓	100
3. Dexter Y. Tiu	✓	✓	✓	✓	100
4. Eric Y. Roxas	✓	✓	✓	✓	100
5. Juan Kevin G. Belmonte	-	✓	✓	✓	75
6. Aristides S. Armas	✓	✓	✓	✓	100
7. Arsenio M. Bartolome III	✓	✓	✓	✓	100

The Board was not able to conduct a self-assessment for the year 2023.

For the meeting of the Audit Committee in 2023, the following members were present:

MEMBERS	APRIL 20	%
1. Eric Y. Roxas	-	0
2. Aristides S. Armas	✓	100
3. Arsenio M. Bartolome III	✓	100

PART VI - EXHIBITS AND SCHEDULES

Exhibits

Please refer to the attached audited consolidated financial statements as of and for the year ended 31 December 2023, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes, Tacandong & Co. Please see also the unaudited interim financial statements for period ended 31 March 2024.

UNDERTAKING TO PROVIDE COPIES OF REPORTS

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT (SEC FORM 20-IS), ANNUAL REPORT FOR 2021 (SEC FORM 17-A) FREE OF CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

ANN MARGARET K. LORENZO
THE CORPORATE SECRETARY
COAL ASIA HOLDINGS, INCORPORATED
3RD FLOOR JTKC CENTER
2155 DON CHINO ROCES AVENUE
MAKATI CITY

COVER SHEET

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(Company's Full Name)

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

Johnson A. Sanhi, Jr.

(Contact Person)

8813-8892

(Company Telephone Number)

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Amended Articles Number/Section

24

Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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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, 2023**
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 **3RD Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City** Postal Code **1230**
8. Issuer's telephone number, including area code **(02) 8813-8892**
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 [x]

No []

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

Philippine Stock Exchange

Common Shares

12. Check whether the issuer:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period 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. State the aggregate market value of the voting shares held by non-affiliates of the Registrant

As of December 31, 2023:

₱96 Million

The aggregate market value of the voting shares held by non-affiliates as of December 31, 2023 was determined by multiplying the number of shares held by the public by the closing share price on 29 December 2023 of **₱0.12**

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

(1) BUSINESS DEVELOPMENT

Business Development

Coal Asia Holdings Incorporated (“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 and authorized to be sold or offered for sale in the Philippines.

The shares of COAL were listed with the Philippine Stock Exchange (PSE) on October 23, 2012.

Business Consolidation

Subsidiary

Titan Mining and Energy Corporation (TMEC)

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 TMEC’s transition from exploration to actual commercial operation. This amendment was approved by the SEC on December 23, 2009. TMEC is involved in coal mining and energy-related business.

TMEC originally had 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.

COC #159

In 2016, preliminary mine development activities have commenced at the Davao Oriental Project. Bulk samples were collected and subjected to test firing and coal analysis.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The Department of Energy (DOE) has completed its validation of TMEC’s coal resource estimate for the Davao Project.

In support of the company’s request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to Sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT were granted.

TMEC acquired its Certification Precondition (CP) for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas occupied by indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

COC #166

TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018, incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligations due to peace and order disturbances in the area, security threats to the employees by lawless elements and dwindling worldwide coal prices.

Coal Operating Contracts

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

COC #159

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's Exploration Phase was renewed by the DOE for another period of two (2) years, commencing from September 16, 2011 and ended on September 15, 2013.

On April 10, 2018, TMEC submitted its Amended Geologic Report for Sagasa which the DOE validated on August 30, 2018.

The DOE has completed its validation of TMEC's coal resource estimate for the Davao Project.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk samples were collected and subjected to test firing and coal analysis.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended ten (10) year work program with Feasibility Study was again submitted to the DOE, covering only Macopa and Sagasa since both areas were covered by titled properties, hence no interference from Indigenous Peoples was expected. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

A Permit to Sell 2,500 MT of incidental coal production was issued to TMEC by the DOE on December 10, 2014 which was subsequently amended from 2,500 MT to 3,200 MT on March 26, 2015. Subsequent Permits to sell (PTS) for 1,000MT (July 16, 2015), 1,500 MT (April 11, 2016), and 2,300 MT (September 23, 2016) for a total of 8,000MT was granted.

COC #166

The Zamboanga Project encompasses four (4) adjoining 1,000-hectare Coal Blocks for a total area of 4,000-hectares and is covered by COC #166, which was 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. The Exploration Phase of 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. Subsequently, the Zamboanga Sibugay Project has completed its subsurface exploration activities and has a Measured & Indicative Resource (M&I) of 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligation due to peace and order disturbances in the area, security threats to the employees by lawless elements and dwindling worldwide prices of coal.

Competitive Strengths

Coal Resources & Reserves

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 1.9 MMT was also determined for Sagasa area east of Macopa.

PMRC Coal Resource	
Area	M&I (MMT)
Macopa&Bactinan	3 MMT
Sagasa	1.9 MMT
Total M&I	4.9 MMT

TMEC, using DOE Coal Resource Classification parameters, has an In-situ reserve of 3 MMT for Macopa/Bactinan and 1.5 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. On October, 2014, a ten (10) year Surface Mining Plan considering 1.8 MMT of the reserves was prepared by Engr. Raul A. Fellizar as required by the DOE. Engr. Raul A. Fellizar is an independent consulting mining engineer with PRC Registration No. 1668.

DOE Coal Reserve (In Situ)	
Area	In Situ (MMT)
Macopa&Bactinan	3 MMT
Sagasa	1.5 MMT
Total (In Situ)	4.5 MMT

Area	5-Year Surface Mining Plan	10-Year Surface Mining Plan
Macopa & Bactinan	1 MMT	1.8 MMT
Sagasa		

Davao Oriental Project Coal Quality 10 Year Work Plan Values	
Strip Ratio	10.47 BCM/MT
Stage	Pre-Development
Heating Value	8,290 BTU/lb.
Ash Content	21.65%
Sulfur Content	1.88%

A Ten (10) Year Work Program with Financial Feasibility Report was submitted to the DOE in October 2014 for the Davao Oriental Project. Two (2) to three (3) coal seams were observed within the coal basin of COC#159. In 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 20° to 30°.

Bactinan	Coal Thickness	Where Identified
A	0.50 - 3.05 m	22 drill holes and 2 coal outcrops
B	0.50 - 3.88 m	14 drill holes and 2 coal outcrops

Three coal seams were identified based on coal outcrops and drill intercepts in 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 20° to 30°. The seams occur in a syncline with axis trending west northwest (WNW) and plunging approximately 1° to the East Southeast (ESE).

Macopa	Coal Thickness
A	0.50-4.57 m
B	0.50-3.40 m
C	0.10 m

Six (6) coal seams were interpreted based on coal outcrops and drill intercepts at Sagasa. Seam A, the bottom most seam, has a coal thickness ranging from 0.15 to 0.85 meters. Seam B coal thickness varies from 0.12 to 2.63 meters. Seam C coal thickness varies from 0.05 to 1.34 meters. Seam D coal thickness varies from 0.09 to 2.40 meters. Seam E coal thickness varies from 0.10 to 2.64 meters. The topmost seam, Seam F coal thickness ranges from 0.05 to 1.80 meters. The dip angles of the coal seams also vary from 30° to 45°. The seams occur in a monocline striking Northwest (NW) and dips to the North East (NE).

Sagasa	Coal Thickness
A	0.15-0.85 m
B	0.12-2.63 m
C	0.05 - 1.34 m
D	0.09 -2.40 m
E	0.10 -2.64 m
F	0.05 - 1.80 m

The average heating value for the Macopa, Bactinan and Sagasa coal seams is 8,290 BTU/lb.

On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for the Certification Precondition for Development and Production are ongoing.

On December 11, 2019 the DOE converted TMEC's COC from Exploration to Development and Production Phase on the condition that TMEC shall secure NCIP's FPIC and/or CNO prior to the execution of development activities on the field.

Zamboanga Sibugay Project

After drilling sixteen (16) holes with a total length of 3,367.8 meters, with trench and exploration adit length of 222.64 meters, TMEC estimated the M&I Resources for the Zamboanga Sibugay Project to be 0.5 MMT. On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing. The development and production phase conversion of the COC shall follow thereafter.

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	10,456 BTU/lb
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 are 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-Environment and Management Bureau for the Certificate of Non-Coverage and the National Commission on Indigenous Peoples ("NCIP") for the Certificate of Non-Overlap. The same holds true for the Municipality of Manay, Davao Oriental through its acquisition of its Environmental Compliance Certificate (ECC) on May 16, 2014 and a signed Memorandum of Agreement ("MOA") with the Mandaya Tribe facilitated by the NCIP last July 19, 2012 for its Exploration Phase. TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

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. The Davao Oriental Project site is, in fact, less than a hundred (100) meter away from a military detachment.

In Zamboanga Sibugay however, unfavorable insurgent situations have been reported in the upland areas, as well as kidnappings of personnel and other untoward incidents perpetuated by the NPAs and lawless elements.

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, all duly licensed by the Professional Regulatory Commission, one (1) Junior Geologist, 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. Preliminary sub-surface exploration via diamond drilling (22 cored drill holes) 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 in 2013. 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 1.9 MMT.

Based on the DOE's conversion standard of resource to reserve, the project has a reserve of 3 MMT with a possible additional 1.5 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 Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE.

In support of the company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. TMEC also submitted a 10-year work program to the DOE on October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

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Zamboanga Sibugay Project

On May 13, 2014, TMEC has submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE on August, 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

On September 4, 2019, TMEC requested the DOE for a suspension of the conversion to Development and Production Phase due to difficulties in complying with its obligation due to peace and order disturbances in the area, security threats to employees by lawless elements and worldwide dwindling prices of coal.

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.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, core house/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

Mining Plan and Layout

The feasibility study states 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.

On March 2014, a bulk sampling pit was dug exposing the coal at Macopa to find out the bulk coal quality in the area. The stockpiled incidental coal formed part of the 8,000 MT of coal Permit to Sell/Transport incidental coal requested from the DOE.

Production and Operational Parameters

The following initial operating parameters are planned for the area covered by the Feasibility Study for the Davao Oriental Project submitted last December 21, 2018 to the DOE.

Production and Operational Parameters	
Total Mineable Reserves for Macopa and Sagasa (by Open Pit Extraction)	1.2 MMT
Mine Life	9 years
Annual Production	148,000 MT
Monthly Production	12,300 MT

Marketing Plan

The company has developed a marketing strategy and marketing plan based on its geographic location, competitive strengths, and the industries it primarily hopes to serve.

The mines are located in Mindanao Island, whose growth and development are crippled by, among others, a power crisis. This has resulted in regular, rotating power outages causing hefty losses to industries and businesses situated therein, not to mention inconvenience to its populace. The same situation holds true for its neighboring group of islands to the north, the Visayas. To remedy this situation, the government has put in place incentives for private firms setting up power plants in Visayas and Mindanao. With the advent of new technologies that are environmentally-sound, many of these power plants that have been set up or are still to be put up are coal-fired power plants.

Based on information obtained from the DOE, by 2017 the total projected coal demand in Visayas and Mindanao is estimated at 13.5 Million Metric Tons Per Annum (MMTPA). Of this total, demand from coal-fired power plants accounts for about 64%. On the other hand, from a geographic standpoint, demand from Mindanao accounts for about 57% of the combined total for Visayas and Mindanao. Aside from serving the requirements of power plants, the Company also plans to serve cement manufacturers which account for about 35% of the total projected coal demand by 2017. Lastly, the Company also plans to serve Canneries located in General Santos City, which account for more than 1% of total projected demand by 2017.

The new market potential in Mindanao, in particular, is a prime motivator for continued exploration in the areas covered by the Company's COCs. Again, based on 2017 projections, at full production capacity the Company can only serve around 7% of market demand in that area, with the remaining 93% coming mainly from imports and also from other local coal miners such as Semirara, etc.

Management Plan

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP) from the NCIP thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Conversion of COC 166 to Development and Production Phase by the DOE has a pending improvement of coal market price and peace and order situation in the general area where the COC is situated. The estimated date of conversion is within six months to one year.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa Sellers to the Company.

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 certain common shareholders with COAL.

Pacifico Sul Mineracao Corporation

Pacifico Sul Mineracao 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 geological structures not clearly manifested on the ground surface, 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, these 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 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 resources will be economically viable. The success of the Company's business is dependent upon its successful exploration and conversion 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 in 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 remaining Potential Deposit of 69 MMT considering the undrilled carbonaceous mudstone areas of the 7,000-hectare COC. Further drilling at Sagasa further determined an additional M&I resource of 1.9 MMT.

Reserves in the area following the DOE's Reserve Classification resulted to 3 MMT for Macopa and Bactinan and 1.5 MMT for Sagasa.

The DOE has completed its validation of TMEC's coal resource estimate for the Davao Project (Macopa and Bactinan) on March 16, 2014 and (Sagasa) on August 30, 2018.

TMEC submitted a 10-year work program to the DOE on October 21, 2014. In October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

The DOE has likewise completed its validation of TMEC's coal resource estimate for the Zamboanga Sibugay Project on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design, and costing.

Risks Related to Drilling and Mining Equipment

The Company's 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 can minimize errors or discrepancies in 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, defect 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 of 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.

Risks Related to Coal Price

The viability of the Company's and its subsidiary's business is highly dependent on the worldwide 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. 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 portion of its coal production to take advantage of higher prices for better quality coal in other markets. As such, a 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 competition 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, Australia and China. Among local producers of coal, Semirara Mining Corp. ("SCC"), a listed company, is the country's largest producer and the acknowledged 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 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.

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 and 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 Philippine Energy Contracting Round (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 identification 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 in 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 mudstones potential coal bearing areas) were initiated in late November 2010. A second drilling program was undertaken in August 2011 where 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 is 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 in 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 1.9 MMT.

A five (5) year work program with financial feasibility for the project was prepared in 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.

The Department of Energy has completed its validation of TMEC's coal resource estimate for the Davao Project on March 16, 2014 and August 30, 2018.

In support of the Company's request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014.

TMEC also submitted a 10-year work program to the DOE in October 21, 2014. On October 2017, an amended Ten (10) Year Work Program with Feasibility Study was again submitted by TMEC to the DOE, this time covering only both the Macopa and Sagasa areas since both areas are covered by titled properties. Further amendments were incorporated in its submission last December 21, 2018.

TMEC acquired its Certification Precondition for Exploration from the NCIP last December 14, 2018. Preparations for the conduct of the Free and Prior Informed Consent (FPIC) for areas under indigenous people are ongoing, to secure the Certification Precondition for Development and Production.

Preliminary mine development activities however, have commenced at the Davao Oriental Project. Activities include property acquisition, road widening (mine and camp road), infrastructure construction (clinic, corehouse/interim camp office expansion, temporary jetty), camp electrification, coal laboratory sample analyses and overburden pre-stripping. Bulk sampling was also conducted for test firing coal analysis.

On August 22, 2018, an application for Certification for Energy Projects of National Significance (CEPNS) was submitted to the DOE to hopefully facilitate the acquisition of required permits for the project.

As of December 2018, 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 0.5 MMT.

On May 13, 2014, TMEC submitted to the DOE its report on the results of exploration for the Zamboanga Sibugay Project, the results of which have been confirmed and validated by the DOE on August 7, 2015. A Five-Year Work Program with Feasibility Study was submitted to the DOE on February 26, 2016 to determine the economic viability of developing the Zamboanga Sibugay Project. After the DOE's initial review, TMEC submitted the amended Five-Year Work Program with Feasibility Study to the DOE in August 2016. Additional comments were provided by the DOE in their letter to TMEC dated November 2016 which was subsequently addressed by TMEC on March 31, 2017. TMEC again resubmitted the

amended Five-Year Work Program with Feasibility Study to the DOE on September 20, 2018 incorporating the DOE's recommended changes in the ventilation, mine design and costing.

The development and production phase conversion of the COC shall follow thereafter. 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 of industrial or labor disputes. At present, 9 of the rank-and-file employees are regular and 2 are probationary. Furthermore, once TMEC starts full production, it will need to employ more mining engineers, operators, staff, and 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 Philippine 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.

The listing of COAL shares was approved with the submission of a Philippine Mineral Reporting Code (PMRC)-compliant technical report by a Competent Person (CP)-Geologist that indicated the coal resources of COAL's Coal Operating Contracts. Thereafter, the PSE required COAL to also submit a PMRC-compliant technical report by a CP-Mining Engineer, to be submitted to the PSE not later than December 31, 2012.

COAL attempted to submit said report to the PSE, but circumstances beyond its control resulted in further delays and penalties.

On September 30, 2015, Engr. Rufino B. Bomasang, the lone CP-Mining Engineer for coal in the Philippines, submitted to the PSE a PMRC-compliant Technical Report entitled "Final Report on the Economic Assessment of the COC #159 Davao Coal Project."

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 the 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	Remarks
Davao Oriental Coal Operating Contract						
159	CB-136	TMEC	16-Sep-09	15-Sep-11 (2 years Exploration)	September 15, 2013) 2 years Extension)	Submitted Geologic Report, 5 and 10 year mining plan, ECC, Permit to Sell incidental Coal Production from DOE; Amended 10Year Work Program and Feasibility Study covering Macopa and
	CB-137					
	CB-176					
	CB-177					
	CB-188					
	CB-217					

	CB-218					Sagasa submitted on October 2017 and December 2018. NCIP CP for Exploration acquired last December 14, 2018; preparations for FPIC for CP Development and Production on going.
Zamboanga-Sibugay Coal Operating Contracts						
166	CB-280	TMEC	18-Nov-09	November 17, 2011 (2years Exploration)	November 17, 2013 (2 years Extension)	Submitted Geologic Report, DOE review and validation completed; 5 Year Work Program with Feasibility Study Submitted to DOE February 26, 2016; submitted amended Study on August 2016 after initial review. Additional amendments submitted by TMEC on March 31, 2017 and September 20, 2018. NCIP CNO acquired.
	CB-320					
	CB-241					
	CB-281					

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 its obligations with regard to the COCs 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. In addition, its coal resources have also been validated by the DOE. For the Zamboanga-Sibugay Project, TMEC will conduct the Feasibility Study since the DOE has completed its review of TMEC's exploration results last August 7, 2015 to be able to enter the development and production phase.

TMEC plans to enter the development and production phase as soon as the DOE converts the COC to Development & Production phase for the Davao Oriental Project. COAL used its IPO proceeds to fully fund TMEC's exploration, development, and production in the Davao Oriental Project and used a portion of it to 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 continuously fulfills and complies with, and even exceeds 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 spent 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 for the Davao Oriental 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”). Nonetheless, in support of the company’s request for COC conversion, an Environmental Compliance Certificate (ECC) for the Davao Project was granted to TMEC by the DENR-EMB on May 16, 2014. 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 or its partners, which could have an adverse effect on the Company’s business, results 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. There have been attacks by the New People’s Army 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 a couple of small mining companies in the Compostela 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 a church in 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 the access road, donation of an ambulance in Davao Oriental and the construction of a church in Zamboanga-Sibugay. As of the date of this Report,

there have been no attacks or threats of attack received by the Company at its mining site in Davao Oriental. 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 and the issuance of the Certification Precondition for Exploration on December 14, 2018.

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, storm surges 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 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 exploration and the extraction, processing and trade of coal and other energy related products.

Distribution of Products

Coal from incidental outcrops and small-scale operators were primarily sold to local customers such as 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 (as of June 2017). Most of the

companies listed below, except for Semirara Mining Corporation, have shut down their operations as of this writing.

