2022 INTERIM REPORT

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

Unaudited Interim Condensed Consolidated Financial Statements
As at September 30, 2022 (Unaudited) and December 31, 2021 (Audited),
and for the nine-months periods ended September 30, 2022 and 2021 (Unaudited)

COVER SHEET
for
UNAUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Group Name

APOLLO GLOBAL INC. AND ITS SUBSIDIARIES

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)
805	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
Lyra Gracia Y. Lipae-Fabella	lyl.fabellalaw@gmail.com	(632) 532-8654	0917-7244-411

Contact Person's Address

1060-A Clamor Compd., Bagumbong, Novaliches, Caloocan 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 of Notice of Deficiencies shall not excuse the Corporation from liability for its deficiencies.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the six-months ended September 30, 2022

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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 September 30, 2022

2. SEC Identification Number A199806865 3. BIR Tax Identification No. 005-301-677

4. Exact name of issuer as specified in its charter APOLLO GLOBAL CAPITAL, INC.

5. Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation or organization

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

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

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

9. N/A
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	**292,686,349,297**

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, 2022 and December 31, 2021, 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, 2022 and 2021 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, 2022 vs. September 30, 2021)

	For the nine-months ended September 30,		Horizontal Analysis		Vertical Analysis	
	2022 (unaudited)	2021 (unaudited)	Inc (Dec)	%age	2022	2021
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	(52,346,972)	(45,566,161)	6,780,811	14.88%	n/a	n/a
Operating loss	₱ (52,346,972)	₱ (45,566,161)	6,780,811	14.88%	n/a	n/a
Finance income	42,913	7,899	35,014	443.27%	n/a	n/a
Finance costs	(5,903,132)	(2,806,217)	3,096,915	110.36%	n/a	n/a
Other income	185,374	–	185,374	n/a	n/a	n/a
Loss before tax benefit	₱ (58,021,817)	₱ (48,364,479)	9,657,338	19.97%	n/a	n/a
Income tax benefit	–	–	–	n/a	n/a	n/a
Loss for the period	₱ (58,021,817)	₱ (48,364,479)	9,657,338	19.97%	n/a	n/a

General & Administrative Costs

The Group’s general & administrative costs has increased by 14.88% which was primarily due to the increase repairs and maintenance, representation & entertainment, and salaries & employee benefits.

Loss Before Tax

The increase in loss before tax was primarily due to higher general and administrative costs incurred during the period.

Financial Condition (September 30, 2022 vs. December 31, 2021)

	As at		Horizontal Analysis		Vertical Analysis	
	September 30, 2022 (unaudited)	December 31, 2021 (audited)	Inc (Dec)	%age	2022	2021
ASSETS						
Current assets:						
Cash	₱ 100,794,053	₱ 202,450,661	(101,656,608)	-50.21%	2.28%	4.56%
Receivables – net	15,434,995	3,834,663	11,600,332	302.51%	0.35%	0.09%
Other current assets	7,788,532	5,049,858	2,738,674	54.23%	0.18%	0.11%
Total current assets	₱ 124,017,580	₱ 211,335,182	(87,317,602)	-41.32%	2.81%	4.76%
Non-current assets:						
Investment in associate	₱ 809,752,974	₱ 809,752,974	–	–	18.35%	18.25%
Mine properties	3,320,495,592	3,315,448,592	5,047,000	0.15%	75.26%	74.73%
Advances to contractors	41,437,933	41,453,933	(16,000)	-0.04%	0.94%	0.93%
Property & equipment – net	95,582,921	41,920,632	53,662,289	128.01%	2.17%	0.94%
Website costs	278,209	250,329	27,880	11.14%	0.01%	0.01%
Deferred tax asset	16,157,337	16,157,337	–	–	0.37%	0.36%
Advances to related parties	4,127,539	–	4,127,539	n/a	0.09%	0.00%
Total non-current assets	₱ 4,287,832,505	₱ 4,224,983,798	62,848,707	1.49%	97.19%	95.24%
TOTAL ASSETS	₱ 4,411,850,085	₱ 4,436,318,979	(24,468,894)	-0.55%	100.00%	100.00%

