2020 INTERIM REPORT

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Unaudited Interim Condensed Consolidated Financial Statements
As at September 30, 2020 (Unaudited) and December 31, 2019 (Audited),
and for the nine-months periods ended September 30, 2020 and 2019 (Unaudited)

COVER SHEET
for
UNAUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Group Name

APOLLO GLOBAL INC. AND ITS SUBSIDIARY

Principal Office (*No./Street/Barangay/City/Town/Province*)

UNIT 504 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, BRGY. UGONG NORTE, QUEZON CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
17-Q		N/A

COMPANY INFORMATION

Group's E-mail Address	Group's Telephone Number/s	Mobile Number
N/A	(632) 532-8654	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
799	Last Friday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	E-mail Address	Telephone Number/s	Mobile Number
Kristina Joyce Caro-Gangan	main@picozolaw.com	(632) 532-8654	N/A

Contact Person's Address

Unit 504 Galleria Corporate Center, Edsa Corner Ortigas Avenue, Brgy. Ugong Norte, Quezon 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 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 of Notice of Deficiencies shall not excuse the Corporation from liability for its deficiencies.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the nine-months ended September 30, 2020

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SECURITIES AND EXCHANGE COMISSION

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 fiscal year ended <u>September 30, 2020</u>

2. SEC Identification Number <u>A199806865</u>

3. BIR Tax Identification No. <u>005-301-677</u>

4. Exact name of issuer as specified in its charter <u>APOLLO GLOBAL CAPITAL, INC.</u>
<u>(formerly: YEHEY! CORPORATION)</u>

5. <u>Metro Manila, Philippines</u>
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

7. <u>Unit 504 Galleria Corporate Center, Edsa cor. Ortigas Avenue, Brgy. Ugong Norte, Quezon City 1100</u>
Address of principal office Postal code

8. <u>+63 (02) 532-8654</u>
Issuer's telephone number, including area code

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

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱0.01 par value	**280,336,349,297**

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

    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

    Philippine Stock Exchange

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)?

    Yes [✓] No [ ]

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

    Yes [✓] No [ ]

PART I – FINANCIAL INFORMATION

I. Financial Statements

The accompanying interim financial report of Apollo Global Capital, Inc. (formerly: Yehey! Corporation) ("the Company" or "APL") which comprise the Company's interim condensed consolidated statements of financial position as of September 30, 2020 and December 31, 2019 and the interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the nine-months period ending September 30, 2020 and 2019 are filed as part of this SEC Form 17-Q.

II. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations (September 30, 2020 vs. September 30, 2019)

	For the nine-months ended September 30,				Horizontal Analysis		Vertical Analysis	
		2020 (unaudited)		2019 (unaudited)	Inc (Dec)	%age	2020	2019
Revenues	₱	–	₱	–	–	n/a	n/a	n/a
Direct costs		–		–	–	n/a	n/a	n/a
Gross profit	₱	–	₱	–	–	n/a	n/a	n/a
General & administrative costs		(10,946,118)		(7,519,811)	3,426,307	45.56%	n/a	n/a
Operating loss	₱	(10,946,118)	₱	(7,519,811)	3,426,307	45.56%	n/a	n/a
Interest income		3,181		13,754	(10,573)	-76.87%	n/a	n/a
Finance costs		(943,667)		(1,269,956)	(326,289)	-25.69%	n/a	n/a
Other income/losses – net		(3,732)		–	(3,732)	-105.02%	n/a	n/a
Loss before tax benefit	₱	(11,890,336)	₱	(8,776,013)	3,114,323	35.49%	n/a	n/a
Income tax benefit		–		–	–	n/a	n/a	n/a
Loss for the period	₱	(11,890,336)	₱	(8,776,013)	3,114,323	35.49%	n/a	n/a

General & Administrative Costs

The Group's general & administrative costs has increased by 45.56% which was primarily due to the increase in professional fees, rentals, repairs and maintenance and depreciation (39.15% of the total general and administrative cost).

Profit Before Tax

The decrease in profit before tax was primarily due to higher general and administrative cost incurred during the period.

Financial Condition (September 30, 2020 vs. December 31, 2019)

	As at				Horizontal Analysis		Vertical Analysis	
		September 30, 2020 (unaudited)		December 31, 2019 (audited)	Inc (Dec)	%age	2020	2019
ASSETS								
Current assets:								
Cash	₱	1,050,505	₱	1,284,390	(233,885)	-18.21%	0.03%	0.04%
Other current assets		3,677,711		3,634,557	43,154	1.19%	0.11%	0.11%
Total current assets	₱	4,728,216	₱	4,918,947	(190,731)	-3.88%	0.14%	0.15%
Non-current assets:								
Mine properties	₱	3,286,636,271	₱	3,284,054,565	2,581,706	0.08%	98.33%	98.36%
Advances to contractors		44,010,963		42,690,538	1,320,425	3.09%	1.32%	1.28%
Deferred tax asset		5,431,194		5,431,194	–	0.00%	0.16%	0.16%
Property & equipment – net		1,178,240		1,230,174	(51,934)	-4.22%	0.04%	0.04%
Intangible asset – net		360,777		360,777	–	0.00%	0.01%	0.01%
Other non-current assets		30,000		–	30,000	100.00%	0.00%	0.00%
Total non-current assets	₱	3,337,647,445	₱	3,333,767,248	3,880,197	0.12%	99.86%	99.85%
TOTAL ASSETS	₱	3,342,375,661	₱	3,338,686,195	3,689,466	0.11%	100.00%	100.00%

LIABILITIES & EQUITY									
Current liabilities:									
Accounts and other payables	₱	**41,316,922**	₱	40,237,120	1,079,802	2.68%	1.24%	1.21%
Advances from contractors		**55,151,000**		55,151,000	–	0.00%	1.65%	1.65%
Total current liabilities	₱	**96,467,922**	₱	95,388,120	1,079,802	1.13%	2.89%	2.86%
Non-current liabilities:									
Deposits for future stock subscriptions	₱	**–**	₱	246,149,562	(246,149,562)	-100.00%	0.00%	7.37%
Interest-bearing loans & borrowings		**28,450,000**		13,950,000	14,500,000	103.94%	0.85%	0.42%
Advances from related party		**247,832,545**		1,682,983	246,149,562	14,625.79%	7.41%	0.05%
Total non-current liabilities	₱	**276,282,545**	₱	261,782,545	14,500,000	5.54%	8.27%	7.84%
Total liabilities	₱	**372,750,467**	₱	357,170,665	15,579,802	4.36%	11.15%	10.70%
Equity:									
Share capital	₱	**2,803,363,493**	₱	2,803,363,493	–	0.00%	83.87%	83.97%
Share premium		**17,586,961**		17,586,961	–	0.00%	0.53%	0.53%
Accumulated losses		**(97,287,247)**		(86,178,648)	(11,108,599)	-12.89%	-2.91%	-2.58%
Total equity attributable to Parent Company's shareholders	₱	**2,723,663,207**	₱	2,734,771,806	(11,108,599)	-0.41%	81.49%	81.91%
Non-controlling interest		**245,961,987**		246,743,724	(781,737)	-0.32%	7.36%	7.39%
Total equity	₱	**2,969,625,194**	₱	2,981,515,530	(11,890,336)	-0.40%	88.85%	89.30%
TOTAL LIABILITIES & EQUITY	₱	**3,342,375,661**	₱	3,338,686,195	3,689,466	0.11%	100.00%	100.00%

Total Assets

Total assets of the Group increased by ₱3.7-million (0.11%), which was primarily caused by the increase in mine properties and advances to contractors.