Table 2: Coal Operating Contract (COC) holders		
COC No.	NAME OF COMPANY	LOCATION OF CONTRACT AREA
5,189,190	Semirara Mining Corporation	Semirara Island, Caluya, Antique; Bulalacao, Oriental Mindoro; Maitum and Kiamba, Sarangani
13	Ibalong Resources & Development Corporation	Mantalongon, Dalaguete, Cebu
9	Adlaon Energy Development Corporation	Brgy. Santicon, Bala-as, Maloray&Manlapay, Municipalities of Dalaguete &Argao, Cebu
83	Benguet Corporation	Liang, Marihatag& San Miguel, Surigao del Sur
68,77,78	Filipinas (Prefab) Systems, Inc.	Bulalacao, Mindoro Oriental, Payao, Zamboanga Sibugay,
93	A Blackstone Energy Corporation	Lalat, Zamboanga Sibugay
116, 123	D. M. Wenceslao and Associates, Inc.	Baculod, Gattaran and Iguig, Cagayan
127	Smart Mining and Resources Development Corporation (SMRDC)	Bislig, Surigao del Sur
41, 122, 184,185,186	PNOC Exploration Corporation	Buug, Imelda, Payao, Malangas, Zamboanga Sibugay, Cauayan, Isabela, Trento, Agusan del Sur and Lingig, Surigao del Sur
104,137	Batan Coal Resources Corporation	Liguan, Batan Island, Rapu-Rapu, Albay,
125, 153	Lima Coal Development Corporation	Batan Island, Rapu-Rapu, Albay, Bacon and Gubat, Sorsogon
126	DagumaAgro Minerals Inc.	South Cotabato and Sultan Kudarat
128, 129	SAMAJU Corporation	Bilbao, Batan Island, Rapu-Rapu, Albay, Bagaobawan, Batan Island, Rapu-Rapu, Albay
130	Grace Coal Mining & Development Corporation	Diplahan and Buug, Zamboanga Sibugay
131	Forum Cebu Coal Corporation	Dalaguete, Cebu
132	First Asian Resource Mining Corp.	Balamban, Cebu
134	Sultan Energy Phils. Corporation	Sultan Kudarat, South Cotabato
136,179,180	SKI Energy Resources, Inc.	Carmen, Asturias and Catmon, Cebu; Alpaco, Naga, Cebu
135	SKI Construction Group, Inc.	Cahumayan, Portland & Dungga, Danao City, Cebu
187	SKI Mining Corp.	Trento, Agusan del Sur
138	Bonanza Energy Resources, Inc.	Maitum, Sarangani Province and Ned, Lake Sebu, South Cotabato

142	Visayas Multi-Minerals Mining and Trading Corporation	Toledo City, Cebu
145	Great Wall Mining and Power Corporation	San Miguel & Tandag, Surigao del Sur
148	Abacus Coal Exploration and Development Corp.	Tandag, Surigao del Sur
149	IL Rey's Coal Mining Exploration Corp.	Danao City, Cebu
151	Guidance Management Corp.	Calatrava, Negros Occidental
154	DMC-Cons truction Equipment Resources, Inc.	Bagumbayan, Sultan Kudarat
162	ASK Mining & Exploration Corp.	Cagwait-Marihatag, Surigao del Sur
165	3Kings Sunrise Mining Corp.	Carmen, Cebu
169,174,175	Blackgem Resources & Energy Inc.	Tarragona, Davao Oriental;Batan Island, Rapu-rapu, Albay; Cateel and Baganga, Davao Oriental
170	Dell Equipment & Cons truction Corp.	Sarangani & South Cotabato
171	Cedaphil Mining Corp.	Toledo City, Cebu
172	Core 8 Mining Corp.	Toledo City, Cebu
173	BBB Mining and Energy Corp.	Asturias, Carmen, Danao, Cebu
181	Timberwolves Resources, Inc.	Guigaquit, Surigao del Norte
182,200,202	Altura Mining Philippines, Inc.	Bagamanoc, Caramoran and Panganiban, Catanduanes; Rapu-Rapu, Albay; Bislig, Surigao del Sur
183	Blackstone Mineral Resources, Inc.	Naga, Zamboanga Sibugay
188	Mega Philippines, Inc.	Lake Sebu, South Cotabato; Palimbang, Sultan Kudarat; and Maitum, Sarangani
191	South Davao Development Corp., Inc.	San Jose and Magsaysay, Occidental Mindoro
192,201,203	Empire Asia Mining Corporation	Bislig and Lingig, Surigao del Sur; Kitcharao, Agusan del Norte;Bislig, Surigao del Sur & Trento, Agusan del Sur
193	Coal Black Mining Corporation	Tandag and Tago, Surigao del Sur
194, 195, 198,199	Sahi Mining (SMC)	Butuan City, Agusan del Norte and SibagatAgusan del Sur; Godod, Zamboanga Del Norte &Kabasalan, Zamboanga Sibugay
196, 197	Philsaga Mining Corporation	Bunawan and Trento, Agusan del Sur
176	Yolo Mining Resources, Inc. (Formerly Goodyield Resources Development, Inc.)	Trento, Agusan del Sur and Boston, Davao Oriental

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 Semirara Calaca 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.

As a strategy, Semirara Mining Corp. has entered the power generation business to find a ready market 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 advantages over other coal mining companies.

Expenses on Development Activities

As of 31 December, 2023 TMEC, has spent 637.22 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 released on May 16, 2014.

Employees

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

	2023	Next 12 months (pending conversion of COC)
Administration and Accounting	1	1
Exploration and Development		
Regular	2	2
Contractual	0	0

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

Transaction with and/or Dependence of Related Parties

The term “Related Parties” covers the Corporation’s directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation. It also covers the Corporation’s parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

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

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 a 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 exploration activities. There is no extraordinary government approval 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 pertains 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 and regulations 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 and # 166. An Environmental Compliance Certificate (ECC) was granted to TMEC for COC # 159 on May 16, 2014.

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. Infrastructure such as living quarters, coal quality laboratory, road network (camp road and camp to pit) and pier facilities are some of the improvements made by 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 leases office space from its affiliate, JTKC Equities, Inc. which commenced in 2010 and renewable upon mutual consent of both parties. In 2017, the Group renewed the lease agreement with lesser area to save on costs.

All properties are free of any liens and encumbrances.

ITEM 3: Legal Proceedings

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 incumbent's 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 or 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, 2012. The trading prices of the Corporation's shares at the PSE for the last trading day of each quarter for year 2023 are as follows:

Quarter	High	Low	Close
1Q 2023	0.199	0.199	0.199
2Q 2023	0.165	0.165	0.165
3Q 2023	0.174	0.15	0.15
4Q 2023	0.12	0.12	0.12

Holders of Common Equity

As of December 31, 2023, the Company had 24 (twenty-four) stockholders as per its stock and transfer agent, Professional Stock Transfer, Inc. The list of shareholders reported by the stock and transfer agent were as follows:

	Name of Stockholders	No. of shares	Percentage
	PCD NOMINEE CORPORATION_(FILIPINO)	1,418,718,122	35.47%
	STERLING BANK OF ASIA - TRUST GROUP FAO DEXTER Y. TIU	640,000,000	16.00%
	STERLING BANK OF ASIA - TRUST GROUP FAO ALEXANDER Y. TIU	640,000,000	16.00%
	STERLING BANK OF ASIA - TRUST GROUP FAO GERTIM G. CHUAHIONG	640,000,000	16.00%
	STERLING BANK OF ASIA - TRUST GROUP FAO ERIC Y. ROXAS	640,000,000	16.00%
	PCD NOMINEE CORPORATION_(FOREIGN)	16,447,760	0.41%

YAN, LUCIO W. YAN &/OR CLARA Y.	4,000,000	0.10%
TACUB, PACIFICO B.	400,000	0.01%
REGINA CAPITAL DEVT CORP - 000351	120,000	0.00%
SUCALDITO, ENRIQUE L.	100,000	0.00%
MENDOZA, ROSELLER A.	65,000	0.00%
COMIA JR., JUAN D.	50,000	0.00%
PUNO, ORPHA C.	22,000	0.00%
YOUNG, BARTHOLOMEW DYBUNCIO	20,000	0.00%
ASUNCION, ALEXANDER G.	15,000	0.00%
MARANA, CENON BIENVENIDO D. MARANA	13,500	0.00%
MARANA, MARIE JANE C.	13,500	0.00%
RAYOS DEL SOL, OSCAR M.	10,000	0.00%
MARIANO, MARIA ANA B.	2,000	0.00%
LIMGENCO, DONDI RON R.	1,111	0.00%
GILI JR., GUILLERMO F.	1,000	0.00%
BES, RONALD S.	1,000	0.00%
FALCOTELO, MATTHEW HENRI H.	10	0.00%
BAUTISTA, JOSELITO T.	1	0.00%
	4,000,000,004	100.00%

As of December 31, 2023, 16,437,760 common shares are held by non-Filipinos, placing the foreign ownership level of the Corporation at 0.41%. This is significantly below the foreign ownership limit of 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, 2023, the Company has not issued any securities constituting an exempt transaction.

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

Plan of Operation

In 2018, the management plan was to proceed with the Macopa-Sagasa Development Work Program and Feasibility for its Davao Coal Project in connection with the signed Fuel Supply and Transport Agreement (FSTA) with Sarangani Energy Corporation dated April 6, 2017 with initial delivery dated scheduled on November 2, 2018. However, this plan did not push through because the Company was not able to obtain from the Department of Energy (DOE), the conversion of Coal Operating Contract (COC) from exploration to Development/Production (D/P) phase and the related approval from National Commission on Indigenous Peoples (NCIP).

In 2019, the DOE approved the conversion of COC 159 from exploration to D/P Phase. As indicated in the terms and conditions, before the commencement of the D/P Phase, the company shall secure Certificate of Non-Overlap (CNO)/ Certification Precondition (CP) from the NCIP thus, the Company requested the DOE for a new endorsement to the NCIP for the issuance of CNO/CP. The estimated acquisition date of CNO is within three to six months.

The ECC shall be applied for in time for the Development and Production Phase. The estimated date of production is within 18 months. The estimated price of coal is USD58 per metric ton.

Conversion of COC 166 to Development and Production Phase by the DOE has a pending improvement of coal market price and peace and order situation in the general area where the COC is situated. The estimated date of conversion is within six months to one year.

Moreover, the Company will comply with the reportorial, documentary and permitting requirements in accordance with its Coal Operating Contract (COC), Environmental Compliance Certificate (ECC), and Local Government Unit (LGU) related laws and ordinances as applicable. The estimated amount of working capital needed to support the Group's operating cost before actual conversion is Php 23 Million. After the acquisition of the required permits and the required equipment, it will take around six (6) months, more or less, for the company to produce the saleable coal. The amount needed to meet the initial start-up cost and sustaining costs is estimated to be Php 500 Million with annual growth rate of 2.5%. This would require loan to finance the Group's start-up and sustaining costs. The composition of WACC is estimated to be 70% debt and 30% equity.

Aside from the maintenance of the physical assets of the Company, it will also continue the transferring of lot titles from the Old Macopa sellers to the Company.

The following tables present the summary financial Statements and Independent Auditor's Report for the ended December 31, 2023, 2022, and 2021.

COAL's Summary Audited Consolidated Financial Information			
as at			
	2023	2022	2021
	(One year)	(One year)	(One year)
Amounts are in Php			
Consolidated Statement of Comprehensive Income			
Sales	-	-	-
Cost of Sales	-	-	-
Gross Profit	-	-	-
General and Administrative Expenses	-22,168,229	-31,502,566	-40,697,189
Provision for Impairment Loss on EEA	-211,922,923	-	-334,422,038

Operating Income	-234,091,152	-31,502,566	-375,119,227
Other Income	750,000	-	-
Interest Income	1,171	965	4,170
Finance Cost	-	-	-
Income (loss) before income tax	-233,339,981	-31,501,601	-375,115,057
Provision For (Benefit From) Income Tax - Deferred	-1,198	19,576	-11,154,714
Net Income (loss)	-233,338,783	-31,482,025	-386,269,771
Consolidated Statement of Financial Position			
Assets			
Cash and cash equivalents	506,818	462,164	851,497
Funds held in escrow	-	-	-
Advances to Affiliates	2,070,917	2,063,862	2,063,862
Prepayments and other current assets	449,293	449,293	444,151
Total Current Assets	3,027,028	2,975,319	3,359,510
Exploration and evaluation assets	90,881,117	302,804,040	302,804,040
Property, plant and equipment –net	49,749,965	67,050,852	91,690,697
Coal Reserves	3,131,596,101	3,131,596,101	3,131,596,101
Deferred Tax Asset	-	-	-
Other Noncurrent Asset	1,082,925	1,082,925	1,082,925
Total Non-Current Assets	3,273,310,108	3,502,533,918	3,527,173,763
TOTAL ASSETS	3,276,337,136	3,505,509,237	3,530,533,273
Liabilities and Equity			
Trade and other payables	10,004,964	9,146,696	8,787,106
Advances from related parties	69,275,381	66,015,561	59,975,890
Current portion of loans payable	-	-	-
Income tax payable	11,250	-	-
Total Current Liabilities	79,291,595	75,162,257	68,762,996
Loan Payable-net of current portion	-	-	-
Retirement benefit liability	494,396	444,604	366,300
Deferred Tax Liability	1,191,303	1,203,751	1,223,327
Total Non-Current Liability	1,685,699	1,648,355	1,589,627
Capital Stock	4,000,000,004	4,000,000,004	4,000,000,004
Deficit	-807,969,084	-574,630,301	-543,148,276

Other Comprehensive income	3,328,922	3,328,922	3,328,922
Stockholders' Equity	3,195,359,842	3,428,698,625	3,460,180,650
TOTAL LIABILITIES AND EQUITY	3,276,337,136	3,505,509,237	3,530,533,273
Key Indicators			
Gross Profit Margin (%)	-	-	-
Net Income (loss) Margin (%)	-	-	-
Return on Asset (%)	-	-	-
Return on Equity (%)	-	-	-
Current Ratio(x)	0.04:1.00	0.06:1.00	0.05:1.00
Total Liabilities to Equity (x)	.03:1.00	.02:1.00	.01:1.00
Earnings Per Share (Basic) (Php 0.0000)	-0.058	-0.0079	-0.0965
Book Value Per Share (Php 0.0000)	0.7988	0.8571	0.8700

A. Comprehensive Income for the year ended December 31, 2023 vs. Comprehensive Income for the year ended December 31, 2022 vs. Comprehensive Income for the year ended December 31, 2021

Sales

There were no sales for 2023, 2022 and 2021. TMEC focused on exploration of its COC areas and is awaiting conversion to development and production from the Department of Energy.

As at December 31, 2018, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166). The Group has applied for a change in status of the COCs from exploration and evaluation stage to development and production stage.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the Pre-Condition Certificate (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the NCIP.

General and Administrative Expenses

General and administrative expenses amounted to ₱22.17M, due mainly to personnel costs, professional fees, communication expense, depreciation expense and taxes.

Interest Expense

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. It bears an annual interest rate of 9%. On August 31, 2018, the Company fully paid its loans payable.

No interest expense incurred for the year 2023.

Interest Income

Interest income which came from interest earned from bank deposits, cash equivalents, restricted cash and funds held in escrow was Nil in 2023, 2022, and 2021, respectively.

Other Income

No sale of incidental produced coal since 2018.

Net Income

As a result of the foregoing, The Group realized net loss of ₱233.3 Million, ₱31.5 Million, ₱386.3 Million in 2023, 2022, and 2021, respectively.

B. Consolidated Statement of Financial Position

December 31, 2023 vs. December 31, 2022

Cash and Cash Equivalent

Cash and cash equivalents increased by ₱0.04 Million or 10%, to ₱0.50 Million as of December 31, 2023 from ₱0.46 Million as of December 31, 2022 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2023 was ₱2.07 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2023, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets increased by ₱0.00 Million or 0%, to ₱0.449 Million as of December 31, 2023 from ₱0.449 Million as of December 31, 2022, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

Exploration and Evaluation Assets were decreased by ₱211.00 Million due to impairment.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by ₱17.3 Million or 25% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to ₱3.13 Billion as of December 31, 2023. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets balance is Nil as of December 31, 2023 and December 31, 2022.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to ₱1.08 Million.

Trade and Other Payables

Trade and other payables increased by ₱0.9 Million, to ₱10.0 Million as of December 31, 2023 from ₱9.1 Million as of December 31, 2022.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to ₱69.3 Million and ₱66.0 Million as at December 31, 2023 and 2022.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱0.49 Million of December 31, 2023, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱807.97 Million as of end December 31, 2023. Deficit increased because of increased expenses and no sales during the year.

December 31, 2022 vs. December 31, 2021

Cash and Cash Equivalent

Cash and cash equivalents decreased by ₱0.04 Million or 46%, to ₱0.46 Million as of December 31, 2022 from ₱0.85 Million as of December 31, 2021 was due mainly on additional exploration assets, rehabilitation of access roads, repayment of loan and other working capital expenses.

Advances to Affiliates

These were advances to related parties under common control for working capital purposes. These are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The balance as of December 31, 2022 was ₱2.0 Million.

Funds held in escrow

This pertains to the proceeds of IPO which are kept separate and distinct from all other funds in the custody of the Custodian Bank. As of December 31, 2022, the balance is Nil.

Prepayments and Other Current Assets

Prepayments and other current assets increased by ₱0.0005 Million or 0%, to ₱0.449 Million as of December 31, 2022 from ₱0.444M as of December 31, 2021, mainly due to advances made to officers and employees.

Exploration and Evaluation Assets

There were no changes in Exploration and Evaluation due to the delay on exploration and pre-development phase of the mining properties in Davao Oriental.

Property, Plant and Equipment

Property, Plant and Equipment were decreased by ₱24.6 Million or 27% due to depreciation incurred during the year.

Coal Reserves

Coal Reserves is now amounted to ₱3.13 Billion as of December 31, 2022. This represents the fair value of the coal reserve acquired as a result of the business combination. Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment.

Deferred Tax Assets

Deferred tax assets balance is Nil as of December 31, 2022 and December 31, 2021.

Other Noncurrent Asset

Restricted cash includes cash bond required by the NCIP upon the application of the Group's permit to proceed with its development phase for COC #159 and cash in bank set aside to settle obligations arising from a certain court case. During 2018, the National Labor Relations Commission released motion to issue order of release of the garnished deposit to execute the judgement award amounting to ₱1.08 Million.

Trade and Other Payables

Trade and other payables increased by ₱0.3 Million, to ₱9.1 Million as of December 31, 2022 from ₱8.8 Million as of December 31, 2021.

Advances from Related Parties

These advances are unsecured, non-interest bearing, and generally settled in cash and payable upon demand. The advances of the Parent Company to TMEC amounting to ₱66.0 Million and ₱59.9 Million as at December 31, 2022 and 2021.

Loan Payable

In 2015, the Group entered into a credit facility agreement with UCPB Leasing and Finance Corporation granting the Company with a credit line amounting to ₱30.3 Million to refinance the acquisition of various trucks and heavy equipment purchased in 2014 amounting to ₱30.3 Million. As at December 31, 2015, the Company has fully utilized the credit facility.

The loan is payable in five years, in 60 monthly installment starting May 30, 2015, the month after the first drawdown. It bears an annual interest rate of 9%.

On August 31, 2018, the Company fully paid its loan payable.

Retirement Benefit Liability

Retirement Benefit Liability amounted to ₱0.44 Million of December 31, 2022, this is the latest actuarial valuation prepared by an independent actuary using the projected credit unit method.

Deficit

Deficit amounted to ₱574.6 Million as of end December 31, 2022. Deficit increased because of increased expenses and no sales during the year.

Notes on the COAL's Financial Information

Coal Reserves

The Parent Company acquired TMEC in 2012 in exchange for Parent Company's common shares valued at P3,200.0 million. The Parent Company recognized the portion of consideration amounting to ₱3,131.6 Million as coal reserves.

In 2023 and 2022, the Group carried out a review of the recoverable amount of its coal reserves, exploration and evaluation assets, property and equipment, and intangible assets. The impairment test is based on value in use calculations using discounted cash flow approach from the Group's operations.

The key assumptions used to determine the value in use of the nonfinancial assets are as follows:

	2023	2022
--	------	------

Coal price	\$197/MT	\$212/MT
Foreign exchange rate	P=55.57:\$1	P=56.12:\$1
Discount rate	10.35%	10.58%
Estimated coal	17.3 MMT	17.3 MMT

projections are based on the most recent feasibility study approved by the senior management and submitted to the DOE. The values assigned to each key assumption are estimated with reference to recent external market information.

Average forecast period for COC #159 and COC #166 is at 9 years and 5 years, respectively. The average forecast period for COC #159 is greater than 5 years as the management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a zero-growth assumption for forecasts beyond the average forecast period.

Based on the impairment test performed, management assessed that the recoverable amounts of the coal reserves and other nonfinancial assets exceed its carrying amount. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying amounts of the nonfinancial assets to materially exceed their respective recoverable amounts.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information.

The independent valuation determined the value of the Group's coal reserves at ₱12.5 Billion.

Exploration and Evaluation Asset

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

Exploration and evaluation activity include:

- 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 are no longer classified as such when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset are 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, 2023 from the exploration for and evaluation of coal resources are as follows:

	2023	2022
Total assets	P694,459,716	P710,171,730
Total liabilities	610,247,896	606,966,412
Expenses	19,745,303	29,073,283
Net cash used in operating activities	(2,411,127)	(4,371,225)
Net cash used in investing activities	(857,055)	(1,973,022)

Net cash provided by financing activities	3,250,000	6,009,266
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Exploration and evaluation asset pertain 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 and COC #166 provide a certain minimum work expenditure obligation 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:

	2023
Balance at beginning of year	P302,804,040
Additions	-
Impairment for the year	(211,922,923)
Cost at the end of year	P90,881,117

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 ₱ 12.5 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 ₱4.1 Billion.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Exploration and Evaluation Assets. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned.