LIABILITIES & EQUITY								
Current liabilities:								
Accounts & other payables	₱	**12,804,600**	₱	7,035,707	5,768,893	81.99%	**0.29%**	0.16%
Loans & borrowings – current portion		**66,000,000**		23,600,000	42,400,000	179.66%	**1.50%**	0.53%
Advances from contractors		**91,070,200**		91,070,200	–	–	**2.06%**	2.05%
Other current liabilities		**2,750,000**		–	2,750,000	n/a	**0.06%**	0.00%
Total current liabilities	₱	**172,624,800**	₱	121,705,907	50,918,893	41.84%	**3.91%**	2.74%
Non-current liabilities:								
Loans & borrowings – non-current portion	₱	**46,299,901**	₱	67,399,901	(21,100,000)	-31.31%	**1.05%**	1.52%
Advances from related parties		**247,983,223**		247,983,223	–	–	**5.62%**	5.59%
Total non-current liabilities	₱	**294,283,124**	₱	315,383,124	(10,700,000)	-6.69%	**6.67%**	7.11%
Total liabilities	₱	**466,907,924**	₱	437,089,031	29,818,893	6.82%	**10.58%**	9.85%
Equity:								
Share capital	₱	**2,926,863,493**	₱	2,926,863,493	–	–	**66.34%**	65.98%
Share premium		**868,071,980**		868,071,980	–	–	**19.68%**	19.57%
Accumulated losses		**(97,758,826)**		(42,496,777)	(55,262,049)	130.04%	**-2.22%**	-0.96%
Total equity attributable to Parent Company's shareholders	₱	**3,697,176,647**	₱	3,752,438,696	(55,262,049)	-1.47%	**83.80%**	84.58%
Non-controlling interest		**244,031,484**		246,791,252	(2,759,768)	-1.12%	**5.53%**	5.56%
Currency translation differences		**3,734,030**		–	3,734,030	n/a	**0.08%**	0.00%
Total equity	₱	**3,944,942,161**	₱	3,999,229,948	(54,287,787)	-1.36%	**89.42%**	90.15%
TOTAL LIABILITIES & EQUITY	₱	**4,411,850,085**	₱	4,436,318,979	(24,468,894)	-0.55%	**100.00%**	100.00%

Total Assets

Total assets of the Group decreased by ₱24-million (0.55%), which was primarily caused by the decrease in cash.

Receivables

Receivables increased by ₱11,600,332 (302.51%). The increase in receivables is primarily caused by the increase in advances to CBO.

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 machineries & equipment, office furniture & equipment and transportation equipment. The increase in property & equipment is primarily due to the acquisition of machineries & equipment.

Total Liabilities

Total liabilities have increased by ₱29.9-million (6.82%), which was primarily caused by increase in interest bearing loans & borrowings amounting to ₱21.3-million.

Interest-Bearing Loans & Borrowings

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

In 2022, the Group availed of additional loan from CBO amounting to ₱21.3-million.

Total equity

The decrease in total equity of ₱54.3-million 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	Lucky Dickinson Uy
Title	*President*	Title	*Chief Finance Officer*
Date	October 28, 2022	Date	October 28, 2022

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

Interim Condensed Consolidated Statements of Financial Position

	Note/s	As at September 30, 2022 (Unaudited)	As at December 31, 2021 (Audited)
A S S E T S			
Current assets:			
Cash	5	₱ 100,794,053	₱ 202,450,661
Receivables – net	6	15,434,995	3,834,663
Other current assets	7	7,788,532	5,049,858
Total current assets		₱ 124,017,580	₱ 211,335,182
Non-current assets:			
Investment in associate	8	₱ 809,752,974	₱ 809,752,974
Mine properties	9	3,320,495,592	3,315,448,592
Advances to contractors	10	41,437,933	41,453,933
Property & equipment – net	11	95,582,921	41,920,632
Intangible assets	12	278,209	250,329
Deferred tax asset	20	16,157,337	16,157,337
Advances to related parties	22	4,127,539	–
Total non-current assets		₱ 4,287,832,505	₱ 4,224,983,797
TOTAL ASSETS		₱ 4,411,850,085	₱ 4,436,318,979
L I A B I L I T I E S & E Q U I T Y			
Current liabilities:			
Accounts & other payables	13	₱ 12,804,600	₱ 7,035,707
Loans & borrowings – current portion	15	66,000,000	23,600,000
Advances from contractors	23	91,070,200	91,070,200
Other current liabilities	14	2,750,000	–
Total current liabilities		₱ 172,624,800	₱ 121,705,907
Non-current liabilities:			
Loans & borrowings – net of current portion	15	₱ 46,299,901	₱ 67,399,901
Advances from related parties	22	247,983,223	247,983,223
Total non-current liabilities		₱ 294,283,124	₱ 315,383,124
Total liabilities		₱ 466,907,924	₱ 437,089,031
Equity:			
Share capital	16	₱ 2,926,863,493	₱ 2,926,863,493
Share premium		868,071,980	868,071,980
Accumulated losses		(97,758,826)	(42,496,777)
Total equity attributable to Parent Company's shareholders		₱ 3,697,176,647	₱ 3,752,438,696
Non-controlling interest		244,031,484	246,791,252
Currency translation differences		3,734,030	–
Total equity		₱ 3,944,942,161	₱ 3,999,229,948
TOTAL LIABILITIES & EQUITY		₱ 4,411,850,085	₱ 4,436,318,979