Other Current Assets

Other current assets increased by ₱43,154 (1.19%). The increase in other current assets is primarily caused by the increase in input taxes and prepayments.

Mine Properties

Mine properties include mineral assets, patent and mining costs. The increase in mine properties is primarily caused by additional mining costs.

Property & Equipment – net

Property & equipment includes office furniture, fixtures and equipment and transportation vehicle.

The decrease in property and equipment is primarily due depreciation charges.

Total Liabilities

Total liabilities have decreased by ₱15.5-million (4.36%), which was primarily caused by increase in accounts & other payables amounting to ₱1.08-million and interest bearing loans & borrowings amounting to ₱14.5-million.

Interest-Bearing Loans & Borrowings

Loans & borrowings pertains to loans from Cagayan Blue Ocean Offshore Aquamarine Services Corporation (CBO).

In 2020, the Group availed of additional loan from CBO amounting to ₱14.5-million.

Accounts and Other payables

Trade payables consist of payable to suppliers for purchase of goods and services expected to be settled within 12 months or in the normal operating cycle of the business.

The increase in the balance of this account by ₱1.08-million was due to the increase in accounts and statutory payables and accrued expenses.

Total equity
The decrease in total equity of ₱11.1-million in this account pertains to the net loss that the Group incurred in its operations.

<u>SIGNATURES</u>

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: APOLLO GLOBAL CAPITAL, INC.

By:

Signature	Vittorio Paulo P. Lim	Signature	Christopher Go
Title	*President*	Title	*Chief Finance Officer*
Date	February 15, 2021	Date	February 15, 2021

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Interim Condensed Consolidated Statements of Financial Position

			As at		
	Note/s		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
A S S E T S					
Current assets:					
Cash	5	₱	1,050,505	₱	1,284,390
Other current assets	6		3,677,711		3,634,557
Total current assets		₱	4,728,216	₱	4,918,947
Non-current assets:					
Mine properties	8	₱	3,286,636,271	₱	3,284,054,565
Advances to contractors	7		44,010,963		42,690,538
Property & equipment – net	9		1,178,240		1,230,174
Website costs	10		360,777		360,777
Deferred tax asset	17		5,431,194		5,431,194
Other non-current assets			30,000		–
Total non-current assets		₱	3,337,647,445	₱	3,333,767,248
TOTAL ASSETS		₱	3,342,375,661	₱	3,338,686,195
L I A B I L I T I E S & E Q U I T Y					
Current liabilities:					
Accounts & other payables	11	₱	41,316,922	₱	40,237,120
Advances from contractors	20		55,151,000		55,151,000
Total current liabilities		₱	96,467,922	₱	95,388,120
Non-current liabilities:					
Deposits for future stock subscriptions	19	₱	–	₱	246,149,562
Interest-bearing loans & borrowings	12		28,450,000		13,950,000
Advances from related party	19		247,832,545		1,682,983
Total non-current liabilities		₱	276,282,545	₱	261,782,545
Total liabilities		₱	372,750,467	₱	357,170,665
Equity:					
Share capital	13	₱	2,803,363,493	₱	2,803,363,493
Share premium			17,586,961		17,586,961
Accumulated losses			(97,287,247)		(86,178,648)
Total equity attributable to Parent Company's shareholders		₱	2,723,663,207	₱	2,734,771,806
Non-controlling interest			245,961,987		246,743,724
Total equity		₱	2,969,625,194	₱	2,981,515,530
TOTAL LIABILITIES & EQUITY		₱	3,342,375,661	₱	3,338,686,195

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
Interim Condensed Consolidated Statements of Comprehensive Income

		For the three-month period ended September 30,				For the nine-month period ended September 30,			
	Note/s		2020 (Unaudited)		2019 (Unaudited)		2020 (Unaudited)		2019 (Unaudited)
Revenues		₱	–	₱	–	₱	–	₱	–
Direct costs			–		–		–		–
Gross profit		₱	–	₱	–	₱	–	₱	–
General & administrative costs	14		(5,591,644)		(2,778,339)		(10,946,118)		(7,519,811)
Operating loss		₱	(5,591,644)	₱	(2,778,339)	₱	(10,946,118)	₱	(7,519,811)
Finance income	16		442		1,178		3,181		13,754
Finance costs	16		(364,583)		–		(943,667)		(1,269,956)
Other losses – net	16		(3,732)		–		(3,732)		–
Loss before tax benefit		₱	(5,959,517)	₱	(2,777,161)	₱	(11,890,336)	₱	(8,776,013)
Income tax benefit	17		–		–		–		–
Loss for the period		₱	(5,959,517)	₱	(2,777,161)	₱	(11,890,336)	₱	(8,776,013)
Loss attributable to:									
Parent Company		₱	(5,589,737)	₱	(2,301,078)	₱	(11,108,599)	₱	(7,270,727)
Non-controlling interests			(369,780)		(476,083)		(781,737)		(1,505,286)
		₱	(5,959,517)	₱	(2,777,161)	₱	(11,890,336)	₱	(8,776,013)
Basic loss per share	18	₱	(0.00002)	₱	(0.00001)	₱	(0.00004)	₱	(0.00003)

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY CONSOLIDATED

Interim Condensed Consolidated Statements of Changes in Equity

For the nine-month period ended September 30, 2020 and 2019

	Equity Attributable to Parent Company's Shareholders				Non-controlling Interests	Total Equity
	Share Capital	Share premium	Accumulated Losses	Total		
Note/s	13					
Balances at January 1, 2020	₱ 2,803,363,493	₱ 17,586,961	₱ (86,178,648)	₱ 2,743,771,806	₱ 246,743,724	₱ 2,981,515,530
Loss for the period	–	–	(11,108,599)	(11,108,599)	(781,737)	(11,890.336)
Balances at September 30, 2020 (Unaudited)	**₱ 2,803,363,493**	**₱ 17,586,961**	**₱ (97,287,247)**	**₱ 2,732,663,207**	**₱ 245,961,987**	**₱ 2,969,625,194**
Balances at January 1, 2019	₱ 2,751,960,715	₱ 17,586,961	₱ (70,176,862)	₱ 2,699,370,814	₱ 516,036,443	₱ 3,215,407,257
Loss for the period	–	–	(7,270,727)	(7,270,727)	(1,505,286)	(8,776,013)
Balances at September 30, 2019 (Unaudited)	₱ 2,751,960,715	₱ 17,586,961	₱ (77,447,589)	₱ 2,692,100,087	₱ 514,531,157	₱ 3,206,631,244