- c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area.
- d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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, 2023:

- 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, 2012.
- 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, 2023 and 2022, 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 audit of Reyes Tacandong & Co., there has been 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:

	2023	2022
Audit Fee	₱570,000	₱540,000
other fees	-	-
TOTAL	₱570,000	₱540,000

It is the policy of the Company that 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 Messrs. Aristides S. Armas (Chairman), Arsenio M. Bartolome III, 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, 2023.

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 seven (7) 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:

Name	Position with the Company	Date of First Election/Last Election
Harald R. Tomintz	Director and Chairman	July 2012/07 August 2018
Johnson A. Sanhi, Jr.	Director, President and Chief Operating Officer	21 July 2014/07 August 2018
Dexter Y. Tiu	Director and Treasurer	June 2012/07 August 2018
Eric Y. Roxas	Director	June 2012/07 August 2018
Juan Kevin G. Belmonte	Independent Director	July 2012/ 07 August 2018
Aristides Armas	Independent Director	July 2012/ 07 August 2018
Arsenio M. Bartolome III	Independent Director	August 2017/ 07 August 2018

Harald R. Tomintz, 70, Austrian, Chairman of the Board

Harald R. Tomintz is the Chairman of the Company. Mr. Tomintz is also the President of Rekom Manila Corporation and a Board Supervisor of Zhangzhou Stronghold Steelworks Corporation, in addition, since 2015 he also serves in the Board of Directors of Philippine Power and Development Corporation. His past positions include being the President of VATECH Phils., Inc. (2002-2004), member of the Executive Committee, Director of Semirara Coal Corporation (1992-1997), and Director of Ferrochrome Philippines (1992-1995). He holds a degree in Mechanical Engineering from BULME in Graz-Goesting and SZA Vienna, Austria.

Johnson A. Sanhi, Jr., 59, Filipino, President & Chief Operating Officer

Johnson A. Sanhi, Jr. has been with TMEC from 2010 to present. He was previously VP-Operations of Stronghold Steel Corporation. He was former Vice President and Plant Manager at Cathay Pacific Steel Corporation where he worked for 23 years. He has earned Masteral units in Chemical Engineering from the University of the Philippines Diliman. He obtained his Bachelor of Science degree in Chemical Engineering from De La Salle University.

Dexter Y. Tiu, 51, Filipino, Director and Treasurer

Dexter Y. Tiu, Filipino, is the Treasurer and a Director of the Company. Mr. Tiu is the Chairman and CEO of Pure Energy Holdings Corporation and the President and CEO of Philippine Power Development

& Co. He is also a director of JTKC Equities, Inc. and Star Equities, Inc. He holds a Bachelor of Science degree in Mechanical Engineering from De La Salle University.

Eric Y. Roxas, 60, Filipino, Director

Eric Y. Roxas is an incorporator and Director of the Company. Mr. Roxas is also a Director and Corporate Secretary of Pure Energy Holdings Corporation. Concurrently, he is the President of Husky Trading Corp., Supra Finishings Corporation, Philippine Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also a Director and Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

Juan Kevin G. Belmonte, 59, Filipino, Independent Director

Juan Kevin G. Belmonte is an Independent Director of the Corporation. He is also currently the President and CEO of Philstar.com, a director of People Asia, and Vice Chairman 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 the 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 Bantay Kalikasan 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.

Aristides S. Armas, 78, Filipino, Independent Director

Aristides S. Armas is the President of Asia United Leasing & Finance Corporation and Asia United Fleet Management Services, Inc. He was previously the President of UCPB Leasing and Financing Corporation. He has 40 years of experience in banking and financing. He previously held executive positions in Citibank, BA Finance Corporation, UCPB Savings Bank, and United Coconut Planters Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Arsenio M. Bartolome III, 82, Filipino, Independent Director

Arsenio M. Bartolome III is the Chairman and President of Amber Properties, Inc. Mr. Bartolome is likewise an independent director in I-Remit, Inc. He previously held several positions in the public sector, namely North Luzon Railway Corporation (Chairman and President), Philippine National Bank (President and Chief Executive Officer), Bases Conversion and Development Authority (First Chairman and President), Century Bank, Los Angeles, California (Chairman), PNB International Finance, Hong Kong (Chairman) and PNB Europe (Chairman). He also previously held positions in the following private sector institutions: Urban Bank (Chairman and President), H&Q Philippine Ventures, Inc. (Chairman), First Philippine Fund, New York City (Chairman), Rizal Commercial Banking Corporation (Treasurer and Senior Vice President), Multinational Investment Bancorporation (General Manager), Citibank, Manila (Head, Treasury Group), Bancom Development Corporation (Head, Money Market Department) and Wells Fargo Bank, San Francisco, California (Negotiator, International Banking). Mr. Bartolome also served as President of the following professional associations: Management Association of the Philippines, Financial Executives of the Philippines, Asian Pacific Bankers Club, Development Bankers Association of the Philippines, and Money Market Association of the Philippines. He was also previously a director of Bankers Association of the Philippines and Philippine Chamber of Commerce and Industry, as well as governor of the Makati Stock Exchange. Mr. Bartolome has a degree in Business Administration from the University of the East (Manila). He also took up an Advanced Banking Program from American Institute of Banking (San Francisco Chapter) and a Top Management Program from the Asian Institute of Management (Manila).

Executive Officers

Harald R. Tomintz, Austrian, Chairman of the Board

Johnson A. Sanhi, Jr., Filipino, President & Chief Operating Officer

Dexter Y. Tiu, Filipino, Director and Treasurer

Please refer to the discussion on the Board of Directors above for the profiles of Messrs. Tomintz, Sanhi, and Tiu.

Rolando P. Domingo, 77, Filipino, Chief Financial Officer – OIC

Rolando P. Domingo is the Chief Financial Officer of the Company. He was a banker for 20 years, holding VP Controller and other key positions at BPI Family Bank, Asian Bank, and BSA. He has over 25 years' experience in real estate as SVP-Controller for the St. Francis Square Group, and is well versed in SEC and BIR regulatory, financial and tax matters. He is both a licensed Certified Public Accountant and an Attorney at Law. He obtained his BSC – Major in Accounting in 1969, and his LLB – Bachelor of Laws in 1992, from Far Eastern University.

Enrique C. Payawal, 80, 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.

Ann Margaret K. Lorenzo, 35, Filipino, Corporate Secretary

Ann Margaret K. Lorenzo is the Corporate Secretary of the Corporation. She is concurrently the Corporate Secretary of the following companies: Repower Energy Development Corporation, Arquee Corp., Green Asia Resources Corp., and GGO Realty Holdings, Inc. She is also the Assistant Corporate Secretary of Asia United Bank Corporation, Pacific Online Systems Corporation, Crown Asia Chemicals Corporation, Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., The Spa and Lodge at Tagaytay Highlands, Inc., Jin Natura Resources Corp., Jin Navitas Resource, Inc., Catmon Felix, Inc., Yeoj Commoditas, Inc., Yeoj Socialis, Inc., Yeoj Turbulentus, Inc., Yeoj Universalis, Inc., Bayby Earth, Inc., Jaman Boracay Corporation, Jaman Cebu Corporation, Jaman Hari Corporation, Jaman Reyna Corporation, Jaman Tagaytay Corporation, Corellia Ventures Incorporated, Sacareen Ventures Incorporated, Iridium Ventures Incorporated, and Bluepanel Equities and Development Inc. Ms. Lorenzo is a Senior Associate at Tan Venturanza Valdez where she specializes in securities law, special projects, and data privacy. She also lectures at the Paralegal Training Program of the UP Law Center on corporate housekeeping and data privacy. She obtained her Bachelor of Arts degree in English Studies (cum laude) and Juris Doctor degree from the University of the Philippines in 2010 and 2014, respectively. She was admitted to the Philippine bar in April 2015.

Gianna Chris Gaile E. Bitancor, 28, Filipino, Assistant Corporate Secretary

Gianna Chris Gaile E. Bitancor is the Assistant Corporate Secretary of the Corporation. She is concurrently the Assistant Corporate Secretary of the following companies: Goodyear Steel Pipe Corporation, Repower Energy Development Corporation, Ambergris Plus Parking Services Incorporated, Professional Parking Management Corporation, Park Secure Management Corporation, Navfix Flight Services, Inc., Rainbow Edcop Holdings Corporation, Jin Navitas Electric Corp. and Lunch Bucks Gourmand, Inc. She is also the Corporate Secretary of Numbers That Matter Inc. Ms. Bitancor is a Junior Associate at Tan Venturanza Valdez. She obtained her Bachelor of Arts degree in Art Studies (cum laude) and Juris Doctor degree from the University of the Philippines in 2017 and 2022, respectively. She was admitted to the Philippine bar in May 2023.

Rosanna T. Desiderio, 58, Filipino, Chief Information Officer and Acting Chief Compliance Officer

Rosanna T. Desiderio has been with the Company since its incorporation. She is concurrently the Accounting Manager of TMEC, COAL's wholly owned subsidiary. She is a Certified Public Accountant since 1985. She holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines.

Principal Officers

Name	Nationality	Present Position	Period of Service in the Company
Harald R. Tomintz	Austrian	Chairman of the Board	July 2012-present
Johnson A. Sanhi, Jr.	Filipino	President & COO	July 21, 2014-present
Rolando P. Domingo	Filipino	Chief Financial Officer	June 2018-present

Dexter Y. Tiu	Filipino	Treasurer	June 11, 2012-present
Ann Margaret K. Lorenzo	Filipino	Corporate Secretary	March 23, 2017 - present
Gianna Chris Gaile E. Bitancor	Filipino	Assistant Corporate Secretary	March 23, 2017 - present
Rosanna T. Desiderio	Filipino	Chief Information Officer/ Compliance Officer	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 contracts, 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. There are no other family relationships known to the Company other than the ones disclosed.

Involvement in Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years 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 2023, 2022, and 2021.

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Johnson A. Sanhi, Jr. <i>President & COO</i>				
Enrique C. Payawal <i>Vice President – Exploration and Mining</i>				

Total for the Executive Officers as a group	2023	₱1,300,000		
	2022	₱1,300,000		
	2021	₱1,300,000		
Total for the Executive Officers & Directors as a group	2023	₱1,300,000		
	2022	₱1,300,000		
	2021	₱1,300,000		

For 2023, the estimated aggregate compensation paid to all officers and directors as a group amount to ₱1,300,000.00

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 or special meeting of the stockholders.

Standard Arrangements and other Arrangements

As of the date of this Annual Report, 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 2023:

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⁾	(see footnote)	Filipino	780,494,872	19.48%

	G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City				
Common	Sterling Bank of Asia – Trust Group Sterling Bank Corporate Center	Dexter Y. Tiu Eric Y. Roxas Alexander Y. Tiu Gertim G. Chuahiong JTKC Equities, Inc.	Filipino	3,200,000,000	80.00%

**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 2023:

Title of Class	Name and Citizenship	Amount and nature of beneficial ownership		Percent of Class
Common	Harald R. Tomintz (Austrian)	1,000	Direct	0.00
Common	Dexter Y. Tiu (Filipino)	640,000,000	Direct	16.00
Common	Johnson A. Sanhi, Jr. (Filipino)	1,000	Direct	0.00
Common	Eric Y. Roxas (Filipino)	640,200,000	Direct	16.00
Common	Arsenio M. Bartolome III (Filipino)	1	Direct	0.00
Common	Juan Kevin G. Belmonte (Filipino)	1	Direct	0.00
Common	Aristides Armas (Filipino)	210,001	Direct	0.00
Common	Rosanna Desiderio (Filipino)	1	Direct	0.00
Common	All directors and executive officers as a group	1,280,412,004		32.00

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, Pacifico Sul Mineracao pertaining to working capital purposes. These advances are unsecured, non-interest bearing and generally settled in cash and payable on demand.

- TMEC also leases office space from JTKC Equities, Inc. 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 Revised Corporate Governance Manual (the "Manual") was approved by the Board of Directors on May 30, 2017, in compliance with SEC Memorandum Circular No. 19, series of 2016. The Manual is a supplement to the Company's By-Laws.

Other portions of this Corporate Governance Section have been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013. The Integrated Annual Corporate Governance of the Corporation will be submitted to the SEC and PSE on or before May 30, 2024.

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, 2023, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes, Tacandong & Co.

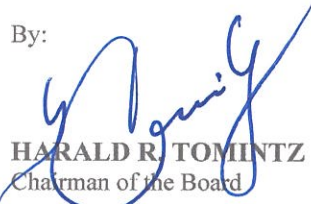
Reports on SEC Form 17-C

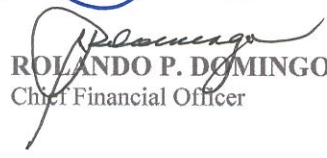
The Company filed the following reports on 17-C for the calendar year 2023:

Date of event reported	Subject Matter
October 18, 2023	Annual Stockholders' Meeting Schedule and Record Date
December 5, 2023	Results of Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

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 _____, 20____. **30 APR 2024**

By:


HARALD R. TOMINTZ
Chairman of the Board


ROLANDO P. DOMINGO
Chief Financial Officer


JOHNSON A SANHI JR.
President


ANN MARGARET K. LORENZO
Corporate Secretary

30 APR 2024

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20____ affiant(s) exhibiting to me his/ their Tax Identification Number, as follows:

NAMES	TAX IDENTIFICATION NUMBER
HARALD R. TOMINTZ	123-069-283-000
JOHNSON A SANHI JR.	105-618-140-000
ROLANDO P. DOMINGO	105-777-920-000
ANN MARGARET K. LORENZO	274-323-370-000

Notary Public

PASIG CITY

Doc. No. 184;
Page No. 29;
Book No. 44;
Series of 2024.

FERDINAND D. AYAHAO
Notary Public
For and in Pasig City and the Municipality of Pateros
Accreditation No. 96 (2024-2025) valid until 12/31/2025
Registration No. VIII-BEP007234, until 04/14/28
TIN No. 45377; BIR LRN 02459; OIC 535886; 06/21/2001
TIN 123-011-785; PTR 1634583AA; 01/03/24; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel. +632-86314090



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: ARIEL FETALVO

Receipt Date and Time: April 30, 2024 06:10:27 PM

Company Information

SEC Registration No.: CS201210314

Company Name: COAL ASIA HOLDINGS INCORPORATED

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST10430202482312343

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2023

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	2	1	0	3	1	4
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COMPANY NAME

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	E	D		A	N	D		A		S
U	B	S	I	D	I	A	R	Y																														

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

3	r	d		F	l	o	o	r	,		J	T	K	C		C	e	n	t	e	r	,		2	1	5	5		D	o	n		C	h	i	n	o	
R	o	c	e	s		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y														

Form Type

A	A	C	F	S
---	---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A
---	---	---

COMPANY INFORMATION

Company's Email Address

johnson.sanhi.jr@titanmining.com

Company's Telephone Number/s

(02) 8813-8892

Mobile Number

0917 853 5701

No. of Stockholders

24

Annual Meeting (Month / Day)

April 30

Calendar Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Johnson A. Sanhi Jr.

Email Address

johnson.sanhi.jr@titanmining.com

Telephone Number/s

(02) 8818-6772

Mobile Number

—

CONTACT PERSON'S ADDRESS

3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City

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

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



**“STATEMENT OF MANAGEMENT’S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS”**

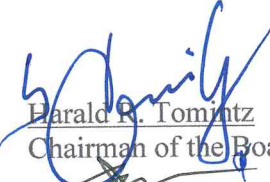
The Management of **COAL ASIA HOLDINGS INCORPORATED** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

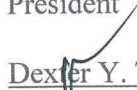
The Board of Directors is responsible in overseeing the Group’s financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2023 and 2022, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: 
Chairman of the Board

Signature: 
President

Signature: 
Treasurer

Signed this _____ day of _____

SUBSCRIBE AND SWORN to before me,
this _____ day of _____
in the _____

190
VOL. NO. 38
PAGE NO. 194
BOOK NO. 2024
DATE OF _____

ATTY JOSHUA P LAPUZ
NOTARY PUBLIC FOR MAKATI CITY
UNTIL 12-31-24
APPOINTMENT NO. 1019/2023-2024
IBPLIFE11MEN0 04837
PTRO R. NO. 9563523/01-03-24/ MAKATI CITY
MCLENO VII-0016370/04-26-24 UNTIL 04-14-25
G/F/FEDMAN SUITES, 199 SALCEDO ST.
LEGASPI VILLAGE MAKATI CITY



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Coal Asia Holdings Incorporated and a Subsidiary
3rd Floor, JTKC Center
2155 Don Chino Roces Avenue
Makati City

Opinion

We have audited the consolidated financial statements of Coal Asia Holdings Incorporated (the Parent Company) and a Subsidiary (collectively referred to as the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As discussed in Note 1 to the consolidated financial statements, the Group has incurred net losses amounting to ₱233.3 million, ₱31.5 million and ₱386.3 million for the years ended December 31, 2023, 2022 and 2021, respectively. Also, the Group has not yet started commercial operations because of its delays in obtaining the necessary approval of its Coal Operating Contracts (COCs) from the Government. This has significantly reduced the Group's operating funds and resulted to continuing net losses.

These conditions indicate a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern. The Group's management is confident that it will obtain the necessary Government approval for its COCs. Also, majority of the stockholders committed to provide continuous financial support not only for the Group's pre-operating activities but also for its working capital requirements when the Group starts commercial operations. Our opinion is not modified in respect to this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Recoverability of Coal Reserves and Exploration and Evaluation Asset

The Group has coal reserves and exploration and evaluation asset amounting to ₱3,222.5 million as at December 31, 2023. The ability of the Group to recover these nonfinancial assets would depend on its ability to proceed with the development and production phase in areas covered by its COCs, which is still awaiting the necessary Government approval. This is significant to our audit because these nonfinancial assets are material to the consolidated financial statements and involves significant management judgment in assessing whether there is any indication of impairment. The Group recognized an impairment loss on its coal reserves and exploration and evaluation asset amounting to ₱211.9 million in 2023.

We have reviewed management's determination of impairment indicators and management's assessment on the recoverability of these nonfinancial assets. We evaluated the assumptions used by the Group in its impairment assessment of the nonfinancial assets. These assumptions include the estimated coal reserves, coal prices, foreign exchange rate and discount rate, which we compared against available market information. We compared the recoverable amount determined from the Group's impairment test using the value in use calculations and discounted cash flow approach, with the carrying amount of the nonfinancial assets as at December 31, 2023. We also reviewed the adequacy of the Group's disclosures about the assumptions used, the outcome of which the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the nonfinancial assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Cedric M. Caterio.

REYES TACANDONG & Co.