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

Interim Condensed Consolidated Statements of Comprehensive Income

		For the three-months period ended September 30,		For the nine-months period ended September 30,	
	Note/s	**2022 (Unaudited)**	2021 (Unaudited)	**2022 (Unaudited)**	2021 (Unaudited)
Revenues		₱ –	₱ –	₱ –	₱ –
Direct costs		–	–	–	–
Gross profit		₱ –	₱ –	₱ –	₱ –
General & administrative costs	17	(17,215,639)	(29,321,849)	(52,346,972)	(45,566,161)
Operating loss		₱ (17,215,639)	₱ (29,321,849)	₱ (52,346,972)	₱ (45,566,161)
Finance income	19	7,183	7,366	42,913	7,899
Finance costs	19	(2,215,804)	(1,888,450)	(5,903,132)	(2,806,217)
Other income	19	120,400	–	185,374	–
Loss before tax benefit		₱ (19,303,860)	₱ (31,202,933)	₱ (58,021,817)	₱ (48,364,479)
Income tax benefit	20	–	–	–	–
Loss for the period		₱ (19,303,860)	₱ (31,202,933)	₱ (58,021,817)	₱ (48,364,479)
Loss attributable to:					
Parent company		₱ (18,409,686)	₱ (30,622,142)	₱ (55,262,049)	₱ (46,936,023)
Non-controlling interests		(894,174)	(580,791)	(2,759,768)	(1,428,456)
		₱ (19,303,860)	₱ (31,202,933)	₱ (58,021,817)	₱ (48,364,479)
Basic loss per share	21	₱ (0.00006)	₱ (0.00011)	₱ (0.00019)	₱ (0.00017)

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

Interim Condensed Consolidated Statements of Changes in Equity

For the nine-months period ended September 30, 2022 and 2021

	Equity Attributable to Parent Company's Shareholders						
	Share Capital	Share Premium	Accumulated Losses	Total	Non-controlling Interests	Currency Translation Differences	Total Equity
Note/s	16						
Balances at January 1, 2022	₱ 2,926,863,493	₱ 868,071,980	₱ (42,496,777)	₱ 3,752,438,696	₱ 246,791,252	₱ –	₱ 3,999,229,948
Loss for the period	–	–	(55,262,049)	(55,262,049)	(2,759,768)	–	(58,021,817)
Translation differences	–	–	–	–	–	3,734,030	3,734,030
Balances at September 30, 2022 (Unaudited)	**₱ 2,926,863,493**	**₱ 868,071,980**	**₱ (97,758,826)**	**₱ 3,697,176,647**	**₱ 244,031,484**	**₱ 3,734,030**	**₱ 3,944,942,161**
Balances at January 1, 2021	₱ 2,803,363,493	₱ 17,586,961	₱ (101,328,091)	₱ 2,719,622,363	₱ 245,606,147	₱ –	₱ 2,965,228,510
Additional issuance of shares	988,000,000	–	–	988,000,000	–	–	988,000,000
Acquisition during the period	–	–	–	–	3,335,500	–	3,335,500
Loss for the period	–	–	(46,936,023)	(46,936,023)	(1,428,456)	–	(48,364,479)
Translation differences	–	–	–	–	–	994,924	994,924
Balances at September 30, 2021 (Unaudited)	₱ 3,791,363,493	₱ 17,586,961	₱ (148,264,114)	₱ 3,660,686,340	₱ 247,513,191	₱ 994,924	₱ 3,909,194,455