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY CONSOLIDATED

Interim Condensed Consolidated Statements of Cash Flows

	Note/s		2020 (unaudited)		2019 (unaudited)
			For the nine-months period ended September 30,		
Cash flows from operating activities:					
Loss for the year before tax		₱	(11,890,336)	₱	(8,776,013)
Adjustments for:					
Finance income	16		(3,181)		(13,754)
Finance costs	16		943,667		1,269,956
Unrealized foreign exchange loss	16		3,732		–
Depreciation	9		374,381		23,659
Operating loss before working capital adjustments		₱	(10,571,737)	₱	(7,496,152)
Working capital adjustments:					
Increase in:					
Other current assets			(43,154)		(236,767)
Other non-current assets			(30,000)		–
Increase in:					
Accounts & other payables			1,079,803		(945,205)
Net cash generated from (used in) operations		₱	(9,565,089)	₱	(8,678,124)
Interest received	16		3,181		13,754
Net cash used in operating activities		₱	(9,561,908)	₱	(8,664,370)
Cash flows from investing activities:					
Acquisition of property & equipment	9	₱	(322,447)	₱	(161,000)
Additional mine costs	8		(2,581,706)		(14,088,871)
Advances to contractors	7		(1,320,425)		(20,186,610)
Additional website costs	10		–		(34,677)
Net cash used in investing activities		₱	(4,224,578)	₱	(34,471,158)
Cash flows from financing activities:					
Proceeds from loans & borrowings	12	₱	14,500,000	₱	–
Repayment of loans from related parties	19		–		(3,400,000)
Repayment of advances from related parties	19		–		(414,257)
Advances from related parties	19		–		53,184,251
Interest paid			(943,667)		(1,269,956)
Net cash provided by financing activities		₱	13,556,333	₱	48,100,038
Effects of foreign exchange rate changes on cash			(3,732)		–
Net increase (decrease) in cash		₱	(233,885)	₱	4,964,510
Cash at beginning of year	5		1,284,390		1,545,052
Cash at end of period	5	₱	1,050,505	₱	6,509,562

See accompanying notes to the consolidated financial statements.

1. Reporting Entity

1.1 Formation and Operations

APOLLO GLOBAL CAPITAL, INC. (the Parent Company or APL), formerly known as YEHEY! CORPORATION, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199806865 on June 10, 1998. Prior to the approval of the change in the corporate name and its business on October 7, 2016, the Parent Company's primary purpose is to engage in the business of internal online-related products relating to database search engine, such as, but not limited to, conceptualizing, designing, illustrating, processing and editing websites; to engage in other pre-production and postproduction work on websites in the internet; and to sell and market said products in the form of advertising of finished products in the domestic or export market.

On August 9, 2012, the SEC approved the Parent Company's application to list 27.8-million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of ₱1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

As of December 31, 2014, the Parent Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE. On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. Under the SPA, the closing of the transfer of the Sale Shares is subject to and conditioned upon the conduct and completion of a mandatory tender offer as well as the payment of the purchase price, which conditions have been complied with on October 15, 2015. Accordingly, on October 15, 2015, the Parent Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at P290 million to a group of individual shareholders.

Pursuant to the SPA, the Board of Directors (BOD) of the Parent Company approved on October 30, 2015 the assignment of the noncash assets and liabilities of the Parent Company to Vantage. Total amount assigned is a net liability of ₱2,693,438. Such amount was recognized as miscellaneous income in the Parent Company's 2015 separate statement of comprehensive income.

On December 7, 2015, the BOD approved the change of the Parent Company's name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Parent Company's primary purpose was likewise amended to that of a holding company which is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, guarantee, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences, of indebtedness, and other securities, or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership.

The current registered office address of the Parent Company is located at Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

1.2 Subsidiary Information

JDVC Resources Corporation (referred to as "JDVC" or the "Subsidiary") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 24, 2011 under SEC Reg. No. CS201120574. The Subsidiary is primarily established to carry on business of exploring, prospecting and operating mines and quarries of all kind of ores and minerals, metallic and non-metallic, such as nickel, iron, gold, copper, silver, lead, manganese, chromite, molybdenite pyrite, sulfur, silica, kaolin clay, zeolite, perlite, diatomaceous earth, diorite, basalt, gabbro, coal, hydrocarbons, oil, natural gas, etc.; filing, negotiating or applying for mineral agreements, operating agreements, mining leases, timber and water rights and surface rights, and of milling concentrating, processing, refining and smelting such minerals, and manufacturing, utilizing, trading, marketing or selling such mineral products, likewise acquiring and operating all kinds of equipment, vehicles, instruments, machineries, chemicals supplies and other logistic structures that may be vital and necessary for the furtherance of the foregoing purposes, with financial and technical assistance agreement with the government.

The Subsidiary's principal and administrative office address is at 2nd Floor L&L Bldg., Panay Ave. Cor. EDSA, Quezon City.

The Parent Company and its subsidiary are collectively known herein as the "Group". On February 17, 2017, the Parent Company and JDVC's shareholders entered into a Deed of Exchange of Shares where in the former had issued 247,396,071,520 shares (par value of ₱0.01 per share) in exchange for 4,133,740 shares (par value of ₱100 per share) at an exchange price of ₱598.48 of the latter. The deed covering the transaction was approved by SEC on October 9, 2017. As a result of this transaction, the Parent Company now owns 82.67% of JDVC.

In December 2019, the Parent Company purchased additional 389,530 shares of JDVC from its existing stockholders for ₱267.6 million resulting to an increase in ownership of JDVC to 90.47%.

1.3 Approval on the Release of the Interim Condensed Consolidated Financial Statements

The accompanying interim condensed consolidated financial statements of the Group as at September 30, 2020 (including comparative amounts as at December 31, 2019) were approved and authorized for issue by the Board of Directors on February 15, 2021.

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2. Basis of Preparation

2.1 Statement of Compliance

The accompanying interim condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Accounting Standard 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2019, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

2.2 Going Concern Assumption

The preparation of the accompanying interim condensed consolidated financial statements of the Group is based on the premise that the Group operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

2.3 Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Philippine Pesos (₱), the Group's functional and presentation currency.

Items included in the interim condensed consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.4 Basis of Consolidation

The Group's interim condensed consolidated financial statements comprise the accounts of the Group and its subsidiary, after the elimination of intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the interim condensed consolidated financial statements.

The financial statements of APL are prepared for the same reporting period as that of the Group, using consistent accounting policies.

3. Changes in Accounting Policies

The Group's accounting policies are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements:

3.1 New and Amended Standards Effective in 2020

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning January 1, 2020:

a.) PFRS 3 (amendments), *Business Combinations – Definition of a Business*.
The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

b.) PAS 1 (amendments), *Presentation of Financial Statements*, and PAS 8 (amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*.
The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

c.) PFRS 9, PAS 39 and PFRS 7 (amendments), *Interest Rate Benchmark Reform*.
The amendments will affect entities that apply the hedge accounting requirements of PFRS 9 or PAS 39 to hedging relationships directly affected by the interest rate benchmark reform. The amendments modify specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

d.) IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 (amendments), *References to the Conceptual Framework in IFRS Standards.*
The pronouncements are updated to indicate which version of the framework they are referencing to or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

e.) PFRS 16 (amendments), *Covid-19-Related Rent Concessions*.
The amendments provide practical relief to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic.

An entity applies those amendments prospectively for annual periods beginning on or after June 1, 2020, with earlier application permitted. The amendments have no effect or impact to the Group's interim condensed consolidated financial statements.

3.2 New and Amended Standards Effective Subsequent to 2020 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2020 are listed below. The Group intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new pronouncements to have a significant impact on the interim condensed consolidated financial statements.

Effective beginning on or after January 1, 2021

a.) PFRS 17, *Insurance Contracts*.
PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

Deferred

a.) PFRS 10 (amendments), *Consolidated Financial Statements*, and PAS 28 (amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Significant Accounting Estimates and Judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the interim condensed consolidated financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the interim condensed consolidated financial statements as they become reasonably determinable.

There were no changes in estimates of amounts reported in prior financial periods that have a material effect in the current interim period.