CEDRIC M. CATERIO

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

BOA Accreditation No. 4782/P-008; Valid until June 6, 2026

BIR Accreditation No. 19-005765-001-2022

Valid until December 13, 2025

PTR No. 10072410

Issued January 2, 2024, Makati City

April 25, 2024

Makati City, Metro Manila

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash	5	₱506,818	₱462,164
Advances to related parties	12	2,070,917	2,063,862
Other current assets	6	449,293	449,293
Total Current Assets		3,027,028	2,975,319
Noncurrent Assets			
Coal reserves and exploration and evaluation asset	4	3,222,477,218	3,434,400,141
Property and equipment	7	49,749,965	67,050,852
Restricted cash	6	1,082,925	1,082,925
Total Noncurrent Assets		3,273,310,108	3,502,533,918
		₱3,276,337,136	₱3,505,509,237
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	8	₱10,004,964	₱9,146,696
Advances from stockholders	12	69,275,381	66,015,561
Income tax payable		11,250	—
Total Current Liabilities		79,291,595	75,162,257
Noncurrent Liabilities			
Retirement benefits liability	11	494,396	444,604
Net deferred tax liability	13	1,191,303	1,203,751
Total Noncurrent Liabilities		1,685,699	1,648,355
Total Liabilities		80,977,294	76,810,612
Equity			
Capital stock		4,000,000,004	4,000,000,004
Deficit		(807,969,084)	(574,630,301)
Other comprehensive income	11	3,328,922	3,328,922
Total Equity		3,195,359,842	3,428,698,625
		₱3,276,337,136	₱3,505,509,237

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2023	2022	2021
GENERAL AND ADMINISTRATIVE EXPENSES	9	(P22,168,229)	(P31,502,566)	(P40,697,189)
PROVISION FOR IMPAIRMENT LOSS ON COAL RESERVES AND EXPLORATION AND EVALUATION ASSET	4	(211,922,923)	–	(334,422,038)
GAIN ON SALE OF TRANSPORTATION EQUIPMENT	7	750,000	–	–
INTEREST INCOME	5	1,171	965	4,170
LOSS BEFORE INCOME TAX		(233,339,981)	(31,501,601)	(375,115,057)
PROVISION FOR (BENEFIT FROM) INCOME TAX	13			
Current		11,250	–	–
Deferred		(12,448)	(19,576)	11,154,714
		(1,198)	(19,576)	11,154,714
NET LOSS		(233,338,783)	(31,482,025)	(386,269,771)
OTHER COMPREHENSIVE INCOME	11			
Not to be reclassified to profit or loss in subsequent periods -				
Effect of change in tax rate		–	–	221,928
TOTAL COMPREHENSIVE LOSS		(P233,338,783)	(P31,482,025)	(P386,047,843)
BASIC LOSS PER SHARE	16	(P0.058)	(P0.008)	(P0.097)

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	2023	2022	2021
CAPITAL STOCK - ₱1 par value				
Authorized - 5,000,000,000 shares				
Issued and outstanding - 4,000,000,004 shares		₱4,000,000,004	₱4,000,000,004	₱4,000,000,004
DEFICIT				
Balance at beginning of year		(574,630,301)	(543,148,276)	(156,878,505)
Net loss		(233,338,783)	(31,482,025)	(386,269,771)
Balance at end of year		(807,969,084)	(574,630,301)	(543,148,276)
OTHER COMPREHENSIVE INCOME				
	11			
Balance at beginning of year		3,328,922	3,328,922	3,106,994
Effect of change in tax rate		—	—	221,928
Balance at end of year		3,328,922	3,328,922	3,328,922
		₱3,195,359,842	₱3,428,698,625	₱3,460,180,650

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(P233,339,981)	(P31,501,601)	(P375,115,057)
Adjustments for:				
Provision for impairment loss on coal reserves and exploration and evaluation asset	4	211,922,923	—	334,422,038
Depreciation and amortization	7	17,300,887	24,639,845	32,527,448
Gain on sale of transportation equipment	7	(750,000)	—	—
Retirement benefits cost	11	49,792	78,304	62,527
Provision for probable loss on input value-added tax (VAT)	6	29,718	83,172	144,400
Interest income	5	(1,171)	(965)	(4,170)
Operating loss before working capital changes		(4,787,832)	(6,701,245)	(7,962,814)
Increase in other current assets		(29,718)	(88,314)	(144,761)
Increase in trade and other payables		858,268	359,590	296,356
Net cash used for operations		(3,959,282)	(6,429,969)	(7,811,219)
Interest received		1,171	965	4,170
Net cash used in operating activities		(3,958,111)	(6,429,004)	(7,807,049)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of transportation equipment	7	750,000	—	—
Advances to related parties		(7,055)	—	(135,000)
Additions to coal reserves and exploration and evaluation asset		—	—	(1,371,621)
Decrease in restricted cash		—	—	(2,200)
Net cash provided by (used in) investing activities		742,945	—	(1,508,821)
CASH FLOW FROM A FINANCING ACTIVITY				
Advances from stockholders	12	3,259,820	6,039,671	9,406,763
NET INCREASE (DECREASE) IN CASH		44,654	(389,333)	90,893
CASH AT BEGINNING OF YEAR		462,164	851,497	760,604
CASH AT END OF YEAR		P506,818	P462,164	P851,497
COMPONENTS OF CASH				
	5			
Cash on hand		P15,000	P15,000	P15,000
Cash in banks		491,818	447,164	836,497
		P506,818	P462,164	P851,497

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022
AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. Corporate Information

General Information

Coal Asia Holdings Incorporated (the Parent Company or CAHI) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 11, 2012. The Parent Company was organized primarily as a holding company. In 2012, the Parent Company acquired 100% ownership of Titan Mining and Energy Corporation (the Subsidiary or TMEC). The Parent Company and TMEC are collectively referred to as “the Group”.

TMEC was incorporated and registered with the SEC on November 11, 2008. TMEC is engaged in the operations of coal mining and energy related business.

On October 23, 2012, the Parent Company became a publicly listed company. As at December 31, 2023 and 2022, 4,000,000,004 common shares of the Parent Company at ₱1 par value were listed in the Philippine Stock Exchange (PSE). Of those shares, 20% are publicly-owned as at December 31, 2023 and 2022.

The registered office address of the Group is at 3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City.

Status of Operations

As at December 31, 2023 and 2022, the Group has two Coal Operating Contracts (COCs) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166).

The Group has incurred net losses amounting to ₱233.3 million, ₱31.5 million and ₱386.3 million for the years ended December 31, 2023, 2022 and 2021, respectively. Also, the Group has not yet started its commercial operations as at December 31, 2023 because of the delays in obtaining the necessary approval of its COCs from the Government as discussed in Note 17 to the consolidated financial statements.

The Group’s management is confident that TMEC will obtain the necessary approval from the Government. Accordingly, the Group has been compliant with the requirements of the Department of Energy (DOE) for COC Nos. 159 and 166. Moreover, majority of the stockholders committed to provide continuous financial support not only for the Group’s pre-operating activities but also for its working capital requirements when the Group starts commercial operations.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022, and 2021 were approved and authorized for issuance by the Board of Directors (BOD) on April 25, 2024, and were reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The material accounting policies used in the preparation of the consolidated financial statements are consistently applied to all periods presented, unless otherwise stated.

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal on the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best interest.

A fair value measurement of nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair value is included in Notes 4 and 15 to the consolidated financial statements.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

The adoption of the amendments to PFRS did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amendment to PFRS in Issue But Not Yet Effective or Adopted

The following relevant amendment to PFRS is not yet effective as at December 31, 2023 and has not been applied in preparing the consolidated financial statements.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amendment to PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of wholly-owned subsidiary and the Parent Company.

Subsidiary. Subsidiary is an entity controlled by the Parent Company. The consolidated financial statements include the accounts of the Parent Company and its subsidiary, TMEC. The Parent Company has control when it is exposed, or has right, to variable returns from its involvement with the investee and it has the ability to affect those returns through its powers over the investee.

A subsidiary is consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continues to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Transactions Eliminated on Consolidation. All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Accounting Policies of a Subsidiary. The consolidated financial statements of the subsidiary are prepared for the same reporting year using uniform accounting policies as that of the Parent Company.

Financial Assets and Liabilities

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of financial assets largely depends on the Group’s business model and its contractual cash flow characteristics. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2023 and 2022, the Group does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2023 and 2022, the Group’s cash, advances to related parties, receivables (presented under “Other current assets” account) and restricted cash are classified under this category.

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

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

As at December 31, 2023 and 2022, the Group has classified its trade and other payables (excluding statutory payables) and advances from stockholders under this category.

Reclassification

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures ECL at an amount equivalent to the 12-month ECL for receivables on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Receivables. The Group has applied the simplified approach in measuring the ECL on receivables. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial instruments, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Otherwise, the financial instrument is classified as equity.

Other Current Assets

Other current assets mainly include input value-added tax (VAT).

Input VAT. Input VAT represents tax imposed on the Group by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's current VAT liability.

Coal Reserves

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

Coal reserves are carried at historical cost less impairment losses, if any. Coal reserves are amortized upon 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

Pre-license costs. Pre-license costs relate to costs incurred before the Group has obtained the legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analyzing that data. These costs are expensed in the period in which these are incurred.

Exploration and Evaluation Asset. Exploration and evaluation asset is carried at cost less accumulated impairment losses.

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.

Exploration and evaluation expenditures are recognized as asset when future economic benefit is more likely than not to be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred to exploration and evaluation asset up to the point when a commercial reserve is established. Capitalized exploration and evaluation asset is considered as tangible assets.

Exploration and evaluation asset is transferred to mine development costs account in the consolidated statement of financial position when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment before these are reclassified. Any impairment loss is recognized in profit or loss.

No amortization was charged during the exploration and evaluation phase.

Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment losses. Land is carried at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts such as property and equipment when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are calculated on the straight-line basis over the estimated useful lives of the property and equipment as shown below:

	Number of Years
Land improvements	10
Drilling equipment	10
Laboratory and camp buildings	10
Survey equipment and machinery	3
Laboratory and testing equipment	5
Transportation equipment	5
Office furniture and equipment	3

The assets' estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

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

Fully depreciated and amortized assets are retained in the accounts until these are no longer in use and no further change for depreciation and amortization are made in respect of these assets.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Coal Reserves and Exploration and Evaluation Asset. Coal reserves and exploration and evaluation asset is assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that the assets require impairment test.

- a. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned;
- c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area;
- d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Capital Stock

Capital stock is measured at par value for all shares issued and paid.

Deficit

Deficit represents the cumulative balance of net losses.

Other Comprehensive Income

Other comprehensive income comprises of items of income and expense that are not recognized in profit or loss in accordance with PFRS. This pertains to cumulative remeasurement gains on retirement benefits liability. This is not reclassified to profit or loss in subsequent periods.

Interest Income

Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

General and Administrative Expenses. General and administrative expenses constitute cost of administering the business. These are expensed as incurred.

Leases

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

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

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

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

Group as a Lessee. The Group has elected not to recognize right-of-use asset and lease liability for its short-term lease. The Group recognized the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Cost. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs and interest expense in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

Remeasurement comprising actuarial gains and losses is recognized immediately in OCI in the period in which they arise. Remeasurement is not reclassified to profit or loss in subsequent periods.

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

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

Income Taxes

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused net operating loss carryover (NOLCO) and tax credits from the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions are transfers of resources, services, or obligations between the Group and its related parties.

Loss Per Share

Basic loss per share is computed by dividing the net loss for the period attributable to equity holders of the Group by the weighted average number of issued and outstanding and subscribed common shares during the period, with retroactive adjustment for any stock dividends declared.

The Group has no dilutive instruments.

Segment Reporting

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of segment reporting, the Group's only operating segment is related to coal mining operations (see Note 4).

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the end of reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements in compliance with PFRS requires management to exercise judgment, make accounting estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes. Judgment and accounting estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these accounting estimates.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgment, accounting estimates and assumptions made by the Group:

Assessing Going Concern. As discussed in Note 1 to the consolidated financial statements, the Group has not started commercial operations because of delays in getting the necessary approval from the Government of its COCs. This has significantly reduced the Group's operating funds.

The Group's management is confident that TMEC will obtain the necessary approval from the Government. Moreover, majority of the stockholders committed to provide continuous financial support not only for the Group's pre-operating activities but also for its working capital requirements when the Group starts commercial operations. Thus, the Group continues to prepare the consolidated financial statements on going concern basis.

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

While cash in banks is subject to the impairment requirements of PFRS 9, the resulting impairment loss is not significant primarily because these are with reputable counterparty banks that possess good credit rating.

No provision for ECL was recognized on other financial assets at amortized cost in 2023, 2022 and 2021.

The carrying amounts of financial assets at amortized cost as at December 31, 2023 and 2022 are disclosed in Notes 5, 6 and 12 to the consolidated financial statements.

Estimating the Coal Reserves. The Group estimates its coal reserves based on information compiled by competent persons on geological and technical data on the size, depth, shape and grade of the mineral body and suitable production techniques and recovery rates. The analysis requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, foreign exchange rates, future capital requirements, discount rate, and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineral body.

Management assumes conservative forecasted sales prices, based on current and long-term historical average price trends. Conservative forecasted sales price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is obtained during the exploration and evaluation of the mine properties, estimates of reserves may change.

The amount of coal reserves and the related provision for impairment on coal reserves and exploration and evaluation asset as at December 31, 2023 and 2022 is disclosed in Note 4 to the consolidated financial statements.

Capitalizing the Exploration and Evaluation Expenditures. The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of coal reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

The amount of exploration and evaluation asset as at December 31, 2023 and 2022 is disclosed in Note 4 to the consolidated financial statements.

Estimating the Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Based on management's assessment, there is no change in estimated useful lives of property and equipment in 2023, 2022 and 2021.

Depreciation and amortization are disclosed in Note 7 to the consolidated financial statements.

The amounts of depreciable property and equipment, net of accumulated depreciation and amortization, as at December 31, 2023 and 2022 are disclosed in Note 7 to the consolidated financial statements.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends;
- Significant changes or planned changes in the use of the assets;
- Significant changes in the estimation of coal reserves;
- Expiration of the right to explore the areas;
- Significant unbudgeted or unplanned expenditures for exploration and evaluation; and
- Management's decision to discontinue activities in specific areas.

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

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

Impairment loss on coal reserves and exploration and evaluation asset was recognized in 2023 and 2021 as presented in Note 4 to the consolidated financial statements. No impairment loss on nonfinancial assets was recognized in 2022.

The nonfinancial assets of the Group include coal reserves and exploration and evaluation asset, property and equipment and input VAT. The corresponding carrying amount as at December 31, 2023 and 2022 are disclosed in Notes 4, 6 and 7 to the consolidated financial statements.

Estimating the Retirement Benefits Cost. The determination of the obligation and cost of retirement and other long-term employee benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 11 to the consolidated financial statements and include, among others, discount rates and salary increase rates. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

Retirement benefits costs and retirement benefits liability as at December 31, 2023 and 2022 are disclosed in Note 11 to the consolidated financial statements.

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

The amounts of recognized and unrecognized deferred tax assets as at December 31, 2023 and 2022 are disclosed in Note 13 to the consolidated financial statements. The Group did not recognize a portion of the deferred tax assets as management has assessed that the Group may not be able to utilize these deductible temporary differences against future taxable income.

4. Coal Reserves and Exploration and Evaluation Asset

This account consists of:

	2023	2022
Coal reserves	₱3,131,596,101	₱3,131,596,101
Exploration and evaluation asset	637,226,078	637,226,078
	3,768,822,179	3,768,822,179
Less allowance for impairment loss	(546,344,961)	(334,422,038)
	₱3,222,477,218	₱3,434,400,141

The Parent Company acquired TMEC in 2012 (see Note 1) in exchange for the Parent Company's common shares valued at ₱3,200.0 million. Of the total consideration, the Parent Company allocated ₱3,131.6 million as coal reserves.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information. The fair value measurement used is categorized as Level 2 using Market Approach. The inputs used to determine the market value of Group's coal reserves include location characteristics, size, time element, quality and marketability.

Exploration and evaluation asset are costs incurred on the mining properties situated in the provinces of Davao Oriental and Zamboanga Sibugay, Philippines.

COC Nos. 159 and 166 provide a minimum work expenditure on obligations covered by the work program at the exploration phase (see Note 17). The recovery of these costs depends on the conversion of the COCs to development and production phase.

Impairment Assessment on Coal Reserves and Exploration and Evaluation Asset

In 2023, 2022, and 2021, the Group carried out a review of the recoverable amount of its coal reserves and exploration and evaluation asset due to the delays in obtaining the necessary approval of its COCs from the Government which has significantly reduced the Group's operating funds and resulted to continuing net losses. The impairment test is based on value in use calculations using discounted cash flow approach amounting to ₱3,222.5 million, ₱3,790.7 million and ₱3,434.4 million in 2023, 2022 and 2021, respectively.

The key assumptions used to determine the value in use of the nonfinancial assets include the projected coal price, foreign exchange rate, discount rate and estimated volume of coal reserves. The discount rate used is 10.35%, 10.58% and 5.70% in 2023, 2022 and 2021, respectively.

The cash flow projections are based on the most recent feasibility study approved by the senior management. The values assigned to each key assumption are estimated with reference to recent external market information and take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The forecast period for COC No. 159 and COC No. 166 is at nine years and five years, respectively. The forecast period for COC No. 159 is greater than five years as management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a growth assumption for forecasts beyond the average forecast period.

Based on the impairment test performed, management assessed that the recoverable amount of the coal reserves and exploration and evaluation asset is higher than its aggregate carrying amount as at December 31, 2022. The higher recoverable amount in 2022 was caused by changes in coal prices and foreign exchange rates, and not by any increase in future economic benefits from either use or sale.

In 2023 and 2021, management assessed that the recoverable amount of the coal reserves and exploration and evaluation asset is lower than its aggregate carrying amount. The Group recognized an impairment loss of ₱211.9 million and ₱334.4 million on the coal reserves and exploration and evaluation asset in 2023 and 2021, respectively. The recognition of the impairment loss is driven by the reduction in coal price and unplanned expenditures caused by the delays in the conversion of COCs and start of commercial operations.

Movement in the allowance for impairment loss is as follows:

	2023	2022	2021
Balance at beginning of year	₱334,422,038	₱334,422,038	₱—
Provision	211,922,923	—	334,422,038
Balance at end of year	₱546,344,961	₱334,422,038	₱334,422,038

The recoverable amount in 2023, 2022 and 2021 based on the discounted cash flow approach is classified as Level 3 of the fair value hierarchy. Management also believes that no reasonably possible change in any of the key assumptions would cause in a significantly higher or lower fair value measurement.

The financial information arising from exploration and evaluation activities as at and for the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Total assets	₱694,459,716	₱710,171,730	₱733,168,392
Total liabilities	610,247,896	606,966,412	600,909,973
Expenses	19,745,303	29,073,283	370,789,739
Net cash used in operating activities	(2,411,127)	(4,371,225)	(3,764,940)
Net cash provided by (used in) investing activities	(857,055)	(1,973,022)	101,179
Net cash provided by financing activities	3,250,000	6,009,266	3,978,178

Operating Segment

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the coal mining segment. This segment undertakes the exploration and evaluation activities of the coal reserves of the Group which is within the Group's country of domicile.

5. Cash

This account consists of:

	2023	2022
Cash on hand	₱15,000	₱15,000
Cash in banks	491,818	447,164
	₱506,818	₱462,164

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income consists of:

	Note	2023	2022	2021
Cash in banks		₱1,171	₱965	₱1,970
Restricted cash	6	—	—	2,200
		₱1,171	₱965	₱4,170

6. Other Assets

This account consists of:

	2023	2022
Current:		
Input VAT	₱2,407,335	₱2,377,617
Receivables	449,293	449,293
	2,856,628	2,826,910
Less allowance for probable loss	(2,407,335)	(2,377,617)
	₱449,293	₱449,293
Noncurrent -		
Restricted cash	₱1,082,925	₱1,082,925

The input VAT is fully provided with allowance for probable loss. Management has assessed that the Group may not be able to utilize its input VAT.

Movement in the allowance for probable loss follows:

	Note	2023	2022
Balance at beginning of year		₱2,377,617	₱2,294,445
Provision	9	29,718	83,172
Balance at end of year		₱2,407,335	₱2,377,617

Receivables pertain to receivables from third parties. These are noninterest-bearing and are generally collectible on demand.

Restricted cash includes cash bond required pursuant to the application of the permit to proceed with the development phase for COC No. 159 and cash set aside to settle obligations arising from a court case.

Interest income earned from the restricted cash in 2023, 2022, and 2021 is disclosed in Note 5 to the consolidated financial statements.

7. Property and Equipment

The balances and movements of this account are as follows:

2023									
	Land	Land Improvements	Drilling Equipment	Laboratory and Camp Buildings	Survey Equipment and Machinery	Laboratory and Testing Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Cost									
Balances at beginning of year	₱18,139,580	₱154,954,040	₱194,212,031	₱25,429,304	₱3,264,334	₱12,606,310	₱9,794,774	₱1,818,835	₱420,219,208
Disposal	—	—	—	—	—	—	(1,110,000)	—	(1,110,000)
Balances at end of year	18,139,580	154,954,040	194,212,031	25,429,304	3,264,334	12,606,310	8,684,774	1,818,835	419,109,208
Accumulated Depreciation and Amortization									
Balances at beginning of year	—	111,340,542	194,212,031	20,131,530	3,264,334	12,606,310	9,794,774	1,818,835	353,168,356
Depreciation and amortization	—	14,757,956	—	2,542,931	—	—	—	—	17,300,887
Disposal	—	—	—	—	—	—	(1,110,000)	—	(1,110,000)
Balances at end of year	—	126,098,498	194,212,031	22,674,461	3,264,334	12,606,310	8,684,774	1,818,835	369,359,243
Carrying Amount	₱18,139,580	₱28,855,542	₱—	₱2,754,843	₱—	₱—	₱—	₱—	₱49,749,965

2022									
	Land	Land Improvements	Drilling Equipment	Laboratory and Camp Buildings	Survey Equipment and Machinery	Laboratory and Testing Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Cost									
Balances at beginning and end of year	₱18,139,580	₱154,954,040	₱194,212,031	₱25,429,304	₱3,264,334	₱12,606,310	₱9,794,774	₱1,818,835	₱420,219,208
Accumulated Depreciation and Amortization									
Balances at beginning of year	—	97,944,934	185,510,724	17,588,600	3,264,334	12,606,310	9,794,774	1,818,835	328,528,511
Depreciation and amortization	—	13,395,608	8,701,307	2,542,930	—	—	—	—	24,639,845
Balances at end of year	—	111,340,542	194,212,031	20,131,530	3,264,334	12,606,310	9,794,774	1,818,835	353,168,356
Carrying Amount	₱18,139,580	₱43,613,498	₱—	₱5,297,774	₱—	₱—	₱—	₱—	₱67,050,852

In 2023, various fully depreciated transportation equipment were sold for ₱750,000, resulting to a gain of equivalent to the proceeds.