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

Interim Condensed Consolidated Statements of Cash Flows

		For the nine-months period ended September 30,			
	Note/s		2022 (unaudited)		2021 (unaudited)
Cash flows from operating activities:					
Loss for the year before tax		₱	(58,021,817)	₱	(48,364,479)
Adjustments for:					
Finance income	19		(42,913)		(7,899)
Finance costs	19		5,903,132		2,806,217
Depreciation	11, 17		3,215,066		633,305
Amortization	12, 17		45,312		–
Operating loss before working capital adjustments		₱	(48,901,220)	₱	(44,932,856)
Working capital adjustments:					
Increase in:					
Receivables			(11,600,332)		–
Other current assets			(2,738,674)		(772,250)
Increase (Decrease) in:					
Accounts & other payables			(134,239)		44,424,084
Advances from contractors			–		3,350,000
Other current liabilities			2,750,000		–
Net cash used in operations		₱	(60,624,465)	₱	2,068,978
Interest received	19		42,913		7,899
Net cash used in operating activities		₱	(60,581,552)	₱	2,076,877
Cash flows from investing activities:					
Acquisition of property & equipment	11		(56,877,355)	₱	(40,148,227)
Acquisition of intangible asset	12		(73,192)		–
Additional mine costs	9		(5,047,000)		(19,849,991)
Collection of advances to contractors	10		16,000		–
Advances to related parties	22		(4,127,539)		–
Advances to contractors			–		(14,251,437)
Acquisition of associates	8		–		(711,980,880)
Net cash used in investing activities		₱	(66,109,086)	₱	(786,230,535)
Cash flows from financing activities:					
Proceeds from loans & borrowings	27	₱	21,300,000		(35,200,000)
Repayment of loans & borrowings			–		(38,450,000)
Additional issuance of shares			–		988,000,000
Change in non-controlling interests			–		3,335,500
Advances from related parties			–		423,257
Interest paid			–		(3,350,350)
Net cash provided by financing activities		₱	21,300,000	₱	985,158,407
Currency translation adjustments		₱	3,734,030	₱	994,924
Net increase (decrease) in cash		₱	(101,656,608)	₱	201,999,673
Cash at beginning of year	5		202,450,661		909,057
Cash at end of period	5	₱	100,794,053	₱	202,908,730

See accompanying notes to the consolidated financial statements

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Statements

As at September 30, 2022 and December 31, 2021
For the each of the nine-months ended September 30, 2022 and 2021

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 ₱290 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.

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 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%.

PT. JDVC Resources Indonesia (PT. JRI), a recently formed Indonesian subsidiary of JDVC, was incorporated to expand APL's business operation and to explore possibilities of complementary mining operations in Indonesia, a country also known for its substantial mineral deposits of iron ore. PT. JRI was incorporated with the Indonesian Ministry of Law (similar to the Securities and Exchange Commission in the Philippines) and secured its Deed of Establishment (similar to the Articles of Incorporation in the Philippines) on September 17, 2021. It also obtained a Business License from the Ministry of Investments of Indonesia, which enables it to engage in the three (3) lines of businesses, as follows: (1) Great Trade of Metal Ores, (2) Big Trade of Non-metal Materials, and (3) Wholesale Trade of Solid, Liquid and Gas Fuel and Related Products.

The Parent Company and its subsidiaries are collectively known herein as the "Group".

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, 2022 (including comparative amounts as at December 31, 2021) were approved and authorized for issue by the Board of Directors on October 28, 2022.

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, 2021, 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 Peso (₱), 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 subsidiaries, 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.

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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 2022

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning January 1, 2022:

a.) PAS 16 (amendments), *Property, Plant and Equipment – Proceeds before Intended Use.*
The amendments prohibit the Group from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Instead, the Group recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual reporting period beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the earliest period presented when the Group first apply the amendment.

These amendments are not expected to have a material impact on the financial statements of the Group.

b.) PFRS 3 (amendments), *Reference to the Conceptual Framework.*
The amendments are intended to replace a reference to the Framework for the *Preparation and the Presentation of Financial Statements*, issued in 1989, with reference to the conceptual framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendment added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential "day 2" gains or losses arising from liabilities and contingent liabilities that would be in the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21 *Levies,* if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for the annual reporting period beginning on or after January 1, 2022 and must be applied prospectively.

These amendments had no significant impact on the financial statements.

c.) PAS 37 (amendments), *Onerous Contracts – Cost of Fulfilling a Contract.*
The amendments specify which costs an entity needs to include in assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach." The costs that relate directly to a contract to provide goods or services include both incremental cost and allocation of costs directly related to contract activities. General and administrative costs that do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning January 1, 2022. The Group will apply the amendments to contracts which it has not yet fulfilled its obligations at the beginning of the annual reporting period in which it first applies its amendments.

These amendments had no significant impact on the financial statements.

3.2 New and Amended Standards Effective Subsequent to 2022 but not Early Adopted

Pronouncements issued but not yet effective as at January 1, 2022 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.

<u>Effective beginning on or after January 1, 2023</u>

a.) PAS 12 (amendments), *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*.
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

The amendments are not expected to have a material impact on the Group.

b.) PAS 8 (amendments), *Definition of Accounting Estimates*.
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

c.) PAS 1 and PFRS Practice Statement (amendments), *Disclosure of Accounting Policies*.
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023, with early application permitted.

The amendments are not expected to have a material impact on the Group.

<u>Effective beginning on or after January 1, 2024</u>

a.) PAS 1 (amendments), *Classification of Liabilities as Current or Non-current.*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

The Group is currently assessing the impact the amendments will have on current practice.