5. Cash

This account consists of:

		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
Cash on hand	₱	**20,000**	₱	20,000
Cash in banks		**1,030,505**		1,264,390
Total	₱	**1,050,505**	₱	1,284,390

Cash on hand represents undeposited collections that are to be deposited on the next banking day. Cash in banks are demand deposit accounts in various universal banks that generally earn interest at their respective daily bank deposit rates.

Interest income earned from cash in banks amounted to ₱3,181 and ₱13,754 for the period ended September 30, 2020 and 2019 (see Note 16).

6. Other Current Assets

This account consists of:

		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
Input taxes	₱	**2,338,430**	₱	2,325,276
Prior year's excess credit		**1,237,509**		1,237,509
Security deposit		**71,772**		71,772
Prepayments		**30,000**		–
Total	₱	**3,677,711**	₱	3,634,557

Input tax is the 12% value added tax (VAT) on purchase of goods or services in the course of its trade or business. At the end of the year, input tax can be applied against output tax.

Security deposits represent noninterest-bearing deposits made on lease and are usually refundable after the end of contract or services less any charges.

7. Advances to Contractors

This account consists of:

		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
Agbiag Mining Development Corporation	₱	**43,010,463**	₱	41,690,538
Offshore Mining Chamber of the Philippines		**1,000,000**		1,000,000
Others		**500**		–
Total	₱	**44,010,963**	₱	42,690,538

This account pertains to the unsecured and noninterest-bearing cash advances extended by the Subsidiary to its suppliers for the payment on permits, overhead fees, exploration services, depth and sounding survey studies and other technical expenses incurred by the latter.

These advances have no fixed repayment date and are not expected to be collected within one year from the financial reporting date, hence, classified as non-current asset in the interim condensed consolidated statements of financial position.

8. Mine Properties

The carrying amount of this account is as follows:

		Mineral Assets		Patent		Mining Costs		Total
Cost:								
As at December 31, 2018	₱	2,500,098,008	₱	89,000,000	₱	668,056,043	₱	3,257,154,051
Additions		–		–		26,900,514		26,900,514
As at December 31, 2019	₱	2,500,098,008	₱	89,000,000	₱	694,956,557	₱	3,284,054,565
Additions		–		–		2,581,706		2,581,706
As at September 30, 2020	**₱**	**2,500,098,008**	**₱**	**89,000,000**	**₱**	**697,538,263**	**₱**	**3,286,636,271**

JDVC was granted by the Department of Environment and Natural Resources (DENR) a Mineral Production Sharing Agreement (MPSA) No. 338-2010-II-OMR covering an area of approximately 14,240 hectares (ha) located within the municipal waters of the Municipalities of Sanchez Mira, Pamplona, Abulug, Ballesteros, Appari, Buguey, and Gonzaga, in the Province of Cagayan for a term of 25 years and renewable for another 25 years.

Originally, the MPSA was granted to Bo Go Resources Mining Corporation (Bo Go) on June 9, 2010. On November 25, 2011, Bo Go executed a deed of assignment (DOA) to transfer to JDVC all its rights and interest in and title to the MPSA. On January 27, 2012, the DOA was approved by the Mines and Geosciences Bureau (MGB) and was duly approved a year after, January 25, 2013, by the DENR.

The DOA, as approved, carries with it the responsibility to implement the Exploration Work Program and the Environmental Work Program which were eventually taken over by JDVC, as well as the submission of the regular Technical/Progress Reports. The Environmental Impact Assessment likewise was completed and presented to the various municipalities and stakeholders in the Province of Cagayan. After the approval of the DENR, pursuant to the agreement, the Subsidiary proceeded to do the Technical or Progress Report Exploration, Environmental Work Programs and Exploration Work Programs.

JDVC, through a DOA, transferred all rights and interest in the 2,400-ha portion of the MPSA No. 338-2010-II-OMR to Sanlorenzo Mines, Inc. The DOA was approved by the DENR on May 20, 2016. The remaining 11,840-ha was redenominated as MPSA No. 338-2010-II-OMR-Amended A.

On March 14, 2017, 3,161.84-ha of the remaining 11,840 ha were relinquished by JDVC in favor of the Government.

On August 9, 2017, the Subsidiary executed DOAs, which was registered with the DENR on April 2, 2018, assigning portion of MPSA No. 338-2010-II-OMR-Amended A as follows:

	Area Assigned (in ha)
Catagayan Iron Sand Mining Resources Corp.	3,182.78
Cagayan Ore Metal Mining Exploration Corp.	2,149.85
Catagayan Mining Resources (Phils.) Inc.	1,448.51

These companies were all incorporated in the Philippines and registered with the SEC on July 1, 2016, primarily to engage on the business of exploring, prospecting and operating mines and quarries of all kind of ores and minerals.

On August 6, 2019, the Declaration of Mining Project Feasibility filed by JDVC last May 25, 2016, was approved by the DENR authorizing JDVC to proceed with the Development and Operating Periods of MPSA No. 338-2010-II-OMR-Amended A covering the 4,999.24-ha, including extraction and commercial disposition of magnetite iron sand and other associated minerals at the offshore areas in the Province of Cagayan.

As at December 31, 2019, the remaining 1,897.02-ha contract area of the MPSA No. 338-2010-IIOMR-Amended A which has been fully explored since 2017.

Mineral Assets

Mineral assets pertain to the acquisition cost of the rights over mineral reserves represented by the excess of the fair value of shares issued by the Parent Company over the carrying amount of the net assets of JDVC when the Parent acquired 82.67% ownership JDVC.

Patent

Patent was acquired by Agbiag Mining Development Corporation (Agbiag) for the siphon vessel used in the exploration of the mining in Cagayan. Agbiag allows the Group to use its research, study and intellectual property right on a non-exclusive basis, for the duly researched and studied siphon vessel for the offshore magnetite iron sand commercial extraction through a MOA signed on September 2014.

The Group has an outstanding liability to Agbiag amounting to ₱37.5-million as at reporting dates (see Note 11).

Mining Costs

Mining costs include the costs incurred in the exploration and evaluation phase of mining. Such costs consist of expenditures related to the exploration of the mines, drilling activities, and other direct costs related to the exploration activities. The recovery of these costs depends upon the success of the exploration activities, the future development of the corresponding mining properties and the extraction of mineral products as these properties shift into commercial operations.

The exploration activities for the mine area of the Group were completed in 2017, hence, the related exploration and evaluation assets were transferred to mine under development. Mine under development are not subject to depletion until the production has commenced.

Estimated Units of Production of Mine

The computation of ore reserve was done by a competent individual geologist using the Polygon Method. The ore reserve has a total of 606.458 million tons. With the computed indicated resource, the mine life for the current ore resource is 87.7 years for the siphoning and utilizing magnetic separation on-board of the vessels. With the yearly production schedule of 6.91 million tons of raw sand with an average magnetite fraction of 19.79% and 95% material recovery, the operations can yield an iron concentrate of 1.30 million metric tons per annum production, using 3 units of production lines of platform.