Depreciation and amortization charged as general and administrative expenses amounted to ₱17.3 million, ₱24.6 million, and ₱32.5 million in 2023, 2022 and 2021, respectively (see Note 9).

Fully depreciated and amortized property and equipment that are still being used by the Group amounted to ₱220.6 million and ₱221.7 million as at December 31, 2023 and 2022, respectively.

8. Trade and Other Payables

This account consists of:

	2023	2022
Trade payables	₱7,357,812	₱7,377,296
Accrued expenses	2,614,608	1,756,294
Statutory payables	32,544	13,106
	₱10,004,964	₱9,146,696

Trade payables are noninterest-bearing and are due and demandable.

Accrued expenses pertain to accruals for administrative expenses which are expected to be settled within one year.

Statutory payables pertain to the payable to other Government agencies which are normally settled in the following month.

9. General and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Depreciation and amortization	7	₱17,300,887	₱24,639,845	₱32,527,448
Professional fees		1,947,600	1,638,000	1,578,880
Personnel costs	10	1,934,021	2,120,289	1,398,062
Listing maintenance fee		250,000	250,000	250,000
Safekeeping fee		160,000	258,400	130,000
Repairs and maintenance		103,944	373,705	22,500
Communication		86,957	159,779	—
Taxes and licenses		70,391	219,032	245,524
Provision for probable loss on input VAT	6	29,718	83,172	144,400
Insurance		20,750	8,163	—
Representation and entertainment		19,828	282,343	2,451,144
Office supplies		5,959	6,165	—
Outside services		—	—	1,842,105
Others		238,174	1,463,673	107,126
		₱22,168,229	₱31,502,566	₱40,697,189

10. Personnel Costs

Personnel costs classified under “General and administrative expenses” account (see Note 9) consist of:

	Note	2023	2022	2021
Salaries and wages		₱1,756,427	₱1,927,912	₱1,300,000
Employee benefits		127,802	114,073	35,535
Retirement benefits cost	11	49,792	78,304	62,527
		₱1,934,021	₱2,120,289	₱1,398,062

11. Retirement Benefits Liability

The Group has an unfunded defined benefit plan covering all of qualified regular employees of TMEC. The benefits are based on years of service and compensation. The plan provides for a lump-sum benefit payment upon retirement which shall not be less than the minimum mandated retirement benefit plan under Republic Act (RA) No. 7641 Retirement Pay Law.

The components of retirement benefits cost presented as part of “Personnel costs” under “General and administrative expenses” account are as follows (see Note 10):

	2023	2022	2021
Interest cost	₱26,885	₱26,082	₱11,331
Current service cost	22,907	52,222	51,196
	₱49,792	₱78,304	₱62,527

The changes in the present value of the retirement benefits liability are as follows:

	2023	2022
Balance at beginning of year	₱444,604	₱366,300
Interest cost	26,885	26,082
Current service cost	22,907	52,222
Balance at end of year	₱494,396	₱444,604

The cumulative remeasurement gains recognized as OCI as at December 31, 2023, 2022 and 2021 are as follows:

	2023 and 2022		
	Cumulative Remeasurement Gains	Deferred Tax	Net
Balance at beginning and end of year	₱4,438,563	₱1,109,641	₱3,328,922

	2021		
	Cumulative Remeasurement Gains	Deferred Tax	Net
Balance at beginning of year	₱4,438,563	₱1,331,569	₱3,106,994
Effect of change in tax rate	—	(221,928)	221,928
Balance at end of year	₱4,438,563	₱1,109,641	₱3,328,922

The principal actuarial assumptions used to determine the retirement benefits cost as at December 31, 2023 and 2022 are as follows:

	2023	2022
Discount rate	6.05%	3.73%
Salary increase rate	2.00%	2.00%

Sensitivity analysis on retirement benefits liability as at December 31, 2023 is as follows:

	Change in Assumption	Effect on defined benefit liability
Discount rate	(1.00%)	₱72,451
	1.00%	(62,637)
Salary increase rate	1.00%	74,760
	(1.00%)	(65,536)

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

The weighted average duration of the retirement benefits liability is 14.43 years as at December 31, 2023.

12. Related Party Transactions

The transactions of the Group, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

	Nature of Transactions	Amount of Transactions		Outstanding Balances	
		2023	2022	2023	2022
Advances to related parties -					
Entities under common ownership	Advances for working capital	₱7,055	₱—	₱2,070,917	₱2,063,862
Advances from stockholders					
	Advances for working capital	₱3,259,820	₱6,039,671	₱69,275,381	₱66,015,561

Terms and Conditions

Advances to related parties and advances from stockholders are unsecured, noninterest-bearing, generally settled in cash and due on demand. No impairment loss on advances to related parties was recognized in 2023, 2022 and 2021.

Key Management Personnel Compensation

The compensation of key management personnel of the Group are as follows:

	2023	2022	2021
Short-term employee benefits	₱1,136,164	₱1,470,289	₱1,793,404
Post-employment benefits	49,792	78,304	62,527
	₱1,185,956	₱1,548,593	₱1,855,931

Reconciliation of Liabilities Arising from a Financing Activity

The table below details changes in the Group's liabilities arising from a financing activity as at December 31, 2023 and 2022, including both cash and non-cash changes:

	2023				
	Balance at Beginning of Year	Financing Cash Flows		Non-cash Changes	Balance at End of Year
		Proceeds	Payments		
Advances from stockholders	₱66,015,561	₱3,259,820	₱—	₱—	₱69,275,381

	2023				
	Balance at Beginning of Year	Financing Cash Flows		Non-cash Changes	Balance at End of Year
		Proceeds	Payments		
Advances from stockholders	₱59,975,890	₱6,039,671	₱—	₱—	₱66,015,561

13. Income Taxes

TMEC is entitled to the following incentives under the COC:

- Exempt from all national taxes except for income tax; and
- Exempt from payment of tariff duties, compensating tax and value-added tax on importations of machinery and equipment, spare parts and materials required for the Coal Operation subject to terms and conditions in the COC.

The Group's provision for current income tax represents MCIT in 2023.

The components of provision for (benefit from) income tax are as follows:

	2023	2022	2021
Current	₱11,250	₱—	₱—
Deferred	(12,448)	(19,576)	11,154,714
	(₱1,198)	(₱19,576)	₱11,154,714

The Group's net deferred tax liability consists of:

	2023	2022
Deferred tax assets:		
Allowance for impairment loss on coal reserves and exploration and evaluation asset	₱136,586,240	₱83,605,510
NOLCO	32,566,091	28,665,713
Retirement benefits liability	123,599	111,151
Excess MCIT over RCIT	11,250	—
Total deferred tax assets	169,287,180	112,382,374
Unrecognized deferred tax assets	(169,163,581)	(112,271,223)
Recognized deferred tax assets	123,599	111,151
Deferred tax liability -		
Retirement benefits liability attributable to exploration and evaluation asset	1,314,902	1,314,902
Net deferred tax liability	(₱1,191,303)	(₱1,203,751)

The Group did not recognize deferred tax assets on allowance for impairment loss on coal reserves and exploration and evaluation asset, NOLCO and excess MCIT over RCIT amounting to ₱169.2 million and ₱112.3 million as at December 31, 2023 and 2022, respectively, as management has assessed that the Group may not be able to utilize these deductible temporary differences against future taxable income.

Deferred tax assets on retirement benefits liability aggregating ₱0.1 million as at December 31, 2023 and 2022 were recognized by the Group. Management's assessment based on available evidence, specifically the Group's positive financial forecasts, demonstrates that this deferred tax asset is realizable.

As at December 31, 2023, details of the related NOLCO from the Parent Company are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2023	₱—	₱2,380,550	₱—	₱2,380,550	2026
2022	2,346,111	—	—	2,346,111	2025
2021	4,185,088	—	—	4,185,088	2026
2020	2,527,910	—	—	2,527,910	2025
	₱9,059,109	₱2,380,550	₱—	₱11,439,659	

As mandated by Section 4 of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at December 31, 2023, details of NOLCO from TMEC are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2023	₱—	₱18,938,341	₱—	₱18,938,341	2028
2022	28,712,636	—	—	28,712,636	2027
2021	33,853,030	—	—	33,853,030	2026
2020	33,547,309	—	—	33,547,309	2025
2019	3,773,389	—	—	3,773,389	2024
2018	5,717,381	—	(5,717,381)	—	2023
	₱105,603,745	₱18,938,341	(₱5,717,381)	₱118,824,705	

Section 34 (D)(3) of the Tax Code grants mining companies other than oil and gas wells to carry over net operating loss incurred in any of the first ten years of operation as a deduction from taxable income for the next five years immediately following the year of loss.

TMEC incurred excess MCIT over RCIT amounting to ₱11,250 for the year ended December 31, 2023, which can be claimed as tax credit against regular income tax due until 2026.

A reconciliation between the provision for (benefit from) income tax based on statutory income tax rate and the effective income tax rate on income before tax is as follows:

	2023	2022	2021
Benefit from income tax at statutory tax rate	(₱58,334,995)	(₱7,875,400)	(₱93,778,765)
Change in unrecognized deferred tax assets	56,892,358	5,725,245	98,960,083
Effect of change in tax rate	—	—	2,919,547
Income tax effects of:			
Expired NOLCO	1,429,345	2,039,442	2,405,755
Nondeductible expenses	12,387	91,379	649,136
Interest income already subjected to final tax	(293)	(242)	(1,042)
Provision for (benefit from) income tax at effective tax rate	(₱1,198)	(₱19,576)	₱11,154,714

The Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Act

Under the CREATE Act which took effect on July 1, 2020, domestic corporations are subject to 25% or 20% RCIT depending on the amount of total assets or total amount of taxable income. In addition, MCIT is computed at 1% of gross income for a period of three (3) years up to June 1, 2023 and reverted to 2% of gross income effective July 1, 2023 under Revenue Memorandum Circular No. 69-2023.

Accordingly, the income tax rates used in preparing the consolidated financial statements as at and for the years ended December 31, 2023 and 2022 are 25% for RCIT, and 1.5% and 1% for MCIT, respectively.

14. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of financial assets and financial liabilities directly related to operations, specifically cash, advances to related parties and receivables (presented under "Other current assets" account), restricted cash, trade and other payables (excluding statutory payables) and advances from stockholders.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit risk

Credit risk is a risk due to an uncertainty in a counterparty's ability to meet its obligations. When a counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash in banks, advances to related parties, receivables (presented under "Other current assets" account) and restricted cash.

The Group transacts mainly with recognized and creditworthy third parties as well as with related parties. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

The following tables summarize the credit quality of the Group's financial assets at amortized cost as at December 31, 2023 and 2022:

	2023					
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	₱491,818	₱—	₱—	₱—	₱—	₱491,818
Advances to related parties	2,070,917	—	—	—	—	2,070,917
Receivables*	—	—	449,293	—	—	449,293
Restricted cash	1,082,925	—	—	—	—	1,082,925
	₱3,645,660	₱—	₱449,293	₱—	₱—	₱4,094,953

*Presented under "Other current assets" account.

	2022					
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	₱447,164	₱—	₱—	₱—	₱—	₱447,164
Advances to related parties	2,063,862	—	—	—	—	2,063,862
Receivables*	—	—	449,293	—	—	449,293
Restricted cash	1,082,925	—	—	—	—	1,082,925
	₱3,593,951	₱—	₱449,293	₱—	₱—	₱4,043,244

*Presented under "Other current assets" account.

The credit quality of the financial assets is managed by the Group using internal credit quality ratings. High grade accounts consist of financial assets from counterparties with good financial condition and with relatively low defaults. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that are still collectible but require persistent effort from the Group to collect are considered substandard grade accounts. Past due but not impaired are those with history of frequent default nevertheless the amount due are still collectible. Credit impaired are those that are long outstanding or those that have been provided with an allowance for impairment.

Cash in banks and restricted cash are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Group considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Advances to related parties are considered as high grade because the related parties are operating entities with sufficient liquid assets to repay the receivables upon demand by the Group.

With the exception of receivables which are subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant because the financial assets are considered high grade with minimal risk of default.

Liquidity Risk

Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities at amortized cost of the Group based on the remaining contractual undiscounted cash flows as at December 31, 2023 and 2022:

	2023			
	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱7,357,812	₱2,614,608	₱—	₱9,972,420
Advances from stockholders	69,275,381	—	—	69,275,381
	₱76,633,193	₱2,614,608	₱—	₱79,247,801

*Excluding statutory payables amounting to ₱32,544.

	2022			
	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱7,377,296	₱1,756,294	₱—	₱9,133,590
Advances from stockholders	66,015,561	—	—	66,015,561
	₱73,392,857	₱1,756,294	₱—	₱75,149,151

*Excluding statutory payables amounting to ₱13,106.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations. The Group's overall strategy remains unchanged from the previous year.

The Group manages the capital structure and makes adjustments when there are changes in the economic conditions, its business activities, expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity, excluding OCI, as capital aggregating to ₱3,192.0 million and ₱3,425.4 million as at December 31, 2023 and 2022, respectively.

TMEC is subject to externally-imposed capital requirements applicable to applicants for exploration permits. The minimum paid-up capital is ₱6.25 million. TMEC has complied with the capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous years.

15. Fair Value Measurement of Financial Instruments

Presented below is a comparison category of the carrying amounts and fair values of all the Group's financial assets and liabilities as at December 31, 2023 and 2022.

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortized Cost:				
Cash	₱491,818	₱491,818	₱462,164	₱462,164
Advances to related parties	2,070,917	2,070,917	2,063,862	2,063,862
Receivables*	449,293	449,293	449,293	449,293
Restricted cash	1,082,925	1,082,925	1,082,925	1,082,925
	₱4,094,953	₱4,094,953	₱4,058,244	₱4,058,244
Financial Liabilities at Amortized Cost:				
Trade and other payables**	₱9,972,420	₱9,972,420	₱9,133,590	₱9,133,590
Advances from stockholders	69,275,381	69,275,381	66,015,561	66,015,561
	₱79,247,801	₱79,247,801	₱75,149,151	₱75,149,151

*Presented under "Other current assets" account.

**Excluding statutory payables amounting to ₱32,544 and ₱13,106 as at December 31, 2023 and 2022, respectively.

Cash, Advances to Related Parties, Receivables (presented under "Other Current Assets" account), Trade and Other Payables (excluding Statutory Payables) and Advances from Stockholders. The carrying amounts of these financial assets and liabilities approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Restricted Cash. The carrying amounts of this financial instrument approximate its fair value.

16. Loss Per Share

Basic loss per share is computed as follows:

	2023	2022	2021
Net loss	(₱233,338,783)	(₱31,482,025)	(₱386,269,771)
Divided by weighted average number of common shares outstanding	4,000,000,004	4,000,000,004	4,000,000,004
Basic loss per share	(₱0.058)	(₱0.008)	(₱0.097)

The Group does not have any dilutive potential common shares at the end of each period.

17. Commitments and Contingencies

The Group has the following contractual commitments:

COCs with the DOE

The Philippine Government, through the DOE, awarded COCs to TMEC. The exploration phase under the COCs is for 2 years and can be extended for another 2 years upon the approval of the DOE. The development and production phase commences when the DOE and TMEC agrees on the existence of Coal Reserves in Commercial Quantity subject to the terms and conditions in the COC. As at December 31, 2023 and 2022, TMEC has two COCs (COC No. 159 and COC No. 166).

COC No. 159 covers 7,000 hectares in Davao Oriental while COC No. 166 which is located in Zamboanga Sibugay covers 4,000 hectares. Completed activities include surface geological investigation which involves surface field geologic mapping, geodetic surveying and trenching and subsurface geologic investigation through cored diamond drilling. As at December 31, 2023 and 2022, TMEC has incurred ₱637.2 million, respectively, for the direct implementation of the work program for the exploration phase of these COCs (see Note 4).

COC No. 159. In 2013, the Group applied for the start-up of the development and production stage in COC No. 159. The Group has submitted to the DOE the Final Exploration Report, 10-Year Work Program and Feasibility Study and Environmental Compliance Certificate (ECC) as issued by the Department of Environment and Natural Resources (DENR).

On August 30, 2018, the DOE re-evaluated the coal reserves in commercial quantity on Sagasa Area considering the corrected dipping angle of each coal seam, revised coal intercepts and number of coal seams, specific gravity of 1.4, inclusion of coal outcrops, and additional information on longitudinal sections. On December 21, 2018, the Group agreed on the revised coal reserves and provided revised Five-Year Coal Development and Production Work Program and Budget, and revised Feasibility Study in accordance with the agreed delineated coal reserves.

On September 11, 2018, the Group submitted the required documents to NCIP for the issuance of the CP. The CP is the final requirement for the conversion of COC No. 159.

On December 14, 2018, TMEC received the original copy of the CP and the certified true copy approving the CP from the NCIP.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or CNO from the NCIP. The COC No. 159 for Development and Production Phase shall be effective from date hereof for a period of ten (10) years, and should there be remaining mineable reserves, extendible for another ten (10) years and thereafter renewable for a series of three (3) year periods not exceeding twelve (12) years under such terms and condition as may be agreed upon by the DOE and TMEC.

Under Presidential Decree 972, *The Coal Development Act of 1976*, as Government share, the DOE will be paid the balance of the gross income after deducting all operating expenses and operator's fee and special allowance. The operating expenses shall not exceed 90% of the gross income. Excess operating expenses can be recovered from the gross income in succeeding years. TMEC will be entitled to a fee and a special allowance, the net amount of which shall not exceed 40% and 30%, respectively, of the net operating income.

On November 2, 2022, TMEC received notice from the NCIP that its Provincial Team had submitted their Field Based Investigation Report and has recommended for the conduct of mandatory Free, Prior Informed Consent (FPIC) process pursuant to NCIP Administrative Order No. 3, series of 2012. Consequently, the NCIP invited TMEC for a Pre-FPIC Conference.

On March 28, 2023, the TMEC received notice from the NCIP to provide the necessary documents in relation to the issuance of CP or CNO following its special session where the project and FPIC report were presented.

TMEC has been submitting quarterly financial reports to the DOE. As at report date, the Group is still in the process of obtaining a CP or CNO from the NCIP.

COC No. 166. The Group is working on the extension of the COC. As required, the Group has submitted to the DOE the Result of Exploration covering the exploration activities conducted and estimates of the resultant coal resource and reserve of the property, which have been verified by the DOE. In 2016, the DOE evaluated the documents submitted and requested additional information to further process the application for conversion.

On September 18, 2018, TMEC has re-submitted the Five-Year Work Program in support for the processing of TMEC's application for the conversion of its COC.

On September 4, 2019, the Group cited difficulties in complying with the other necessary requirements because of the peace and order disturbances in the area, security threats to its employees by lawless elements, and dwindling competitiveness of coal.

On December 9, 2019, the DOE required TMEC to substantiate with supporting documents the above cited problems encountered, specifically documents attesting that TMEC has an existing application for Environmental Compliance Certificate (ECC) from the EMB-DENR, certification from concerned law enforcement units as to the peace and order problem in the area, and proof to the other constraints that TMEC has stated that hinder its compliance with its obligations for COC conversion.

On January 26, 2020, TMEC submitted the supporting documents and action plans for the cited problems with the conversion of COC No. 166 from Exploration to Development and Production Phase.

On November 23, 2020, TMEC re-submitted the Five-Year Work Program in support for the processing of its application for the conversion of its COC.

TMEC has been submitting quarterly financial reports to the DOE. As at report date, the conversion is still subject to the approval of the DOE.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Coal Asia Holdings Incorporated and a Subsidiary
3rd Floor, JTKC Center
2155 Don Chino Roces Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Coal Asia Holdings Incorporated and a Subsidiary (the Group) as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 and have issued our report dated April 25, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedules for submission to the Securities and Exchange Commission are the responsibility of the Group's management. These supplementary schedules include the following:

- Conglomerate Map as at December 31, 2023
- Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration of the Parent Company as at December 31, 2023
- Schedules as required by Part II of the Revised SRC Rule 68 as at December 31, 2023

These supplementary schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves. In our opinion, the information is fairly stated in all material respect in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & Co.