<u>Effective beginning on or after January 1, 2025</u>

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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Group since it has no activities that are predominantly connected with insurance or issue insurance contracts.

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, 2020, the FRSC deferred the original effective date of January 1, 2020 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.

The amendments are not expected to have a material impact on the financial statements.

3.3 Annual Improvements to PFRSs (2018 to 2020 Cycle)

The annual improvements to PFRSs contain non-urgent but necessary amendments to PFRSs.

a.) PFRS 1, *Subsidiary as a First-Time Adopter*.
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1: D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1: D16 (a).

The amendment is effective for the annual periods beginning on or after January 1, 2022, with early application permitted.

The amendments are not expected to have a material impact on the Group.

b.) PFRS 9 (amendments), *Financial Instruments – Fees in the '10 per cent' Test for the Derecognition of the Financial Liabilities.*
The amendment clarifies the fee that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original

financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to the financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for the annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the financial statements.

c.) PAS 41 (amendments), *Agriculture – Taxation in Fair Value Measurements.*
The amendments removed the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the financial statements.

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, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash in banks	₱ 100,754,053	₱ 202,430,661
Petty cash fund	40,000	20,000
Total	₱ 100,794,053	₱ 202,450,661

Cash in banks are demand deposit accounts in various universal banks that generally earn interest at their respective daily bank deposit rates. Petty cash fund is used for payment of minor disbursements and is maintained under an imprest fund system.

Interest income earned from cash in banks amounted to ₱42,913 and ₱7,899 for the period ended September 30, 2022 and 2021 (see Note 19).

6. Receivables

This account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Advances to CBO	₱ **15,840,332**	₱ 4,240,000
Advances to employees	**25,860**	25,860
Allowance for ECL	**(431,197)**	(431,197)
Net realizable value	₱ **15,434,995**	₱ 3,834,663

Receivables are non-interest bearing, unsecured receivables from related parties and employees, usually collectible within 30-to-90-day terms. Advances to employees are non-interest-bearing receivable cash advances which are deductible from salaries.

All of the Group's receivables have been reviewed for indicators of impairment. Certain receivables were found to be impaired due to defaults by the parties and provisions have been recorded accordingly.

A reconciliation of the allowance for ECL is shown below:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of year	₱ **431,197**	₱ –
Provisions during the period	**–**	431,197
Balance at end of period	₱ **431,197**	₱ 431,197

None of the receivables were pledged as collateral to secure the Group's liabilities.

7. Other Current Assets

This account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Input taxes	₱ **6,267,551**	₱ 3,623,500
Prior year's excess credits	**1,237,509**	1,237,509
Security deposits	**233,472**	71,772
Construction bond	**50,000**	50,000
Prepaid expenses	**–**	67,077
Total	₱ **7,788,532**	₱ 5,049,858

Input taxes are 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.

Prior year's excess credits represent excess tax payments and credits over tax liabilities of the immediately preceding taxable period which may be refunded, converted to tax credit certificates, or carried over to the next taxable year.

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

Construction bond represents noninterest-bearing bond that is used to secure against damages during construction and will be refundable after the end of construction, net of any charges.

Prepaid expenses consist of prepaid rent, professional fees and stock transfer office fees to be applied on the next period.

8. Investments in Associate

Investments in equity method investees pertain to the Parent Company's investments in associate.

Movements in this account:

		September 30, 2022 (Unaudited)		December 31, 2021 (Audited)
Acquisition costs:				
Balance at beginning of year	₱	711,980,880	₱	711,980,880
Acquisition during the period		–		–
Balance at end of period	₱	711,980,880	₱	711,980,880
Accumulated equity in net earnings:				
Balance at beginning of year	₱	97,772,094	₱	97,772,094
Share in net income for the period		–		–
Balance at end of period	₱	97,772,094	₱	97,772,094
Total	₱	809,752,974	₱	809,752,974

Poet Blue Ocean Offshore Services Pte. Ltd. (PBO)

PBO was registered in Singapore on April 21, 2017. It is the owner of MB Siphon I vessel, which will be used for the offshore mining activities of the Subsidiary. Its principal activity based on its Singapore registration is engineering design and consultancy services supporting mining, oil, and gas extraction and offshore exploration activities.

The Parent Company held 49% of the shares of the associate. The Parent Company exercises significant influence over the policy and decision-making process of the associate.