9. Property & Equipment

The roll-forward analyses of this account follows:

	Motor Vehicle	Office Equipment	Total
Carrying amounts at December 31, 2018	₱ –	₱ 75,618	₱ 75,618
Additions	–	161,000	161,000
Depreciation for the period	–	(23,659)	(23,659)
Carrying amounts at September 30, 2019	₱ –	₱ 212,959	₱ 212,959
Additions	1,347,280	64,849	1,412,129
Depreciation for the period	(168,410)	(226,504)	(394,914)
Carrying amounts at December 31, 2019	₱ 1,178,870	₱ 51,304	₱ 1,230,174
Additions	–	322,447	322,447
Depreciation for the period	(336,820)	(37,561)	(374,381)
Carrying amounts at September 30, 2020	**₱ 842,050**	**₱ 336,190**	**₱ 1,178,240**

Reconciliation of the carrying amounts are as follows:

	September 30, 2020		
	Motor Vehicle	Office Equipment	Total
Cost	**₱ 1,347,280**	**₱ 771,444**	**₱ 2,118,724**
Accumulated depreciation	**(505,230)**	**(435,254)**	**(940,484)**
Carrying amount	**₱ 842,050**	**₱ 336,190**	**₱ 1,178,240**

	December 31, 2019		
	Motor Vehicle	Office Equipment	Total
Cost	₱ 1,347,280	₱ 448,997	₱ 1,796,277
Accumulated depreciation	(168,410)	(397,693)	(566,103)
Carrying amount	₱ 1,178,870	₱ 51,304	₱ 1,230,174

As at September 30, 2020 and December 31, 2019, there is no indication of any impairment loss on the carrying amount of property & equipment since its recoverable amount exceeds its carrying amount.

The amount of depreciation is charged to general and administrative expenses (see Note 14).

None of the properties were pledged or mortgaged as collateral to secure any of the Group's loans.

10. Website Costs

Movement of this account is as follows:

	Website Costs
Cost:	
As at December 31, 2018	₱ 326,100
Additions	34,677
As at December 31, 2019	₱ 360,777
Additions	–
As at September 30, 2020	**₱ 360,777**

The Group's website is determined to have an indefinite useful life because considering all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group. Website cost is not amortized but is tested for impairment annually either individually or at the cash generating unit level.

As at September 30, 2020 and December 31, 2019, there is no indication of any impairment loss on the carrying amount of intangible assets since its recoverable amount exceeds its carrying amount.

11. Accounts & Other Payables

This account consists of:

		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
Payable to a contractor	₱	37,500,000	₱	37,500,000
Statutory payables		1,182,583		1,166,299
Accrued expenses		1,531,415		821,450
Accounts payable		1,102,924		749,371
Total	₱	41,316,922	₱	40,237,120

Payable to a contractor pertains to the outstanding liability to Agbiag for the patent for the siphon vessel used in its exploration activities (see Note 8).

Statutory payables consist of withholding taxes and other payables to government agencies. Accrued expenses include professional fees and various unpaid expenses. Accounts payable consist of unsecured liabilities to suppliers and contractors.

These liabilities are unsecured and noninterest-bearing and are normally settled within the next 12 months.

12. Interest-bearing Loans & Borrowings

This account consists of unsecured, long-term loan obtained by the Group from Cagayan Blue Ocean Offshore Acquamarine Services Corporation (CBO). Details are as follows:

	Principal				Balance			
	Sep. 30, 2020	Dec. 31, 2019	Interest Rate	Maturity		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
Loans from CBO, interest and principal payable upon maturity, unsecured	₱28.5-million	₱14.0-million	Fixed at 6%	2 years	₱	28,450,000	₱	13,950,000
Total					₱	28,450,000	₱	13,950,000

Loan Facility from CBO

In October 2019, JDVC obtained credit from CBO to finance the Group's working capital requirements. The loans were drawn from a series of promissory notes in various dates, and as of reporting date, ₱28,450,000 (2019: ₱13,950,000) have been availed from CBO.

The loans bear a fixed annual interest of 6% per annum and have maturities of 2 years, with the option to convert the loan and accrued interest into common shares of JDVC, at the option of CBO, at any time during the loan period with an exercise price of ₱100 per share. The Group is not required to maintain certain financial ratios or capital requirements with regards to this loan.

The Group expects and has the discretion to refinance the loans for another 2 years after the reporting period. The interest-bearing loans & borrowings are classified as non-current liabilities in the interim condensed consolidated statements of financial position.

Total borrowing costs attributable to these loans amounted to ₱943,667 and ₱1,269,956 in September 30, 2020 and 2019, respectively, and were charged as Interest expense in the statements of comprehensive income (see Note 16).

13. Equity

Share capital consists of:

	No. of Shares		Amount	
	2020	2019	**September 30, 2020 (Unaudited)**	December 31, 2019 (Audited)
Authorized – ₱0.01 par value	**600,000,000,000**	600,000,000,000	₱ **6,000,000,000**	₱ 6,000,000,000
Subscribed, Issued, paid-up & outstanding:				
Balance at beginning of year	**280,336,349,297**	275,196,071,520	₱ **2,803,363,493**	₱ 2,751,960,715
Issuance of shares	**–**	5,140,277,777	**–**	51,402,778
Balance at end of year	**280,336,349,297**	280,336,349,297	₱ **2,803,363,493**	₱ 2,803,363,493
Ordinary share capital	**280,336,349,297**	280,336,349,297	₱ **2,803,363,493**	₱ 2,803,363,493

Below is the track record of issuance of the Parent Company's securities:

Date of Approval	Nature	Authorized	No. of Shares Issue/Offer	Price
October 18, 2012	Listing of shares	100,000,000,000	27,800,000,000	₱1.00
October 9, 2017	Share swap	600,000,000,000	247,396,071,520	0.01
September 11, 2019	Loan conversion	600,000,000,000	5,140,277,777	0.01

On October 9, 2017, the SEC approved the increase in the capital stock of the Parent Company from ₱1.0-billion divided into 100.0-billion shares to ₱6.0-billion divided into 600.0-billion shares both with a par value of ₱0.01.

Convertible Loan Agreement

On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50.0 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party.

On September 11, 2019, the third party exercised the right to convert the loan at ₱0.01 per share. On the same date, the BOD approved the conversion of the principal amount, including the interest accrued up to date of the conversion amounting to ₱1,402,778. The Parent Company issued additional 5,140,277,777 shares as a result of the conversion. Consequently, such valuation was duly approved by the SEC on December 7, 2020.

14. General & Administrative Costs

The following shows the breakdown of general & administrative costs:

	Note/s	**September 30, 2020 (Unaudited)**	September 30, 2019 (Unaudited)
Professional fees		₱ **2,031,242**	₱ 892,475
Salaries & employee benefits	15	**1,940,790**	1,643,500
Mobilization costs		**1,523,036**	1,727,765
Repairs & maintenance		**1,234,294**	181,499
Rent	20	**645,955**	523,515
Representation		**570,532**	669,734
Annual listing fee		**292,320**	280,000
Transportation & travel		**279,170**	–
Taxes & licenses		**204,263**	–
Office supplies		**201,390**	200,990
Association dues		**164,463**	–

(Forward)

Advertising			133,982		–
Management fee			–		75,000
Depreciation	9		374,381		23,659
Miscellaneous			1,350,300		1,301,674
Total		₱	10,946,118	₱	7,519,811

15. Employee Benefits

Expenses recognized for salaries & employee benefits are presented below:

		September 30, 2020 (Unaudited)		September 30, 2019 (Unaudited)
Short-term employee benefits	₱	1,940,790	₱	1,643,500
Total	₱	1,940,790	₱	1,643,500

The amount of salaries & employee benefits is charged to general & administrative costs (see Note 14).