CEDRIC M. CATERIO

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

BOA Accreditation No. 4782/P-008; Valid until June 6, 2026

BIR Accreditation No. 19-005765-001-2022

Valid until December 13, 2025

PTR No. 10072410

Issued January 2, 2024, Makati City

April 25, 2024
Makati City, Metro Manila



**INDEPENDENT AUDITORS' REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Coal Asia Holdings Incorporated and a Subsidiary
3rd Floor, JTKC Center
2155 Don Chino Roces Avenue
Makati City

We have audited in accordance with Philippines Standards on Auditing, the accompanying consolidated financial statements of Coal Asia Holdings Incorporated and a Subsidiary (the Group) as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, and have issued our report dated April 25, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022, and 2021 and no material exceptions were noted.

REYES TACANDONG & Co.

CEDRIC M. CATERIO

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

BOA Accreditation No. 4782/P-008; Valid until June 6, 2026

BIR Accreditation No. 19-005765-001-2022

Valid until December 13, 2025

PTR No. 10072410

Issued January 2, 2024, Makati City

April 25, 2024
Makati City, Metro Manila

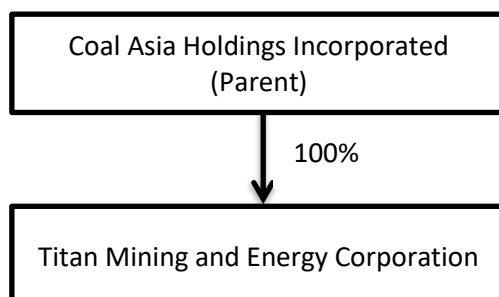
COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2023 AND 2022

Ratio	Formula	2023	2022
Current ratio	Total Current Assets	₱3,027,028	₱2,975,319
	Divided by: Total Current Liabilities	79,291,595	75,162,257
	Current ratio	0.04:1	0.04:1
Acid test ratio	Total Current Assets	₱3,027,028	₱2,975,319
	Less: Other current assets	(449,293)	(449,293)
	Quick assets	2,577,735	2,526,026
	Divide by: Total Current Liabilities	79,291,595	75,162,257
	Acid test ratio	0.03:1	0.03:1
Solvency ratio	Net loss before depreciation	(₱216,037,896)	(₱6,842,180)
	Divide by: Total liabilities	80,977,294	76,810,612
	Solvency ratio	(2.67):1	(0.09):1
Debt-to-equity ratio	Total liabilities	₱80,977,294	₱76,810,612
	Divide by: Total equity	3,195,359,842	3,428,698,625
	Debt-to-equity ratio	0.0253:1	0.0224:1
Asset-to-equity ratio	Total assets	₱3,276,337,136	₱3,505,509,237
	Divide by: Total equity	3,195,359,842	3,428,698,625
	Asset-to-equity ratio	1.03:1	1.02:1
Return on equity	Net loss	(₱233,338,783)	(₱31,482,025)
	Divide by: Average total equity	3,312,029,234	3,444,439,638
	Return on equity	(7.05%)	(0.91%)
Return on assets	Net loss	(₱233,338,783)	(₱31,482,025)
	Divide by: Average total assets	3,390,923,187	3,518,021,255
	Return on assets	(6.88%)	(0.89%)

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

CONGLOMERATE MAP

DECEMBER 31, 2023



**PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023**

COAL ASIA HOLDINGS INCORPORATED
3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City

	Amount
Deficit, beginning of reporting period and as adjusted	(₱507,091,887)
Add: Net loss for the current year	(253,059,103)
Total deficit, end of the reporting period available for dividend	(₱760,150,990)

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
SEC Supplementary Schedule as Required by Part II of SRC Rule 68 as Amended
DECEMBER 31, 2023

Table of Contents

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	<u>1</u>
D	Long-term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>2</u>

Notes:

A – The Company has no financial assets measured at fair value through profit or loss.

B – All receivables arises from ordinary course of business.

D – The Company has no long-term debt.

E – The amount of the Company's indebtedness to related parties is less than five per cent of its total assets.

F – The Company has no guarantee of securities of other issuers.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

**C. Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of the Financial Statements
DECEMBER 31, 2023**

<i>Name and designation of debtor</i>	<i>Balance at beginning of period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at end of period</i>
			<i>Amounts collected</i>	<i>Amounts written off</i>	<i>Current</i>	<i>Not current</i>	
Advances to TMEC	₱565,309,431	₱—	₱—	₱—	₱565,309,431	₱—	₱565,309,431

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY

G. Capital Stock
DECEMBER 31, 2023

				<i>Number of shares held by</i>		
<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related statements of financial position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Capital stock - ₱1 par value	5,000,000,000	4,000,000,004	—	1,920,000,000	1,280,000,000	800,000,004

C	S	2	0	1	2	0	3	1	4		
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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	E	D		
A	N	D		S	U	B	S	I	D	I	A	R	Y																			

(Company's Full Name)

3	F		J	T	K	C		C	e	n	t	r	e		2	1	5	5		C	h	i	n	o		R	o	c	e	s		
A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y														

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

Johnson A. Sanhi Jr.

(Contact Person)

8818-8892

(Company Telephone Number)

1	2	3	1
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Month Day
(Fiscal Year)

1	7	-	Q
---	---	---	---

(Form Type)

0	4	3	0
---	---	---	---

Month Day
(Annual Meeting)

--

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

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Amended Articles Number/Section

24

Total No. of Stockholders

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

Cashier

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COAL ASIA HOLDINGS INCORPORATED

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2024**
2. Commission identification number **CS201210314**
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: **1230**
3RD Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City
8. Issuer's telephone number, including area code **(02)8813-8992**
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 ☒ No ☐

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

Yes ☒ No ☐

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PART I – FINANCIAL INFORMATION

Item 1 – Consolidated Financial Statements

- a. Unaudited Interim Consolidated Statements of Financial Position
- b. Unaudited Interim Consolidated Statements of Comprehensive Income
- c. Unaudited Interim Consolidated Statements of Changes in Equity
- d. Unaudited Interim Consolidated Statements of Cash Flows
- e. Selected Notes to Unaudited Consolidated Financial Statements

Item 2 – Management Discussion and Analysis of Financial Conditions and Results of Operations

PART II – OTHER INFORMATION

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2024
(With Comparative Figures as of December 31, 2023)

		Unaudited	Audited
	Note	March 31, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash and cash equivalents	5	614,350	506,818
Advances to related parties	15	2,870,917	2,070,917
Funds held in escrow	6	—	—
Other current assets	7	482,893	449,293
Total Current Assets		3,968,160	3,027,028
Noncurrent Assets			
Coal reserves and exploration asset	4	3,222,229,282	3,222,477,218
Exploration and evaluation asset	8	—	—
Property and equipment	9	45,424,743	49,749,965
Net deferred tax assets	18	—	—
Other noncurrent asset	7	1,082,925	1,082,925
Total Noncurrent Assets		3,268,736,950	3,273,310,108
		3,272,705,111	3,276,337,136
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	10	10,154,374	10,004,964
Advances from related parties	15	71,035,651	69,275,381
Income tax payable		11,250	11,250
Total Current Liabilities		81,171,275	79,291,595
Noncurrent Liabilities			
Retirement benefits liability	14	494,396	494,396
Net deferred tax liability	10	—	1,191,303
Total Noncurrent Liabilities		494,396	1,685,699
Total Liabilities		81,665,671	80,977,294
Equity			
Capital stock		4,000,000,004	4,000,000,004
Deficit		(812,289,486)	(807,969,084)
Other equity reserve	14	3,328,922	3,328,922
Total Equity		3,191,039,440	3,195,359,842
		3,272,705,111	3,276,337,136

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2024
(With Comparative Figures for the Year Ended December 31, 2023)

		Unadited	Audited
	Note	March 31, 2024	December 31, 2023
GENERAL AND ADMINISTRATIVE EXPENSES	13	(4,320,693)	(22,168,229)
PROVISION FOR IMPAIRMENT LOSS ON EEA		–	(221,922,923)
INTEREST INCOME	5	291	1,171
OTHER INCOME		–	750,000
LOSS BEFORE INCOME TAX		(4,320,402)	(233,339,981)
PROVISION FOR (BENEFIT FROM) INCOME TAX	19		
Current		–	11,250
Deferred		–	(12,448)
		–	(1,198)
NET LOSS		(4,320,402)	(233,338,783)
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gain (loss) on retirement benefits liability - net of deferred tax	15	–	–
Effect of change in tax rate		–	–
		–	–
TOTAL COMPREHENSIVE LOSS		(4,320,402)	(233,338,783)
BASIC/DILUTED LOSS PER SHARE	19	(0.0011)	(0.058)

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2024
(With Comparative Figures for the Three Months Ended March 31, 2023)

		Unaudited March 31	
	Note	2024	2023
GENERAL AND ADMINISTRATIVE EXPENSES	13	(4,320,693)	(5,123,831)
INTEREST EXPENSE	12	—	—
INTEREST INCOME	5	291	221
LOSS BEFORE INCOME TAX		(4,320,402)	(5,123,610)
PROVISION FOR (BENEFIT FROM) INCOME TAX	19		
Current		—	—
Deferred		—	—
		—	—
NET LOSS		(4,320,402)	(5,123,610)
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gain (loss) on retirement benefits liability - net of deferred tax	15	—	—
TOTAL COMPREHENSIVE LOSS		(4,320,402)	(5,123,610)
BASIC/DILUTED LOSS PER SHARE	19	(0.0011)	(0.0012)

See accompanying Notes to Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2024
(With Comparative Figures for the Year Ended December 31, 2023)

		Unaudited	Audited
	Note	March 31, 2024	December 31, 2023
CAPITAL STOCK - 1 par value			
Authorized - 5,000,000,000 shares			
Issued and outstanding - 4,000,000,004 shares		4,000,000,004	4,000,000,004
DEFICIT			
Balances at beginning of year		(807,969,084)	(574,630,301)
Net loss		(4,320,402)	(233,338,783)
Balances at end of year		(812,289,486)	(807,969,084)
OTHER COMPREHENSIVE INCOME (LOSS)			
Balances at beginning of year	15	3,328,922	3,328,922
Effect of change in tax rate			—
Remeasurement gain (loss) on retirement benefits liability		—	—
Balances at end of year		3,328,922	3,328,922
		3,191,039,440	3,195,359,842

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2024
(With Comparative Figures for the Three Months Ended March 31, 2023)

		Unaudited March 31	
	Note	2024	2023
CAPITAL STOCK - 1 par value			
Authorized - 5,000,000,000 shares			
Issued and outstanding - 4,000,000,004 shares			
		4,000,000,004	4,000,000,004
DEFICIT			
Balances at beginning of year		(5807,969,084)	(543,627,550)
Net loss		(4,320,402)	(10,378,815)
Balances at end of year		(812,289,486)	(553,527,091)
OTHER COMPREHENSIVE INCOME (LOSS)			
Balances at beginning of year	15	3,328,922	3,328,922
Remeasurement gain (loss) on retirement benefits liability		—	—
Balances at end of year		—	3,328,922
		3,191,039,440	3,449,801,835

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2024
(With Comparative Figures for the Three Months Ended March 31, 2023)

		Unaudited March 31	
	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(4,320,402)	(5,123,610)
Adjustments for:			
Provision for probable loss on input VAT		—	—
Interest expense		—	8,000
Interest income	5	(291)	(221)
Depreciation and amortization	9	3,381,855	4,325,222
Retirement benefits cost		—	—
Operating loss before change in working capital		(938,838)	(790,609)
Decrease (increase) in:			
Funds held in escrow		—	—
Other current assets		(33,600)	(33,600)
Restricted cash		—	—
Increase (decrease) in trade and other payables		119,410	(7,043)
Net cash generated from (used for) operations		(853,028)	(831,252)
Interest paid		—	—
Income tax paid		—	—
Interest received		291	221
Net cash provided by (used in) operating activities		(852,738)	(831,031)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to exploration and evaluation asset		—	(152,319)
Advances to related parties		(800,000)	—
Collections (advances) to related parties		—	999,751
Net cash used in investing activities		(800,000)	847,252
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from advances from related parties		1,760,270	—
Payment of loan		—	—
Net cash provided by (used in) financing activities		1,760,270	—
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		107,532	16,221
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		506,818	462,164
CASH AND CASH EQUIVALENTS AT END OF YEAR		614,350	478,385

See accompanying Notes to Consolidated Financial Statements

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2024 AND DECEMBER 31, 2023
AND FOR THE PERIOD ENDED MARCH 31, 2024 AND DECEMBER 31, 2023

1. Corporate Information

General Information

Coal Asia Holdings Incorporated (the Parent Company or CAHI) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 11, 2012. The Parent Company was organized primarily as a holding company of Titan Mining and Energy Corporation (the Subsidiary or TMEC) in which it owns 100%. The Parent Company and TMEC are collectively referred to as “the Group”.

TMEC was incorporated and registered with the SEC on November 11, 2008. TMEC is engaged in the operations of coal mining and energy related business.

On October 23, 2012, the Parent Company became a publicly listed company. As at December 31, 2019 and 2018, 4,000,000,004 common shares of the Parent Company at ₱1 par value were listed in the Philippine Stock Exchange (PSE). Of those shares, 20% were publicly-owned as at March 31, 2024.

The registered office address of the Parent Company and the Subsidiary is 3rd Floor, JTKC Center, 2155 Chino Roces Avenue, Makati City.

Status of Operations

As at March 31, 2020, the Group has two Coal Operating Contracts (COC) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166).

COC No. 159. On August 30, 2018, the Department of Energy (DOE) has re-evaluated the coal reserves in commercial quantity on Sagasa Area considering the corrected dipping angle of each coal seam, revised coal intercepts and number of coal seams, specific gravity of 1.4, inclusion of coal outcrops, and additional information on longitudinal sections. The Group agreed on the revised coal reserves and provided revised Five-Year Coal Development and Production Work Program and Budget, and revised Feasibility Study in accordance with the agreed delineated coal reserves on December 21, 2018.

On September 11, 2018, the Group submitted the required documents to the National Commission on Indigenous People (NCIP) for the issuance of Certificate of Precondition (CP). The CP is the final requirement for the conversion of COC No. 159.

On December 14, 2018, TMEC received the original copy of CP and the certified true copy approving the CP from the NCIP.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the NCIP. The COC No. 159 for Development and Production Phase shall be effective from date hereof for a period of ten (10) years, and should there be remaining mineable reserves, extendible for another ten (10) years and thereafter renewable for a series of three (3) year periods not exceeding twelve (12) years under such terms and condition as may be agreed upon by the DOE and the Contractor.

COC No. 166. On September 18, 2018, TMEC has re-submitted the Five-Year Work Program in support for the processing of its application for the conversion of its COC.

On September 4, 2019, the Group requested for a suspension of the conversion to development and production phase due to difficulties in complying with its obligations due to peace and order in the area.

On December 9, 2019, the DOE required the TMEC to substantiate with supporting documents the above cited problems encountered, specifically documents attesting that TMEC has an existing application for Environmental Compliance Certificate (ECC) from the EMB-DENR, certification from concerned law enforcement units as to the peace and order problem in the area, and proof to the other constraints that TMEC has stated that hinder its compliance with its obligations for COC conversion.

The delays have significantly reduced the Group's operating funds. These conditions indicate a material uncertainty that may cast a significant doubt on the Group's ability to commence commercial operations and continue as a going concern.

Moreover, a stockholder representing majority of the stockholders has committed to provide continuous financial support to meet not only TMEC's pre-operating activities but also the start-up of the development and production phase when the CNO from NCIP has been obtained.

2. **Summary of Significant Accounting and Reporting Policies**

Basis of Preparation

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) and SEC provisions.

Measurement Bases

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

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal on the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best interest.

A fair value measurement of nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair value is included in Note 16.

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2019:

- **PFRS 16, *Leases***

PFRS 16 replaced PAS 17, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, Standard Interpretations Committee (SIC)-15, *Operating Leases-Incentives*, and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. PFRS 16 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard provides two recognition exemptions for lessees from this PFRS – leases of low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, the lessee shall recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lessee is required to recognize the interest on the lease liability and to depreciate the right-of-use (ROU) asset.

The lease liability shall be reviewed when there are changes in the lease term and other events affecting the lease, such as future lease payments resulting from a change in the index or rate used to determine those payments. The remeasurement of the lease liability should be recognized as an adjustment to the ROU asset.

Lessor accounting under PFRS 16 is substantially unchanged from accounting under PAS 17. The lessor shall continue to classify leases using the same classification principle as in PAS 17 to distinguish the two types of leases: operating and finance leases.

The Group's lease agreements covering the office space have terms of twelve (12) months, renewable upon the agreement of both parties and do not contain any purchase options. The Group assessed that it is not reasonably certain to exercise the renewal option on the leases. Accordingly, the Group decided to apply the recognition exemption on short-term leases and the related lease expenses are recognized in the profit or loss on a straight-line basis.

The Group has adopted PFRS 16 using the modified retrospective method, which requires that the cumulative effect of applying the new standard is recognized at the beginning of the year of initial application. Accordingly, the comparative information presented for 2018 have not been restated.

- **Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments*** – The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes*, in particular (i) matters to be considered in accounting for uncertain tax treatments separately, (ii) assumptions for taxation authorities' examinations, (iii) determinants of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

- Amendments to PAS 19, *Employee Benefits - Plan Amendment, Curtailment or Settlement* – The amendments specify how companies remeasure a defined benefit plan when a change - an amendment, curtailment or settlement - to a plan takes place during a reporting period. It requires entities to use the updated assumptions from this remeasurement to determine current service cost and net interest cost for the remainder of the reporting period after the change to the plan.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS did not have any material effect on the consolidated financial statements of the Group. Additional disclosures were included in the notes to consolidated financial statements, as applicable.

Several other amendments apply for the first time in 2019, but are not relevant on the consolidated financial statements of the Group.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2019 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting. The amendments should be applied retrospectively unless retrospective application would be impracticable or involve undue cost or effort.
- Amendments to PFRS 3 - *Definition of a Business* – This amendment provides a new definition of a “business” which emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. To be considered a business, ‘an integrated set of activities and assets’ must now include ‘an input and a substantive process that together significantly contribute to the ability to create an output’. The distinction is important because an acquirer may recognize goodwill (or a bargain purchase) when acquiring a business but not a group of assets. An optional simplified assessment (the concentration test) has been introduced to help companies determine whether an acquisition is of a business or a group of assets.
- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of “material” and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is “material” if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Group. Additional disclosures will be included in the notes to consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of wholly-owned subsidiary and the Parent Company.

Subsidiary. Subsidiary is an entity controlled by the Parent Company. The consolidated financial statements include the accounts of the Parent Company and its subsidiary, TMEC. The Parent Company has control when it is exposed, or has right, to variable returns from its involvement with the investee and it has the ability to affect those returns through its powers over the investee.

A subsidiary is consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continues to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Transactions Eliminated on Consolidation. All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Accounting Policies of a Subsidiary. The consolidated financial statements of the subsidiary are prepared for the same reporting year using uniform accounting policies as that of the Parent Company.

Financial Assets and Liabilities

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at Fair value through profit or loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of financial assets largely depends on the Group’s business model and its contractual cash flow characteristics. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at March 31, 2024, the Group does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at March 31, 2024, the Group’s cash and cash equivalents, advances to related parties, receivables from incidental sale of coal and other receivables presented under “Other current assets” account and restricted cash presented as “Other noncurrent asset” account are classified under this category.

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

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

As at March 31, 2024, the Group has classified its trade and other payables (excluding statutory payables), and advances from related parties under this category.

Reclassification

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for receivables on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Receivable from Incidental Sale of Coal and Other Receivables. The Group has applied the simplified approach in measuring the ECL on accounts receivable from incidental sale of coal. Simplified approach requires that ECL should always be based on the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial instruments, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying amount of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Otherwise, the financial instrument is classified as equity.

Other Current Assets

Other current assets mainly include input value-added tax (VAT), advances to officers and employees and prepayments.

Input VAT. Input VAT represents tax imposed on the Group by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's current VAT liability.

Advances to Officers and Employees. Advances to officers and employees pertain to expenses paid by the Group on behalf of its officers and employees. These are initially recorded at transaction price including transaction costs. Subsequently, these are charged to expense once liquidated.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments that are expected to be realized for not more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Coal Reserves

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

Coal reserves are carried at historical cost less impairment losses, if any. Coal reserves are amortized upon 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

Pre-license costs. Pre-license costs relate to costs incurred before the Group has obtained the legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analyzing that data. These costs are expensed in the period in which these are incurred.