The tables below provide summarized financial information for the Parent Company's associate:

		September 30, 2022 (Unaudited)
Summarized statements of financial position		
Current assets	₱	509,330
Non-current assets		1,217,245,649
Current liabilities		5,978,142
Non-current liabilities		1,057,515,505
Statements of comprehensive income		
Revenues	₱	–
Loss before tax benefit		–
Net loss		–

9. Mine Properties

The carrying amount of this account is as follows:

		Mineral Assets		Mining Development Costs		Patent		Total
Cost:								
As at December 31, 2020	₱	2,500,098,008	₱	699,650,557	₱	89,000,000	₱	3,288,748,565
Additions		–		26,700,027		–		26,700,027
As at December 31, 2021	₱	2,500,098,008	₱	726,350,584	₱	89,000,000	₱	3,315,448,592
Additions		–		5,047,000		–		5,047,000
As at September 30, 2022	**₱**	**2,500,098,008**	**₱**	**731,397,584**	**₱**	**89,000,000**	**₱**	**3,320,495,592**

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, 2021, the remaining 1,897.02-ha contract area of the MPSA No. 338-2010-IIOMR-Amended A which has been fully explored since 2017.

The carrying amount of mine properties approximates its fair values as of December 31, 2021, based on the valuation report conducted by Cuervo Appraisers, Inc. dated February 16, 2022. Hence, the account is not impaired.

Mineral Assets

Mineral assets pertain to the acquisition cost of the rights over mineral resources 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.

Mining Development 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 mineral resources was done by a competent individual geologist using the Polygon Method. The mineral resources are estimated at a total of 606.458 million tons. With the computed indicated resource, the mine life for the current mineral resources 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.

10. Advances to Contractors

This account consists of:

		September 30, 2022 (Unaudited)		December 31, 2021 (Audited)
Offshore Mining Chamber of the Philippines	₱	**2,745,000**	₱	2,745,000
Cagayan Blue Ocean		**208,950**		208,950
Others		**42,428,370**		42,444,370
Total	₱	**45,382,320**	₱	45,398,320
Allowance for ECL		**(3,944,387)**		(3,944,387)
Net realizable value	₱	**41,437,933**	₱	41,453,933

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.

A reconciliation of the allowance for ECL is shown below:

		September 30, 2022 (Unaudited)		December 31, 2021 (Audited)
Balance at beginning of year	₱	**3,944,387**	₱	–
Provisions during the period		**–**		3,944,387
Balance at end of period	₱	**3,944,387**	₱	3,944,387

The movement of advances to contractors is as follows:

		September 30, 2022 (Unaudited)		December 31, 2021 (Audited)
Balance at beginning of year	₱	45,398,320	₱	42,669,760
Additional advances		–		2,728,560
Collections		(16,000)		–
Balance at end of period	₱	45,382,320	₱	45,398,320

11. Property & Equipment

The roll-forward analyses of this account follows:

		Machineries & equipment		Office furniture & equipment		Transportation equipment		Total
Carrying amounts at December 31, 2020	₱	–	₱	1,984,685	₱	421,025	₱	2,405,710
Additions		40,000,000		148,227		–		40,148,227
Depreciation for the period		–		(380,690)		(252,615)		(633,305)
Carrying amounts at September 30, 2021	₱	40,000,000	₱	1,752,222	₱	168,410	₱	41,920,632
Additions		–		–		–		–
Depreciation for the period		–		–		–		–
Carrying amounts at December 31, 2021	₱	40,000,000	₱	1,752,222	₱	168,410	₱	41,920,632
Additions		55,664,778		144,167		1,068,410		56,877,355
Depreciation for the period		(2,471,737)		(411,714)		(331,615)		(3,215,066)
Carrying amounts at September 30, 2022	**₱**	**93,193,041**	**₱**	**1,484,675**	**₱**	**905,205**	**₱**	**95,582,921**

Reconciliation of the carrying amounts are as follows:

	September 30, 2022 (Unaudited)							
		Machineries & equipment		Office furniture & equipment		Transportation equipment		Total
Cost	**₱**	**95,664,778**	**₱**	**2,885,340**	**₱**	**2,247,280**	**₱**	**100,797,398**
Accumulated depreciation		**(2,471,737)**		**(1,400,665)**		**(1,342,075)**		**(5,214,477)**
Carrying amount	**₱**	**93,193,041**	**₱**	**1,484,675**	**₱**	**905,205**	**₱**	**95,582,921**

	December 31, 2021 (Audited)							
		Machineries & equipment		Office furniture & equipment		Motor vehicle		Total
Cost	₱	40,000,000	₱	2,572,765	₱	1,347,280	₱	43,920,045
Accumulated depreciation		–		(820,543)		(1,178,870)		(1,999,413)
Carrying amount	₱	40,000,000	₱	1,752,222	₱	168,410	₱	41,920,632

As at September 30, 2022 and December 31, 2021, 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 & administrative expenses (see Note 17).