Post-employment Defined Benefits
The Group has not established a formal retirement plan. As at the end of each reporting dates, the Group employs less than ten (10) employees, most who do not qualify or meet the minimum requirements of Retirement Pay Law. Therefore, as of reporting dates, no accrued retirement benefit obligation has been recognized. However, it is required to pay qualified employees retirement benefits under Republic Act No. 7641 once it meets the requirements of said law.

16. Finance and Other Income (Losses)

Finance income consist of interest earned from local bank deposits which are net of 20% final tax, to wit:

		September 30, 2020 (Unaudited)		September 30, 2019 (Unaudited)
Interest income from local bank deposits	₱	3,181	₱	13,754
Total	₱	3,181	₱	13,754

Finance costs consist of:

	Note/s		September 30, 2020 (Unaudited)		September 30, 2019 (Unaudited)
Interest expense on loans	12	₱	943,667	₱	1,269,956
Total		₱	943,667	₱	1,269,956

Other losses consist of:

		September 30, 2020 (Unaudited)		September 30, 2019 (Unaudited)
Unrealized foreign exchange loss		3,732		–
Total	₱	3,732	₱	–

17. Income Tax

The schedule of deferred tax assets is as follows:

	Statements of Financial Position		Statements of Comprehensive Income	
	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)	**September 30, 2020 (Unaudited)**	September 30, 2019 (Unaudited)
Deferred tax assets:				
NOLCO	₱ **5,431,194**	₱ 5,431,194	₱ **–**	₱ –
Deferred tax assets – net	₱ **5,431,194**	₱ 5,431,194		
Deferred tax benefit – net			₱ **–**	₱ –

The NOLCO of the business for any taxable year shall be carried over as a deduction from gross income for the next three (3) consecutive years. In effect, therefore, a tax benefit arises on the year the losses were incurred. Such tax benefits are reported in the statement of financial position as deferred tax assets and are reported at current statutory tax rates.

In 2020, the Government recognized the effect of COVID 19 pandemic to various Companies, therefore, enacted the Bayanihan to Recover as One Act (RA No. 11494). Under Section 4 (bbbb) of the Act, it allows qualified businesses which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Group believes that it is not reasonably probable that future taxable profit against which the benefit of the Parent Company's deferred tax assets can be utilized.

Details of recognized and unrecognized deferred tax assets of the Group are as follows:

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Unrecognized:		
NOLCO	₱ –	₱ 8,848,248
MCIT	–	136,358
	₱ –	₱ 8,984,606
Recognized:		
NOLCO	₱ **5,431,194**	₱ 5,431,194

The amount of NOLCO and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until	Original Amount	Used/Expired	Balance	Tax Effect
2019	2022	₱ 11,250,349	₱ –	₱ 11,250,349	₱ 3,375,105
2018	2021	11,189,840	–	11,189,840	3,356,952
2017	2020	25,157,951	–	25,157,951	7,547,385
2016	2019	3,287,435	(3,287,435)	–	–
Total		₱ 50,885,575	₱ (3,287,435)	₱ 47,598,140	₱ 14,279,442

The amounts of MCIT and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until	Original Amount	Used/Expired	Balance
2019	2022	₱ 45,446	₱ –	₱ 45,446
2018	2021	45,446	–	45,446
2017	2020	45,466	–	45,466
2016	2019	46,446	(46,446)	–
Total		₱ 182,804	₱ (46,446)	₱ 136,358

18. Basic Loss Per Share

Basic loss per share is computed as follows:

		September 30, 2020 (Unaudited)		September 30, 2019 (Unaudited)
Loss attributable to ordinary shares	₱	**11,108,599**	₱	7,270,727
Divide by: Weighted average number of ordinary shares outstanding		**280,336,349,297**		275,196,071,520
Basic loss per share	₱	**(0.00004)**	₱	(0.00003)

There are no potential dilutive ordinary shares outstanding as at September 30, 2020 and 2019.

19. Related Party Transactions

The Group, in the normal course of business, has significant transactions with related parties pertaining to granting and availing of advances for operational expenses.

The details of the Group's related parties are summarized as follows:

Name of related party	Relationship	Country of Incorporation
Cagayan Ore Metal Mining Exploration Corporation	With common shareholders	Philippines
Catagayan Iron Sand Resources Corporation	With common shareholders	Philippines
Catagayan Mining Resources (Phils.) Inc.	With common shareholders	Philippines
Individuals	Key management personnel/shareholders	-

The Group, in the normal course of business, has entered into transactions with related parties principally consisting of:

				Amount of Transaction		Outstanding Balances	
Related Party	Nature	Terms & Conditions	Note/s	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Shareholders	Advances for working capital	Long-term, unsecured, non-interest bearing, repayable in cash		₱ 207,009,692	₱ 52,769,994	₱ 208,692,675	₱ 1,682,983
	Deposits for future stock subscription	Long-term, unsecured, non-interest bearing		(207,009,692)	–	–	207,009,692
Key Management personnel	Advances for working capital purposes	Long-term, unsecured, non-interest bearing, repayable in cash		39,139,820	–	39,139,870	–
	Interest-bearing loan for working capital purposes	Long-term, unsecured, 0.5% monthly interest, repayable in cash		–	(3,400,000)	–	–
	Deposits for future stock scubscription			(39,139,820)	–	–	39,139,870

<u>Advances from Related Parties</u>
The Group often borrows funds to finance its operating expenses and working capital. The advances are unsecured, noninterest-bearing and are repayable in cash beyond 12 months. The Group has the discretion to refinance these advances on a long-term basis and expects to repay the advances when the Group has sustained sufficient financial capacity.

<u>Loan from Related Party</u>
In 2017, the Group obtained an unsecured loan from a related party amounting to ₱10.0-million for working capital purposes. The loans bear a monthly interest rate of 0.5%. The loan was paid in full in 2019.

Deposits for Future Stock Subscription
This account refers to amounts collected from existing shareholders of JDVC to issue a specified number of common shares of JDVC at par value. Deposits for future subscription were classified as non-current liabilities since the BOD of JDVC expects to apply for an increase in capital stock beyond 12 months from reporting date and it has not yet complied with all the criteria pursuant to SEC Financial Reporting Bulletin 006 to be classified as equity. The deposits are refundable upon the request of the shareholder if they wish to withdraw.

On July 6, 2020, the Board of Directors of JDVC has discarded its plans to apply for an increase in capital stock and have subsequently decided to reclassify the Deposits for Future Stock Subscription to Advances from Shareholders account. The advances are intended for temporary financing to JDVC and shall be noninterest-bearing, unsecured and repayable in cash within 2 years, with option to extend terms. These advances are classified as non-current liabilities since the Group expects to repay these advances when the Group can generate positive cash flows from operations.

Key Management Personnel Compensation
Since the Group is in its pre-operating stages, there are no key management personnel compensation recognized in September 30, 2020 and 2019, since the officers offer their services pro-bono to save on operating costs. Likewise, the Group does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

20. Commitments and Other Matters

Lease Agreements
In 2016, the Subsidiary entered into a cancellable lease agreement with a third party for its office space. The lease term is for a period of 2 years commencing on December 15, 2016 until January 14, 2018. The contract was renewed thereafter but was terminated by the Subsidiary on February 15, 2018. Upon termination of the lease agreement, the Parent Company allows its Subsidiary to use its office space at no cost to the Subsidiary.

In 2019, the Parent Company entered into a lease agreement with a third party for its office space with a term of one year and is renewable upon mutual agreement of both parties. The lease agreement has an escalation clause of 5% per annum. Security deposit amounted to ₱0.1 million as at December 31, 2019 (see Note 7).