Exploration and Evaluation Asset. Exploration and evaluation asset is carried at cost less accumulated impairment losses, if any.

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.

Exploration and evaluation expenditures are recognized as asset when future economic benefit is more likely than not to be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred to exploration and evaluation asset up to the point when a commercial reserve is established. Capitalized exploration and evaluation asset is considered as tangible assets.

Exploration and evaluation asset is transferred to development cost under "Property and equipment" account in the consolidated statements of financial position when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment before these are reclassified. Any impairment loss is recognized in profit or loss.

No amortization was charged during the exploration and evaluation phase.

Property and Equipment

Property and equipment, except land, are carried at cost less accumulated depreciation and amortization and any impairment losses. Land is carried at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts such as property and equipment when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Depreciation is calculated on the straight-line basis over the estimated useful lives of the property and equipment as shown below:

	Number of Years
Drilling equipment	10
Land improvements	10
Laboratory and camp buildings	10
Survey equipment and machineries	3
Laboratory and testing equipment	5
Transportation equipment	5
Office furniture and equipment	3

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

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

Fully depreciated assets are retained in the accounts until these are no longer in use and no further change for depreciation is made in respect of these assets.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less cost of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Exploration and Evaluation Asset. Exploration and evaluation asset is assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test.

- a. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned;
- c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area;
- d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Capital Stock

Capital stock is measured at par value for all shares issued and paid.

Deficit

Deficit represents the cumulative balance of net losses.

Other Comprehensive Income

Other comprehensive income comprises of items of income and expense that are not recognized in profit or loss in accordance with PFRS. This pertains to cumulative remeasurement gain on retirement benefits liability.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Gain on Incidental Sale of Coal. Gain on incidental sale of coal is recognized when risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

General and Administrative. General and administrative expenses constitute cost of administering the business. These are expensed as incurred.

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

Leases

Accounting Policies beginning January 1, 2019

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

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

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

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

At the commencement date, the Group recognizes ROU asset and a lease liability for all leases, except for leases with lease terms of twelve (12) months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

Accounting Policies before January 1, 2019

Leases where the lessor retains substantially all the risk and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Cost. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs, past service costs and income, gains and losses on curtailments and non-routine settlements; and interest expense in profit or loss. Net interest is calculated by applying the discount rate to the net retirement liability or asset.

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

Remeasurement comprising actuarial gains and losses is recognized immediately in OCI in the period in which they arise. Remeasurement is not reclassified to profit or loss in subsequent periods.

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

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

Income Taxes

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Related 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 common significant influence.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the net loss for the period attributable to equity holders of the Group by the weighted average number of issued and outstanding and subscribed common shares during the period, with retroactive adjustment for any stock dividends declared. Diluted loss per share is computed in the same manner, adjusted for the effects of convertible securities. The Group has no dilutive instruments.

Segment Reporting

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of segment reporting, the Group's operating segment is related to mining operations (see Note 20).

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the end of reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements in compliance with PFRS requires management to exercise judgment, make estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes. Judgment and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

While the Group has assessed that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgment, accounting estimates and assumptions made by the Group:

Assessing Going Concern. As discussed in Note 1 to the consolidated financial statements, there are delays in the Group's conversion (through its subsidiary, TMEC) of its COC to the Development and Production Phase. The delays have significantly reduced the Group's operating funds.

A stockholder representing majority of the stockholders has committed to provide continuous financial support to meet not only TMEC's pre-operating activities but also the start-up of the development and production phase when the CNO from NCIP has been obtained.

Determining Operating Segments. Determination of operating segments is based on the information about components of the Group that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Group's chief operating decision maker. The Group is organized into one reportable segment which is related to coal mining operations. All significant operating decisions are based upon the analysis of the Group as one segment.

Classifying Lease Commitment - Group as a Lessee. The Group has lease agreement for its office space. The Group has determined that the risk and rewards of ownership related to the leased property are retained by the lessor. Accordingly, the lease is accounted as operating lease.

Rent expense amounted to Nil since 2020 (see Note 19).

Assessing ECL on Financial Assets at Amortized Cost. The Group estimates ECL of receivables from incidental sale of coal and other receivables using provision matrix. The provision rates are based on days past due for groupings of receivables with similar credit risk characteristics and loss patterns. The provision matrix is based on the Group's historical default rates and is adjusted for forward-looking estimates, as appropriate. The Group has no observed default experience from receivables from incidental sale of coal, receivable from an officer and other receivables. Consequently, the resulting lifetime ECL on receivables from incidental sale of coal, receivable from an officer and other receivables is considered not significant.

The Group's advances to related parties are non-interest bearing and payable on demand. These exposures are considered to be in default when there is evidence that the related party is in significant financial difficulty such that it will have insufficient liquid assets to repay its obligation upon demand. This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate backstop indicator given the lack of contractual payment obligations due throughout the life of the advances. After taking into consideration the related parties' ability to pay depending on the sufficiency of liquid assets and available forward-looking information, the risk of default of the related parties are assessed to be minimal.

For cash and cash equivalents, time certificates of deposit included in funds held in escrow and restricted cash, the Group applies low credit risk simplification. It is the Group's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The resulting ECL for these financial assets is considered insignificant because the counterparty banks have no history of default and have good credit ratings.

Financial assets at amortized cost are considered as credit-impaired when contractual payments are 90 days past due and the counterparty is unlikely to settle its obligation to the Group, as evidenced by the following, among others:

- Significant financial difficulty or insolvency;
- Breach of financial covenants;
- Probability that the counterparty will enter bankruptcy or other financial reorganization.

No provision for impairment losses on the Group's financial assets at amortized cost was recognized in March 31, 2024 and 2023.

The carrying amounts of financial assets at amortized cost that were subjected to ECL assessment are disclosed in Note 15.

Estimating Coal Reserves. The Group estimates its coal reserves based on information compiled by competent persons on geological and technical data on the size, depth, shape and grade of the mineral body and suitable production techniques and recovery rates. The analysis requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, foreign exchange rates, future capital requirements, discount rate, and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineral body.

Management assumes conservative forecasted sales prices, based on current and long-term historical average price trends. Conservative forecasted sales price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is obtained during the exploration and evaluation of the mine properties, estimates of reserves may change. The changes may impact the Group's reported financial position and results which include:

- The carrying amounts of exploration and evaluation asset and property and equipment may be affected due to changes in estimated future cash flows; and
- The recognition and carrying amount of deferred tax assets may change due to changes in the judgment regarding the existence of such assets and in estimates of the likely recovery of such assets.

Capitalizing Exploration and Evaluation Expenditure. The capitalization of exploration and evaluation expenditure requires judgment in determining whether there are future economic benefits from future exploitation or sale of coal reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at March 31, 2024 and December 31, 2023, exploration and evaluation asset is both amounted to ₱90,881,117 (see Note 8).

Estimating Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Based on management's assessment, there is no change in estimated useful lives of property and equipment in 2023, 2022 and 2021. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Depreciation and amortization presented under "General and administrative expenses" account amounted to ₱3,381,855, ₱17,300,887 and ₱24,639,845 in March 31, 2024, December 31, 2023 and 2022, respectively. As at March 31, 2024, depreciable property and equipment, net of accumulated depreciation and amortization amounted to ₱27.29 million (see Note 9).

Assessing Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends;
- Significant changes or planned changes in the use of the assets;
- Significant changes in the estimation of coal reserves;

- Expiration of the right to explore the areas;
- Significant unbudgeted or unplanned expenditures for exploration and evaluation; and
- Management's decision to discontinue activities in specific areas.

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

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

No impairment loss on other nonfinancial assets was recognized in March 31, 2024 and 2023. The carrying amounts of other nonfinancial assets are as follows:

	Note	March 31, 2024	December 31, 2023
Coal reserves and exploration asset	4	₱3,222,229,282	₱3,222,477,218
Exploration and evaluation asset	8	—	—
Property and equipment	9	45,424,743	49,749,965
Advances to officers and employees and prepayments*	7	482,893	449,293

*Presented under "Other current assets" account.

Assessing Recoverability of Input VAT. The carrying amount of input VAT is adjusted to the extent that it is probable that revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for probable loss is maintained at a level considered adequate to provide for potentially probable loss. The level of allowance is based on past application experience and other factors that may affect recoverability.

Estimating Retirement Benefits Cost. The determination of the obligation and cost of retirement and other long-term employee benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 13 to the consolidated financial statements and include, among others, discount rates and salary increase rates. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

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

The Group recognized deferred tax assets amounting to Nil as at December 31, 2023 and 2022 as management has assessed that the Group may not be able to utilize these deductible temporary differences against future taxable income.

4. Coal Reserves

The Parent Company acquired TMEC in 2012 (see Note 1) in exchange for the Parent Company's common shares valued at ₱3,200.0 million. The Parent Company recognized the portion of the consideration amounting to ₱3,131.6 million as coal reserves.

In March 31, 2024 and 2023, the Group carried out a review of the recoverable amount of its coal reserves, exploration and evaluation assets, and property and equipment. The impairment test is based on value in use calculations using discounted cash flow approach from the Group's operations.

The key assumptions used to determine the value in use of the nonfinancial assets are as follows:

	March 31, 2024	December 31, 2023
Coal price	\$197/MT	\$197/MT
Foreign exchange rate	₱56.28:\$1	₱55.57:\$1
Discount rate	10.35%	10.35%
Estimated coal reserves	17.3 MMT	17.3 MMT

The cash flow projections are based on the most recent feasibility study approved by the senior management. The values assigned to each key assumption are estimated with reference to recent external market information and takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Average forecast period for COC No. 159 and COC No. 166 is at 9 years and 5 years, respectively. The average forecast period for COC No. 159 is greater than 5 years as management can reliably estimate the cash flow for the entire duration. The terminal value was computed based on a zero-growth assumption for forecasts beyond the average forecast period.

Based on the impairment test performed, management assessed that the recoverable amount of the coal reserves and other nonfinancial assets exceeded its carrying amount. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying amounts of the nonfinancial assets to materially exceed their respective recoverable amounts.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information.

The independent valuation determined the value of the Group's coal reserves at ₱12.5 billion.

5. Cash and Cash Equivalents

This account consists of:

	March 31, 2024	December 31, 2023
Cash on hand	₱15,000	₱15,000
Cash in banks	599,350	494,818
Cash equivalents	—	—
	₱614,350	₱506,818

Cash in banks earn interest at the prevailing market interest rates.

Cash equivalents refer to a two-month time deposit in a local bank which earns interest of 2.5% annually.

Interest income consists of:

	Note	March 31, 2024	December 31, 2023	December 31, 2022
Cash in banks		₱291	₱1,171	₱965
Cash equivalents		—	—	—
Funds held in escrow	6	—	—	—
Restricted cash	7	—	—	—
		₱291	₱1,171	₱965

6. Funds Held in Escrow

Proceeds of IPO are kept separate from other Group's funds and managed by a commercial bank in accordance with the work program approved by the SEC and PSE.

The funds held in escrow consist of the following:

	March 31, 2024	December 31, 2023
Assets:		
Time certificates of deposit	₱—	₱—
Other assets	—	—
	₱—	₱—
Equity:		
Net proceeds	₱748,209,915	₱748,209,915
Net accumulated income	13,414,560	13,414,560
Withdrawals	(761,624,475)	(761,624,475)
	₱—	₱—

The balance of fund held in escrow is Nil since 2021.

Interest income earned amounted to Nil since 2021.

Other Current and Noncurrent Assets

This account consists of:

	March 31, 2024	December 31, 2023
Current:		
Input VAT	₱2,440,935	₱2,407,335
Receivables from incidental sale of coal	150,728	150,728
Advances to officers and employees	205,914	205,914
Prepayments	42,020	42,020
Others	50,631	50,631
	2,890,228	2,856,628
Less allowance for probable loss	(2,407,335)	(2,407,335)
	₱482,893	₱449,293
Noncurrent -		
Restricted cash	₱1,082,925	₱1,082,925

The input VAT is fully provided with allowance for probable loss. Management has assessed that the Group may not be able to utilize its input VAT.

Movements in the allowance for probable loss are as follow:

	Note	March 31, 2024	December 31, 2023
Balance at beginning of year		₱2,407,293	₱2,377,617
Provision	11	482,893	29,676
Balance at end of year		₱2,890,186	₱2,407,293

Receivables from incidental sale of coal pertain to uncollected proceeds from the sale of incidentally produced coal, which is in accordance with the Permits to Transport and Sell (PTS) issued by the DOE.

Advances to officers and employees pertain to the advances made for business purposes.

Others pertain to receivables from third parties. These are noninterest-bearing and are generally collected in cash within one year.

Restricted cash includes cash bond required pursuant to the application of the permit to proceed with the development phase for COC No. 159 and cash set aside to settle obligations arising from a court case.

Interest income earned from the restricted cash amounted to Nil in March 31, 2024, 2023 and 2022 (see Note 5).

7. Exploration and Evaluation Asset

Exploration and evaluation asset are costs incurred on the mining properties situated in the provinces of Davao Oriental and Zamboanga Sibugay, Philippines.

COC Nos. 159 and 166 provide a minimum work expenditure on obligations covered by the work program at the exploration phase (see Note 19). The recovery of these costs depends on the conversion of the COCs to development and production phase.

Balances and movements of this account are as follows:

	March 31, 2024	December 31, 2023
Balance at beginning of year	₱90,881,117	₱302,804,040
Additions	—	—
Impairment	—	(211,922,923)
Balance at end of year	₱90,881,117	₱90,881,117

Others include office and camp supplies, repairs and maintenance, miscellaneous, taxes and licenses, fuel and oil, and meals.

Included as part of additions to the exploration and evaluation asset are noncash items as follows:

	Note	March 31, 2024	December 31, 2023
Depreciation and amortization	9	₱—	₱—
Retirement benefits cost	13	—	—
		₱—	₱—

8. Property and Equipment

The balances and movements of this account are as follows:

March 31, 2024									
	Land	Land Improvements	Drilling Equipment	Laboratory and Camp Buildings	Survey Equipment and Machineries	Laboratory and Testing Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Cost									
Balances at beginning of year	₱18,139,580	₱154,954,040	₱194,212,031	₱25,429,304	₱3,264,334	₱12,606,310	₱9,337,574	₱1,783,130	₱419,726,303
Additions	—	—	—	—	—	—	—	—	—
Disposal	—	—	—	—	—	—	652,800	—	652,800
Balances at end of year	18,139,580	154,954,040	194,212,031	25,429,304	3,264,334	12,606,310	8,684,774	1,783,130	419,073,503
Accumulated Depreciation and Amortization									
Balance at beginning of year	—	126,098,496	194,212,031	22,674,463	3,264,334	12,606,310	8,684,774	1,783,130	369,323,538
Depreciation and amortization	—	3,689,489	—	635,733	—	—	—	—	4,325,222
Balances at end of year	—	129,787,985	194,212,031	23,310,196	3,264,334	12,606,310	8,684,774	1,783,130	373,648,760
Carrying Amount	₱18,139,580	₱25,166,055	₱—	₱2,119,108	₱—	₱—	₱—	₱—	₱45,424,743

December 31, 2023									
	Land	Land Improvements	Drilling Equipment	Laboratory and Camp Buildings	Survey Equipment and Machineries	Laboratory and Testing Equipment	Transportation Equipment	Office Furniture and Equipment	Total
Cost									
Balances at beginning of year	₱18,139,580	₱154,954,040	₱194,212,031	₱25,429,304	₱3,264,334	₱12,606,310	₱9,337,574	₱1,783,130	₱419,726,303
Additions	—	—	—	—	—	—	—	—	—
Disposal	—	—	—	—	—	—	652,800	—	652,800
Balances at end of year	18,139,580	154,954,040	194,212,031	25,429,304	3,264,334	12,606,310	8,684,774	1,783,130	419,073,503
Accumulated Depreciation and Amortization									
Balance at beginning of year	—	111,340,540	194,212,031	20,131,532	3,264,334	12,606,310	8,684,774	1,783,130	352,022,651
Depreciation and amortization	—	14,757,956	—	2,542,931	—	—	—	—	17,300,887
Balances at end of year	—	126,098,496	194,212,031	22,674,463	3,264,334	12,606,310	8,684,774	1,783,130	369,323,538
Carrying Amount	₱18,139,580	₱28,855,544	₱—	₱2,754,841	₱—	₱—	₱—	₱—	₱49,749,965

Depreciation and amortization are charged as follows:

	Note	March 31, 2024	Decemeber 31, 2023	December 31, 2022
Exploration and evaluation asset	8	₱—	₱—	₱—
General and administrative expenses	11	3,381,855	17,300,887	24,639,845
		₱3,381,855	₱17,300,887	₱24,639,845

Fully depreciated property and equipment that are still being used by the Group amounted to ₱222.94 million as at March 31, 2024 and December 31, 2023.

Based on the review of the recoverable amount of the Group's nonfinancial assets, management determined that there are no impairment losses in property and equipment in 2023, 2022 and 2021 (see Note 4).

9. Trade and Other Payables

This account consists of:

	March 31, 2024	December 31, 2023
Trade	₱7,357,812	₱7,357,812
Accrued expenses	2,728,912	2,614,608
Statutory payables	37,650	32,544
	₱10,124,374	₱10,004,964

Trade payables are noninterest-bearing and are due and demandable.

Accrued expenses pertain to accruals for security and janitorial services, and interest which are expected to be settled within one year.

Statutory payables pertain to the payable to other government agencies which are normally settled in the following month.

10. General and Administrative Expenses

This account consists of:

	Note	Mach 31, 2024	March 31, 2023
Personnel costs	12	₱490,816	₱331,098
Professional fees		—	—
Rental	19	—	—
Representation and entertainment		4,666	12,658
Outside services		—	—
Transportation and communication		14,411	2,305
Listing fee		250,000	250,000
Penalties		—	—
Safekeeping fee		35,000	30,000
Taxes and licenses		65,167	164,772
Provision for probable loss	7	—	—
Repairs and maintenance		—	—
Office supplies		—	—
Insurance		10,265	—
Depreciation	9	3,381,855	4,325,222
Others		68,515	7,776
		₱4,320,693	₱5,123,610

11. Personnel Costs

Personnel costs charged to “Exploration and evaluation asset” account (see Note 8) consist of:

	Note	March 31, 2024	March 31 2023
Salaries and wages		₱—	₱105,612
Employee benefits		—	—
Retirement benefits cost	13	—	—
		₱—	₱105,612

Personnel costs classified under “General and administrative expenses” account (see Note 11) consist of:

	Note	March 31, 2024	December 31, 2023
Salaries and wages		₱473,651	₱1,806,219
Retirement benefits cost	13	—	—
Employee benefits		17,165	127,802
		₱490,816	₱1,934,021

12. Retirement Benefits Liability

The Group has an unfunded defined benefit plan covering all of qualified regular employees of TMEC. The benefits are based on years of service and compensation. The plan provides for a lump-sum benefit payment upon retirement which shall not be less than the minimum mandated retirement benefit plan under Republic Act (RA) No. 7641 Retirement Pay Law. The latest actuarial valuation as at December 31, 2019 was prepared by an independent actuary using the projected unit credit method. The Group has no retirement benefits cost recognized and retirement benefits liability as at March 31, 2024.

The components of retirement benefits cost are as follows:

	March 31, 2024	December 31, 2023	December 31, 2022
Current service cost	₱—	₱—	₱345,383
Interest cost	—	—	(97,447)
	₱—	₱—	₱247,936

Retirement benefits costs are charged as follows:

	Note	March 31, 2024	December 31, 2023	December 31, 2022
Exploration and evaluation asset	8	₱—	₱—	₱247,936
General and administrative expenses	11	—	—	97,447
		₱—	₱—	₱345,383

The changes in the present value of the retirement benefits liability are as follows:

	March 31, 2024	December 31, 2023
Balance at beginning of year	₱244,458	₱4,740,222
Current service cost	—	54,677
Interest cost	—	290,706
Remeasurement gain	—	(4,202,397)
Benefits paid	—	(638,750)
Balance at end of year	₱244,458	₱244,458

13. Related Party Transactions

The transactions of the Group, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

Nature of Transactions		Amount of Transactions		Outstanding Balances	
		March 31 2024	December 31, 2023	March 31, 2024	December 31, 2023
Advances to related parties -					
Entities under common ownership	Advances for working capital	₱800,000	₱7,055	₱2,870,917	₱2,070,917
Advances from related parties:					
Stockholders	Advances for working capital	₱—	₱—	₱—	₱—
Entities under common ownership	Advances for working capital	1,760,270	3,259,820	71,035,561	69,275,381
		₱1,760,270	₱3,259,820	₱71,035,561	₱69,275,381
Trade payables -					
Entities under common ownership	Rental	₱—	₱—	₱—	₱—

Terms and Conditions

Advances to/from related parties are unsecured, noninterest-bearing, generally settled in cash and due on demand. No impairment loss on advances to related parties was recognized in 2023, 2022 and 2021.