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

12. Intangible Assets

The roll-forward analyses of this account follows:

		Website		Computer software		Total
Carrying amounts at December 31, 2020	₱	360,777	₱	–	₱	360,777
Additions		–		–		–
Amortization for the period		–		–		–
Carrying amounts at September 30, 2021	₱	360,777	₱	–	₱	360,777
Additions		–		257,628		257,628
Amortization for the period		(360,777)		(7,299)		(368,076)
Carrying amounts at December 31, 2021	₱	–	₱	250,329	₱	250,329
Additions		–		73,192		73,192
Amortization for the period		–		(45,312)		(45,312)
Carrying amounts at September 30, 2022	**₱**	**–**	**₱**	**278,209**	**₱**	**278,209**

Reconciliation of the carrying amounts are as follows:

	September 30, 2022 (Unaudited)					
		Website		Computer software		Total
Cost	**₱**	**–**	**₱**	**330,820**	**₱**	**330,820**
Accumulated amortization		**–**		**(52,611)**		**(52,611)**
Carrying amount	**₱**	**–**	**₱**	**278,209**	**₱**	**278,209**

	December 31, 2021 (Audited)					
		Website		Computer software		Total
Cost	₱	360,777	₱	257,628	₱	618,405
Accumulated amortization		(360,777)		(7,299)		(368,076)
Carrying amount	₱	–	₱	250,329	₱	250,329

As at September 30, 2022 and December 31, 2021, there is no indication of any impairment loss on the carrying amount of intangible assets since its recoverable amount exceeds its carrying amount.

The amount of amortization is charged to general and administrative expenses (see Note 17).

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

13. Accounts & Other Payables

This account consists of:

		September 30, 2022 (Unaudited)		December 31, 2021 (Audited)
Interest payable	**₱**	**10,411,651**	₱	4,508,519
Deferred output tax		**818,036**		818,036
Accounts payable		**574,101**		574,102
Accrued expenses		**523,700**		563,234
Other payables		**477,111**		571,816
Total	**₱**	**12,804,600**	₱	7,035,707

Interest payable are interest accrued but not yet paid as of the reporting period. Accounts payable consist of unsecured liabilities to suppliers and contractors. Accrued expenses include professional fees, and various unpaid expenses. Other payables consist of withholding taxes and other payables to government agencies.

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

14. Other Current Liabilities

This account consists of:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Contractors deposit	₱ 2,750,000	₱ –
Total	₱ 2,750,000	₱ –

These represent non-interest-bearing deposits by contractors and are usually refundable after the end of contract less any charges.

15. 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) and Agbiag Mining Development Corporation (Agbiag). Details are as follows:

	Principal				Balance	
	Sept. 30, 2022	Dec. 31, 2021	Interest Rate	Term	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Loans from CBO, interest and principal payable upon maturity, unsecured	₱71.90-million	₱71.90-million	Fixed at 6% & 10%	2 years	₱ 71,900,000	₱ 71,900,000
Loans from Agbiag, interest and principal payable upon maturity, unsecured	₱40.40-million	₱19.10-million	Fixed at 6% & 10%	2 years	40,399,901	19,099,901
Total					₱ 112,299,901	₱ 90,999,901

Loan Facility from CBO and Agbiag

JDVC obtained credit from CBO and Agbiag 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 period, ₱21,300,000 (2021: ₱53,449,901) have been availed from CBO and Agbiag.

The loans bear a fixed annual interest of 6% and 10% 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 and Agbiag, 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 interest-bearing loans & borrowings are classified in the interim condensed consolidated statements of financial position as follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Current portion	₱ 66,000,000	₱ 23,600,000
Non-current portion	46,299,901	67,399,901
Total	₱ 112,299,901	₱ 90,999,901

Total borrowing costs attributable to these loans amounted to ₱5,903,132 and ₱2,806,217 in September 30, 2022 and 2021, respectively, and were charged as interest expense in the statements of comprehensive income (see Note 19).

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 (see Note 16).

16. Equity

Share capital consists of:

	No. of Shares		Amount			
	2022	2021		**September 30, 2022 (Unaudited)**		December 31, 2021 (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	**292,686,349,297**	280,336,349,297	₱	**2,926,863,493**	₱	2,803,363,493
Issued during the period	**–**	12,350,000,000		**–**		123,500,000
Balance at end of period	**292,686,349,297**	292,686,349,297	₱	**2,926,863,493**	₱	2,926,863,493
Ordinary share capital	**292,686,349,297**	292,686,349,297	₱	**2,926,863,493**	₱	2,926,863,493

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
August 6, 2021	Follow-on offering	600,000,000,000	12,350,000,000	0.08

As at September 30, 2022, the Parent Company has a total of 805 shareholders.