Total expense from these leases amounted to ₱645,955 in September 30, 2020 which was charged to general & administrative costs (see Note 14).

Royalty Agreement
On September 1, 2014, JDVC entered in a royalty agreement with Agbiag, operating contractor of JDVC, by granting the latter irrecoverable and unrestricted rights and privileges to occupy, explore, develop, utilize, mine and undertake other activities to the mining area owned by JDVC in various areas in Cagayan Province, for twenty-five (25) years or the life of JDVC's MPSA No. 338-2010-II-OMR with the Republic of the Philippines, whichever is shorter.
All costs and expenses related to the MPSA, commercial extraction permits and such other fees required by the Government and for non-government related expenses which include community expenses and social compliances among others shall be for the account of Agbiag.

As consideration, the Subsidiary shall earn royalty income of US$4.00 up to US$9.33 per ton or specifically in accordance with the proposed slide-up-slide-down net share remittance, or size percent (6%) of cost, whichever is shorter. In 2017, JDVC received advance royalty payment from Agbiag amounting to ₱51.5-million.

In a special meeting held by the BOD on October 10, 2018, it was resolved that due to the failure of both parties to conduct full extraction operation during the year, the advance royalty payment will be returned by JDVC to Agbiag. This was presented under "Advances from contractor" account in the consolidated statement of financial position.

Social and Environmental Responsibilities

In 2019, JDVC secured the regulatory approvals of the following programs:

Social Development Management Program (SDMP)

SDMP are five (5) year programs of the projects identified and approved for implementation, in consultation with the host communities. The Group provides an annual budget for SDMP projects that focus on health, education, livelihood, public utilities and socio-cultural preservation. The implementation of the program is monitored by the MGB.

Environmental Protection and Enhancement Program (EPEP)

EPEP refers to comprehensive and strategic environmental management plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the affected environment. This program is monitored by the Multipartite Monitoring Team, a group headed by a representative from the Regional MGB and representatives of Local Government Units (LGU), other government agencies, non-government organizations, the church sector and the representatives of the Group.

JDVC will start implementing these programs upon commencement of operations.

COVID-19 Impact

In early 2020, the world was adversely affected by the COVID-19, which was declared a pandemic by the World Health Organization. In a move to contain the COVID-19 outbreak, the Philippine government initiated directives to impose stringent social distancing measures and guidelines under different levels of community quarantine depending on the assessment of the situation in the numerous parts of the country. These measures have cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Group's timeline for the commencement of the offshore mining operations were delayed due to limited movement within the region and the start of monsoon season.

The overall impact of the COVID-19 pandemic is still uncertain and dependent on the progression of the virus and on actions taken by the government, businesses and individuals, which could result in different outcomes. Considering the evolving nature of the outbreak, the Group will continue to monitor the situation in subsequent periods.

21. Fair Value Measurement

Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of certain assets and liabilities presented in the interim condensed consolidated statements of financial position are as follows:

		September 30, 2020		December 31, 2019	
	Note/s	Carrying amounts	Fair Values	Carrying amounts	Fair Values
Financial assets:					
At amortized cost:					
Cash	5	₱ 1,050,505	₱ 1,050,505	₱ 1,284,390	₱ 1,284,390
Security deposit	6	71,772	71,772	71,772	71,772
Advances to contractors	7	44,010,963	44,010,963	42,690,538	42,690,538
Total		₱ 45,133,240	₱ 45,133,240	₱ 44,046,650	₱ 44,046,650
Financial liabilities:					
At amortized cost:					
Loans & borrowings	12	₱ 28,450,000	₱ 28,450,000	₱ 13,950,000	₱ 13,950,000
Accounts & other payables	11	41,316,922	41,316,922	40,237,120	40,237,120
Advances from contractors	20	55,151,000	55,151,000	55,151,000	55,151,000
Deposists for future stock subscriptions	19	–	–	246,149,562	246,149,562
Advances from related parties	19	247,832,545	247,832,545	1,682,983	1,682,983
Total		₱ 372,750,467	₱ 372,750,467	₱ 357,170,665	₱ 357,170,665

Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities on a recurring or non-recurring basis and those financial assets, financial liabilities and non-financial assets not measured at fair value but for which fair value is disclosed with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the fair value hierarchy of the Group’s financial assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRS, as at September 30, 2020 and December 31, 2019:

		September 30, 2020			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At amortized cost:					
Cash	5	₱ 1,050,505	₱ –	₱ –	₱ 1,050,505
Security deposit	6	–	–	71,772	71,772
Advances to contractors	7	–	–	44,010,963	44,010,963
Total		₱ 1,050,505	₱ –	₱ 44,082,735	₱ 45,133,240
Financial liabilities:					
At amortized cost:					
Loans & borrowings	12	₱ –	₱ –	₱ 28,450,000	₱ 28,450,000
Accounts & other payables	11	–	–	41,316,922	41,316,922
Advances from contractors	20	–	–	55,151,000	55,151,000
Advances from related parties	19	–	–	247,832,545	247,832,545
Total		₱ –	₱ –	₱ 372,750,467	₱ 372,750,467

		December 31, 2019			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At amortized cost:					
Cash	5	₱ 1,284,390	₱ –	₱ –	₱ 1,284,390
Security deposit	6	–	–	71,772	71,772
Advances to contractors	7	–	–	42,690,538	42,690,538
Total		₱ 1,284,390	₱ –	₱ 42,762,310	₱ 44,046,650
Financial liabilities:					
At amortized cost:					
Loans & borrowings	12	₱ –	₱ –	₱ 13,950,000	₱ 13,950,000
Accounts & other payables	11	–	–	40,237,120	40,237,120
Advances from contractors	20	–	–	55,151,000	55,151,000
Deposits for future stock subscriptions	19	–	–	246,149,562	246,149,562
Advances from related parties	19	–	–	1,682,983	1,682,983
Total		₱ –	₱ –	₱ 357,170,665	₱ 357,170,665

As at September 30, 2020 and December 31, 2019, there are no financial assets or financial liabilities measured at fair value. There were no transfers between levels in 2020 and 2019.

Financial Instruments Not Measured at Fair Value for Which Fair Value is Disclosed
For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

22. Financial Risk Management Policies and Objectives

Introduction
The Group's principal financial instruments comprise of cash and cash equivalents, receivable and payables. The main purpose of these financial instruments is to raise finances for the Group's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Group's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

Interest Rate Risk
Interest rate risk is the risk that future cash flows from financial instruments or its fair value will fluctuate because of changes in market interest rates. As at September 30, 2020 and December 31, 2019, the Group does not have any repriceable financial instruments subject to variable interest rates. There are no significant interest rate risk exposures since the interest-bearing loans & borrowings are subject to fixed interest rates and all other financial assets and liabilities are non-interest bearing.

Credit Risk
Credit risk is the risk that the Group will incur a loss because its customers or counter parties failed to discharge their contractual obligations. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis and appropriate credit treatments are executed for overdue accounts. Likewise, other receivable balances are also being monitored and subjected to appropriate actions to manage credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the interim condensed consolidated statements of financial position (or in the detailed analysis provided in the notes to the interim condensed consolidated financial statements).