Trade payables to related parties are unsecured, noninterest-bearing, generally settled in cash and are due and demandable.

Other Transactions

The advances of the Parent Company to TMEC amounting to ₱565.3 million and ₱565.3 million as at December 31, 2023 and 2022, respectively, were eliminated during consolidation. These advances were for working capital purposes. No impairment loss on these advances was recognized in 2023, 2022 and 2021.

The Group has a lease agreement for its office space with its related party under common control, JTKC Equities, Inc., valid until July 31, 2015 and renewable upon mutual consent of both parties. Rental expense amounted to Nil in 2023, 2022 and 2021 (see Note 19).

Key Management Personnel Compensation

The compensation of key management personnel of the Group are as follow:

	March 31, 2024	December 31, 2023	December 31, 2022
Short-term employee benefits	₱300,000	₱1,300,000	₱1,300,000
Post-employment benefits	-	-	-
	₱300,000	₱1,300,000	₱1,300,000

14. Financial Assets and Liabilities

The Group's financial instruments consist mainly of financial assets and financial liabilities directly related to operations, specifically cash and cash equivalents, advances to related parties, receivables from incidental sale of coal, other receivables (presented under "Other current assets" account), restricted cash (presented as "Other noncurrent asset" account), trade and other payables (excluding statutory payables) and advances from related parties.

Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit Risk. Credit risk is a risk due to uncertainty in counterparty's ability to meet its obligations. When counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash and cash equivalents, advances to related parties, time certificates of deposit included in funds held in escrow, receivables from incidental sale of coal and other receivables (presented under "Other current assets" account) and restricted cash (presented as "Other noncurrent asset" account).

The Group transacts mainly with recognized and creditworthy third parties as well as with related parties. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

The following tables summarize the credit quality of the Group's financial assets at amortized cost as at March 31, 2024 and 2023:

March 31, 2024						
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash and cash equivalents*	P599,350	P—	P—	P—	P—	P599,350
Advances to related parties	2,870,917	—	—	—	—	2,870,917
Funds held in escrow	—	—	—	—	—	—
Receivables from incidental sale of coal and other receivables**	150,728	—	—	—	—	150,728
Restricted cash***	1,082,925	—	—	—	—	1,082,925
	P4,703,920	P—	P—	P—	P—	P4,703,920

*Excluding cash on hand amounting to P15,000 as at March 31, 2024.

** Presented under "Other current assets" account.

*** Presented under "Other noncurrent asset" account.

December 31, 2023						
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash and cash equivalents*	P491,818	P—	P—	P—	P—	P491,818
Advances to related parties	2,070,917	—	—	—	—	2,070,917
Funds held in escrow	—	—	—	—	—	—
Receivables from incidental sale of coal and other receivables**	150,728	—	—	—	—	150,728
Restricted cash***	1,082,925	—	—	—	—	1,082,925
	P3,744,679	P—	P—	P—	P—	P3,744,679

*Excluding cash on hand amounting to P15,000 as at December 31, 2023.

** Presented under "Other current assets" account.

*** Presented under "Other noncurrent asset" account.

The credit quality of the financial assets is managed by the Group using internal credit quality ratings.

High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties with sufficient liquid assets to settle its obligation upon demand of the Group. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that require persistent effort from the Group to collect are considered substandard grade accounts.

Cash in banks, cash equivalents, time certificates of deposit included in funds held in escrow and restricted cash are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Group considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Advances to related parties are mainly exposures to related parties and are considered as high grade because the related parties are operating entities with sufficient liquid assets to repay the receivables upon demand by the Group.

Receivables from incidental sale of coal and other receivables which are always subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant because the financial assets are considered high grade with minimal risk of default.

Liquidity Risk. Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities at amortized cost of the Group based on remaining contractual undiscounted cash flows as at March 31, 2024 and December 31, 2023:

	March 31, 2024			
	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱10,086,724	₱—	₱—	₱10,086,724
Advances from related parties	71,035,651	—	—	71,035,651
	₱81,122,375	₱—	₱—	₱81,122,375

*Excluding statutory payables amounting to ₱0.04 million as at March 31, 2024.

	December 31, 2023			
	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱9,972,420	₱—	₱—	₱9,972,420
Advances from related parties	69,275,381	—	—	69,275,381
	₱79,249,801	₱—	₱—	₱79,249,801

* Excluding statutory payables amounting to ₱0.03 million as at December 31, 2023.

**Including future interest payments.

Interest Rate Risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining fixed rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. Any gap between the maturities of the instruments is effectively managed by the Group. Interest rate changes are not significant to affect the Group's financial performance.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations.

The Group manages the capital structure and makes adjustments when there are changes in the economic conditions, its business activities, expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity, excluding OCI, as capital amounting to ₱3,403.09 million and ₱3,192.03 million as at March 31, 2024 and December 31, 2023, respectively.

TMEC is subject to externally-imposed capital requirements applicable to applicants for exploration permits. The minimum paid-up capital is ₱6.25 million. TMEC has complied with the capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous years.

15. Fair Value Measurement of Financial Instruments

Presented below is a comparison category of the carrying amount and fair values of all the Group's financial assets and liabilities as at March 31, 2024 and December 31, 2023.

	March 31, 2024	December 31, 2023	
		Carrying Amount	Fair Value
Financial Assets at Amortized Cost:			
Cash and cash equivalents	₱614,350	₱506,818	₱506,818
Advances to related parties	2,870,917	2,070,917	2,070,917
Funds held in escrow	—	—	—
Receivables from incidental sale of coal*	150,728	150,728	150,728
Other receivables*	482,893	449,293	449,293
Restricted cash**	1,082,925	1,082,925	1,082,925
	₱5,201,557	₱4,260,681	₱3,177,756
Financial Liabilities at Amortized Cost:			
Trade and other payables***	₱10,086,724	₱9,972,420	₱9,972,420
Advances from related parties	71,035,651	69,275,381	69,275,381
	₱81,122,375	₱79,249,801	₱79,249,801

*Presented under "Other current assets" account.

**Presented as "Other noncurrent asset" account.

***Excluding statutory payables amounting to ₱0.04 million and ₱0.03 as at March 31, 2024 and December 31, 2023, respectively.

Cash and Cash Equivalents, Advances to Related Parties, Receivables from Incidental Sale of Coal, Other Receivables, Trade and Other Payables and Advances from Related Parties. The carrying amounts of these financial assets and liabilities approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Restricted Cash. The carrying amounts of this financial instrument approximate its fair value. The effects of not discounting the cash flows from these instruments were determined by management to be insignificant.

16. Income Taxes

TMEC is entitled to the following incentives under the COC:

- Exempt from all national taxes except for income tax; and
- Exempt from payment of tariff duties, compensating tax and value-added tax on importations of machinery and equipment, spare parts and materials required for the Coal Operation subject to terms and conditions in the COC.

The Group has no provision for current income tax in March 31, 2024 since it has no taxable income.

17. Basic and Diluted Loss Per Share

Basic and diluted loss per share are computed as follows:

	March 31, 2024	March 31, 2023
Net loss	4,320,402	5,123,610
Divided by weighted average number of common shares outstanding	4,000,000,004	4,000,000,004
Basic/diluted loss per share	0.0011	0.0012

Diluted loss per share equal the basic loss per share as the Group does not have any dilutive potential common shares at the end of each period.

18. Commitments and Contingencies

The Group has the following contractual commitments:

Lease Agreement

The Group has a lease agreement for its office space with its related party under common control, JTKC Equities, Inc., valid until July 31, 2015 and renewable upon mutual consent of both parties. In 2017, the Group renewed the lease agreement but with lesser area. Rental expense amounted to Nil in 2023 and 2022 (see Note 11).

COCs with DOE

The Government, through the DOE, awarded COCs to TMEC. The exploration phase under the COCs is for 2 years and can be extended for another 2 years upon the approval of the DOE. The development and production phase commences when the DOE and TMEC agrees on the existence of Coal Reserves in Commercial Quantity subject to the terms and conditions in the COC. As at December 31, 2019, TMEC has two COCs (COC No. 159 and COC No. 166).

COC No. 159 covers 7,000 hectares in Davao Oriental while COC No. 166 which is located in Zamboanga Sibugay covers 4,000 hectares. Completed activities include surface geological investigation which involves surface field geologic mapping, geodetic surveying and trenching and subsurface geologic investigation through cored diamond drilling. As at December 31, 2019 and 2018, TMEC has incurred ₱631.2 million and ₱585.8 million, respectively, for the direct implementation of the work program for the exploration phase of these COCs (see Note 8).

COC No. 159. In 2013, the Group applied for the start-up of the development and production stage in COC No. 159. The Group has submitted to the DOE the Final Exploration Report, 10-Year Work Program and Feasibility Study and Environmental Compliance Certificate (ECC) as issued by the Department of Environment and Natural Resources (DENR).

On August 30, 2018, the Department of Energy (DOE) has re-evaluated the coal reserves in commercial quantity on Sagasa Area considering the corrected dipping angle of each coal seam, revised coal intercepts and number of coal seams, specific gravity of 1.4, inclusion of coal outcrops, and additional information on longitudinal sections. The Group agreed on the revised coal reserves and provided revised Five-Year Coal Development and Production Work Program and Budget, and revised Feasibility Study in accordance with the agreed delineated coal reserves on December 21, 2018.

On September 11, 2018, the Group submitted the required documents to NCIP for the issuance of CP. The CP is the final requirement for the conversion of COC No. 159.

On December 14, 2018, TMEC received the original copy of CP and the certified true copy approving the CP from the NCIP.

On December 11, 2019, TMEC received the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the CP (for Development and Production Phase) or CNO from the NCIP. The COC No. 159 for Development and Production Phase shall be effective from date hereof for a period of ten (10) years, and should there be remaining mineable reserves, extendible for another ten (10) years and thereafter renewable for a series of three (3) year periods not exceeding twelve (12) years under such terms and condition as may be agreed upon by the DOE and the Contractor.

In 2017, the DOE granted various PTS for incidentally produced coal within the Group's COC No. 159 area. Gain on incidental sale of coal presented as "Other income" account amounted to ₱0.9 million.

Under Presidential Decree 972, *The Coal Development Act of 1976*, as Government share, the DOE will be paid the balance of the gross income after deducting all operating expenses and operator's fee and special allowance. The operating expenses shall not exceed 90% of the gross income. Excess operating expenses can be recovered from the gross income in succeeding years. TMEC will be entitled to a fee and a special allowance, the net amount of which shall not exceed 40% and 30%, respectively, of the net operating income. TMEC remitted ₱45,278 in 2017.

COC 166. In 2014, COC No. 166's term for exploration expired. The Group, however, is working on the extension of the COC. As required, the Group has submitted to the DOE the Result of Exploration covering the exploration activities conducted and estimates of the resultant coal resource and reserve of the property, which have been verified by the DOE. In 2016, the DOE evaluated the documents submitted and requested additional information to further process the application for conversion.

On September 18, 2018, TMEC has re-submitted the Five-Year Work Program in support for the processing of TMEC's application for the conversion of its COC.

On September 4, 2019, TMEC requested for a suspension of the conversion to development and production phase due to difficulties in complying with its obligations due to peace and order disturbances in the area, security threats to its employees by lawless elements, dwindling competitiveness of coal.

On December 9, 2019, the DOE required TMEC to substantiate with supporting documents the above cited problems encountered, specifically documents attesting that TMEC has an existing application for Environmental Compliance Certificate (ECC) from the EMB-DENR, certification from concerned law enforcement units as to the peace and order problem in the area, and proof to the other constraints that TMEC has stated that hinder its compliance with its obligations for COC conversion.

19. Operating Segment

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the coal mining segment. This segment undertakes the exploration and evaluation activities of the coal reserves of the Group which is within the Group's country of domicile.

20. Events After the Reporting Period

The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of mandated lockdowns all over the country. While the financial impact is considered a non-adjusting subsequent event as at March 31, 2024 the effect on Group operations and financial performance, however, cannot be reasonably determined as at the report date.

Nonetheless, the Group strongly believes that it can remain a going concern given that a stockholder representing majority of the stockholders has committed to provide continuous financial support to the Group.

MANAGEMENT'S DISCUSSION ON COAL'S FINANCIALS

Summary of Financial Information

The following table represents the summary of financial information for COAL from January 1 to March 31, 2024.

COAL's Summary Unaudited Consolidated Financial Information as at March 31, 2024	
Amounts are Php	
Consolidated Statement of Comprehensive Income	
Sales	–
Cost of Sales	–
Gross Profit	–
Operating Income	–
Income (loss) before income tax	(4,320,402)
Net Income (loss)	(4,320,402)
Consolidated Statement of Financial Position	
Assets	
Cash	614,350
Funds held in escrow	–
Advances to Affiliates	2,870,917
Prepayments and other current assets	482,893
Total Current Assets	3,968,160
Exploration and evaluation assets	–
Property, plant and equipment –net	45,424,743
Intangible asset	–
Coal Reserves and Exploration Asset	3,222,229,282
Deferred Tax Asset	–
Other Noncurrent Asset	1,082,925
Total Non–Current Assets	3,268,736,950
TOTAL ASSETS	3,272,705,111
Liabilities and Equity	
Trade and other payables	10,124,374
Advances from related parties	71,046,901
Total Current Liabilities	81,665,671
Retirement benefit liability	494,396
Total Non–Current Liability	494,396
Capital Stock	4,000,000,004
Deficit	(812,289,486)
Remeasurement loss on retirement benefit liability	–
Stockholders' Equity	3,191,039,440
TOTAL LIABILITIES AND EQUITY	3,272,705,111
Key Indicators	
Gross Profit Margin (%)	–
Net Income (loss) Margin (%)	–
Return on Asset (%)	(0.13)
Return on Equity(%)	(0.14)
Current Ratio(x)	0.05:1.00
Total Liabilities to Equity (x)	0.03:1.00
Earnings Per Share (Basic) (Php 0.0000)	(00.11)
Book Value Per Share (Php 0.0000)	0.80

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

March 30, 2024 vs. March 31, 2023

General and Administrative Expenses

General and administrative expenses decreased by ₱0.8 million or 16% due to decrease in depreciation and other expenses during the period.

Operating Income and Operating Income Margin

Operating loss decreased by ₱0.8 million or 16% due to decrease on general and administrative expenses.

Interest Income

Interest income increased by 32% due to increase on balance of cash and cash equivalents.

Interest Expense

Interest expense is Nil since the Group has no existing loans payable.

Net Income and Net Income Margin

The net loss of the Group decreased by ₱0.8 million or 16%. This represents decrease on general and administrative expenses.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2024 vs. December 31, 2023

Cash and Cash Equivalents

Cash and cash equivalents increased by ₱0.11 million or 21% from ₱0.50 million to ₱0.61 million due to collection from related parties of the Group.

Funds Held in Escrow

The balance of fund held in escrow of the group is Nil.

Prepayments and Other Current Assets

The increase of ₱0.03 million or a 7.5% from ₱0.45 million to ₱0.48 million due to advances to officers and employees for business purposes.

Exploration and Evaluation Assets

The ₱0.25million decrease in exploration and evaluation assets or a 0.27% decrease from ₱90.88 million to ₱90.63 million is due to the impairment loss.

Property and Equipment

The net .09% decrease from ₱49 million to ₱45 million of property and equipment pertains to depreciation. There was no additional purchase of property and equipment during the period.

Liabilities

Total liabilities of the Group have minimal increase in trade and other payables.

Equity

Capital position of the Group went down by ₱4.3 million due to net loss for the period.

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

MARCH 31, 2024 AND DECEMBER 31, 2023

Ratio	Formula	March 31, 2024	December 31, 2023
Current ratio	Total Current Assets	3,968,160	3,027,028
	Divided by: Total Current Liabilities	81,171,275	79,291,595
	Current ratio	0.05:1	0.04:1
Acid test ratio	Total Current Assets	3,968,160	3,027,028
	Less: Other current assets	(482,893)	(449,293)
	Quick assets	3,485,267	2,577,735
	Divide by: Total Current Liabilities	81,171,275	79,291,595
	Acid test ratio	0.04:1	0.03:1
Solvency ratio	Net loss before depreciation	(938,547)	(216,037,896)
	Divide by: Total liabilities	81,665,671	80,977,294
	Solvency ratio	(0.01:1)	(2.67:1)
Debt-to-equity ratio	Total liabilities	81,665,671	80,977,294
	Divide by: Total equity	3,191,039,440	3,195,359,842
	Debt-to-equity ratio	0.03:1	0.03:1
Asset-to-equity ratio	Total assets	3,272,705,111	3,276,337,136
	Divide by: Total equity	3,191,039,440	3,195,359,842
	Asset-to-equity ratio	1.03:1	1.03:1
Return on equity	Net loss	(4,320,402)	(233,338,783)
	Divide by: Total equity	3,191,039,440	3,195,359,842
	Return on equity	(0.14%)	(7.30%)
Return on assets	Net loss	(4,320,402)	(233,338,783)
	Divide by: Total assets	3,272,705,111	3,276,337,136
	Return on asset	(0.13%)	(7.12%)

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF PROCEEDS FROM INITIAL OFFERING
MARCH 31, 2024

(i) GROSS AND NET PROCEEDS AS DISCLOSED IN THE FINAL PROSPECTUS

The estimated gross proceeds from the offer will amount to ₱800,000,000. The estimated net proceeds from the offer of the shares, after deducting the estimated related expenses to the offer, will amount to ₱726,868,750 and will accrue to the Group.

The following table shows the breakdown of the estimated offer proceeds:

Gross proceeds	₱800,000,000
Estimated expenses	73,131,250
Net proceeds	₱726,868,750

(ii) ACTUAL GROSS AND NET PROCEEDS

Gross proceeds	₱800,000,000
Actual expenses	51,790,085
Net proceeds	₱748,209,915

(iii) USE OF PROCEEDS

Working capital	₱126,868,750
Exploration work for Davao Oriental Project	581,796,367
Exploration work for Zamboanga Sibugay Project	52,283,378
	₱760,948,495

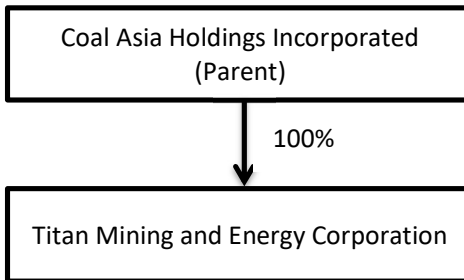
(iv) BALANCE OF PROCEEDS AS AT THE END OF THE REPORTING PERIOD

Net proceeds	₱748,209,915
Accumulated interest income	13,414,560
Disbursements	(761,624,475)
	₱ -

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

CONGLOMERATE MAP

MARCH 31, 2024



COAL ASIA HOLDINGS INCORPORATED

**SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION OF THE PARENT COMPANY
MARCH 31, 2024**

Deficit, beginning of year	(P807,969,084)
Net loss closed to deficit	(4,320,402)
Deficit, as adjusted, end of year	(P812,289,486)

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
SEC Supplementary Schedule as Required by Part II of SRC Rule 68 as Amended
MARCH 31, 2024

Table of Contents

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	<u>1</u>
D	Long-term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>2</u>

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

**C. Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of the Financial Statements
MARCH 31, 2024**

<i>Name and designation of debtor</i>	<i>Balance at beginning of period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at end of period</i>
			<i>Amounts collected</i>	<i>Amounts written off</i>	<i>Current</i>	<i>Not current</i>	
Advances to TMEC	₱565,309,431	₱—	₱—	₱—	₱565,309,431	₱—	₱565,309,431

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

G. Capital Stock

MARCH 31, 2024

<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related statements of financial position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Number of shares held by</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Capital stock - ₱1 par value	5,000,000,000	4,000,000,004	—	1,920,000,000	1,280,412,004	799,588,000

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

Issuer: **COAL ASIA HOLDINGS INCORPORATED**

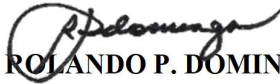
By:



JOHNSON A. SANHI JR.

President/Chief Operating Officer

May 9, 2024



ROLANDO P. DOMINGO

Chief Financial Officer

May 9, 2024