As at September 30, 2020 and December 31, 2019, the Group has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired. The table below shows the credit quality of financial assets subject to 12-month ECL:

Credit Quality per Class of Financial Assets
The tables below show a comparison of the credit quality of the Group's financial assets as at September 30, 2020 and December 31, 2019:

September 30, 2020	Neither Past Due Nor Impaired			Past Due But Not		
(Unaudited)	High Grade	Standard Grade	Substandard Grade	Impaired	Impaired	Total
Cash in bank	₱ 1,030,505	₱ –	₱ –	₱ –	₱ –	₱ 1,030,505
Advances to contractors	44,010,963	–	–	–	–	44,010,963
Total	₱ 45,041,468	₱ –	₱ –	₱ –	₱ –	₱ 45,041,468

December 31, 2019	Neither Past Due Nor Impaired			Past Due But Not		
(Audited)	High Grade	Standard Grade	Substandard Grade	Impaired	Impaired	Total
Cash in bank	₱ 1,264,390	₱ –	₱ –	₱ –	₱ –	₱ 1,264,390
Advances to contractors	42,690,538	–	–	–	–	42,690,538
Total	₱ 43,954,928	₱ –	₱ –	₱ –	₱ –	₱ 43,954,928

The Group evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Group’s management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks. The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Advances to contractors. These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Liquidity Risk
Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as these fall due. To limit this risk, the Group closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when these fall due. The Group also has a committed line of credit that it can access to meet liquidity needs.

Maturity Profile of Financial Liabilities
The tables below summarize the maturity profile of the Group's financial liabilities as at September 30, 2020 and December 31, 2019 based on the remaining undiscounted contractual cash flows:

	September 30, 2020				
	Carrying Value	On Demand	< 1 year	1-5 years	> 5 years
Accounts and other payables	₱ 41,316,922	₱ 37,500,000	₱ 3,816,922	₱ –	₱ –
Advances from contractors	55,151,000	55,151,000	–	–	–
Long-term debt	28,450,000	–	–	28,450,000	–
Advances from a related party	1,682,983	–	–	1,682,983	–
Total	₱ 126,600,905	₱ 92,651,000	₱ 3,816,922	₱ 30,132,983	₱ –

	December 31, 2019				
	Carrying Value	On Demand	< 1 year	1-5 years	> 5 years
Accounts and other payables	₱ 39,070,821	₱ 37,500,000	₱ 1,570,821	₱ –	₱ –
Advances from contractors	55,151,000	55,151,000	–	–	–
Long-term debt	13,950,000	–	–	13,950,000	–
Advances from a related party	1,682,983	1,682,983	–	–	–
Total	₱ 109,854,804	₱ 94,333,983	₱ 1,570,821	₱ 13,950,000	₱ –

23. Capital Management Objectives, Policies, & Procedures

The Group's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders or issue new shares. The Group considers its equity and loans & borrowings as capital.

The Group monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Total liabilities	**₱ 372,750,467**	₱ 357,170,665
Total equity	**₱ 2,969,625,194**	₱ 2,981,515,530
Debt-to-equity ratio	**0.13:1**	0.12:1

The Group is not subject to any externally imposed capital requirements. There were no changes in the Group 's approach to capital management during the year.

24. Supplemental Disclosure of Cash Flow Information

Changes in Liabilities Arising from Financing Activities
The disclosure requirements enable users of interim condensed consolidated financial statements to evaluate changes in liabilities arising from financing activities of the Group.

The movement of liabilities from financing activities are as follows:

September 30, 2020 (Unaudited)	January 1, 2020	Cash Flows	Reclassification	Interest Expense	September 30, 2020
Loans & borrowings	₱ 13,950,000	₱ 14,500,000	₱ –	₱ –	₱ 28,450,000
Advances from related parties	1,682,983	–	246,149,562	–	247,832,545
Deposits for future stock subscriptions	246,149,562	–	(246,149,562)	–	–
Interest payable	–	(943,667)	–	943,667	–
Total liabilities from financing activities	₱ 261,782,545	₱ 13,556,333	₱ –	₱ 943,667	₱ 276,282,545

December 31, 2019 (Audited)	January 1, 2019	Cash Flows	Additions	Interest Expense	December 31, 2019
Loans & borrowings	₱ –	₱ 13,950,000	₱ –	₱ –	₱ 13,950,000
Advances from related parties	1,862,964	(179,981)	–	–	1,682,983
Deposits for future stock subscriptions	254,227,307	(8,077,745)	–	–	246,149,562
Interest payable	–	(774,250)		774,250	–
Total liabilities from financing activities	₱ 256,090,271	₱ 4,918,024	₱ –	₱ 774,250	₱ 261,782,545

Non-cash Activities

The Group had no material non-cash investing or financing activity-related transactions for the period ended September 30, 2020 except for the reclassification of deposits for future subscription to advances from related parties (see Note 19).

The Group had no material non-cash investing or financing activity-related transactions for the year ended December 31 2019, except for the conversion of interest bearing loans and borrowing amounting to ₱50.0 million and accrued interest amounting to ₱1,402,778 into share capital with a par value of ₱.01 per share with an equivalent of 5,140,277,777 shares.

25. Events After the End of the Reporting Period

There were no events that require adjustments or disclosures between the reporting date and the date of issuance of the unaudited interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Supplementary Schedules under Annex 68-E

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
September 30, 2020

Schedule of Financial Soundness Indicators

		September 30, 2020 (Unaudited)		December 31, 2019 (Audited)
Liquidity Ratios:				
Current Ratio				
Current Assets	₱	4,728,216	₱	4,918,947
Current Liabilities	₱	96,467,922	₱	95,388,120
		0.05 : 1		0.05 : 1
Acid Test Ratio				
Liquid Assets	₱	1,050,505	₱	1,284,390
Current Liabilities	₱	96,467,922	₱	95,388,120
		0.01 : 1		0.01 : 1
Solvency Ratios:				
Debt-to-Equity Ratio				
Total Liabilities	₱	372,750,467	₱	357,170,665
Total Equity	₱	2,969,625,194	₱	2,981,515,530
		0.13 : 1		0.12 : 1
Asset-to-Equity Ratio				
Total Assets	₱	3,342,375,661	₱	3,338,686,195
Total Equity	₱	2,969,625,194	₱	2,981,515,530
		1.13 : 1		1.12 : 1
Profitability Ratios:				
Interest Coverage Ratio				
Earnings Before Interest and Taxes	₱	N/A	₱	N/A
Interest Expense	₱	943,667	₱	1,269,956
		N/A		N/A
Return on Assets				
Net Profit	₱	N/A	₱	N/A
Total Assets	₱	3,342,375,661	₱	3,338,686,195
		N/A		N/A
Return on Equity				
Net Profit	₱	N/A	₱	N/A
Total Equity	₱	2,969,625,194	₱	2,981,515,530
		N/A		N/A
Net Profit Margin				
Net Profit	₱	N/A	₱	N/A
Revenues	₱	N/A	₱	N/A
		N/A		N/A

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Supplementary Schedules under Annex 68-J

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
September 30, 2020

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
N/A	N/A	N/A	N/A	N/A

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
N/A	–	–	–	–	–	–	–

Schedule C. Amounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
JDVC Resources Corporation	14,937,469	N/A	(3,874,738)	N/A	N/A	11,062,731	11,062,731

Schedule D. Long-Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related statement of financial position	Amount shown under caption "Long-term debt" in related statement of financial position
Interest - bearing loans & borrowings	28,450,000	–	28,450,000

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Shareholders and Key Management Personnel	247,832,545	247,832,545

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	600,000,000,000	280,336,349,297	–	–	46,507,293,501	233,829,055,796