Increase in Authorized Capital Stock of APL

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 September 11, 2019, the third party exercised the right to convert the loan (see Note 15) 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.

17. General & Administrative Costs

The following shows the breakdown of general & administrative costs:

	Note/s		**September 30, 2022 (Unaudited)**		September 30, 2021 (Unaudited)
Professional fees		₱	**16,499,841**	₱	17,361,272
Representation & entertainment			**7,281,878**		594,027
Salaries & employee benefits	18		**5,736,357**		2,820,435
Repairs & maintenance			**4,797,166**		115,451
Mobilization costs			**3,158,770**		2,950,757
Annual listing fee			**2,000,000**		355,840
Taxes & licenses			**1,390,351**		1,605,487
Field allowance expenses			**1,374,697**		–
Allowances			**1,286,953**		50,000
Travel & accommodations			**1,202,052**		537,314
Rentals	23		**957,564**		536,619
Gas & oil			**701,613**		–
Security services			**441,653**		–
Escrow lodging fees			**438,009**		329,112
Technical consultant fee			**250,000**		8,474,001

Utilities expenses		240,567	108,568
Office supplies		237,351	558,877
Medical expenses		184,639	12,549
Association dues		136,068	126,398
Port fees		130,479	–
Telecommunications		124,459	–
Meetings & conference		70,719	87,818
Penalties & surcharge		67,050	187,000
Parking & toll fees		46,274	–
Trainings & seminars		17,480	–
Filing & processing fees		–	5,506,895
Commissions		–	1,711,357
Organization expense		–	177,666
Depreciation	11	3,215,066	633,305
Amortization	12	45,312	–
Miscellaneous		314,604	725,413
Total		₱ 52,346,972	₱ 45,566,161

18. Employee Benefits

Expenses recognized for salaries & employee benefits are presented below:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Short-term employee benefits	₱ 5,420,392	₱ 2,632,994
Statutory contributions	–	–
Other employee benefits	315,965	187,441
Total	₱ 5,736,357	₱ 2,820,435

The amount of salaries & employee benefits is charged to general & administrative costs (see Note 17). Other employee benefits include bereavement given to spouse of its key management personnel (see Note 22).

Post-employment Defined Benefits

The Group has not established a formal retirement plan. As at December 31, 2021, 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 December 31, 2021, 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.

The Group expects to hire additional employees in 2022 to deploy in its mining tenement, as well as additional support staff, upon commencement of commercial operations. The Group will conduct a valuation of its accrued retirement benefits under Republic Act No. 7641 in the 2022 annual financial statements.

19. Finance & Other Income (Losses)

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

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Interest income from local bank deposits	₱ 42,913	₱ 7,899
Total	₱ 42,913	₱ 7,899

Finance costs consist of:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Interest expense on loans	₱ 5,903,132	₱ 2,806,217
Total	₱ 5,903,132	₱ 2,806,217

Other income consists of:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Other income	₱ 185,374	₱ –
Total	₱ 185,374	₱ –

20. Income Tax

The schedule of deferred tax assets is as follows:

	Consolidated statements of financial position		Consolidated statements of comprehensive income	
	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Deferred tax assets:				
NOLCO	₱ 14,855,729	₱ 14,855,729	₱ –	₱ –
Allowance for ECL	1,301,608	1,301,608	–	–
Deferred tax assets	₱ 16,157,337	₱ 16,157,337		
Deferred tax benefit			₱ –	₱ –

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.

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, 2022 (Unaudited)	December 31, 2021 (Audited)
Unrecognized:		
NOLCO	₱ 1,992,588	₱ 1,992,588
Excess MCIT	45,446	45,446
	₱ 2,038,034	₱ 2,038,034
Recognized:		
NOLCO	₱ 14,855,729	₱ 14,855,729
Allowance for ECL	1,301,608	1,301,608
	₱ 16,157,337	₱ 16,157,337

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
2020	2025*	₱	13,850,107	₱	–	₱	13,850,107	₱	4,155,032
2019	2022		11,250,350		–		11,250,350		3,375,105
2018	2021		11,189,840		–		11,189,840		3,356,952
Total		₱	36,290,297	₱	–	₱	36,290,297	₱	10,887,089

*Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of the Company incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

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
Total		₱	45,446	₱	–	₱	45,446

Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act

On March 26, 2021, the President of the Republic of the Philippines signed into law R.A. No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act, which amends certain provisions of the National Internal Revenue Code of 1997, as amended, with veto on certain provisions and shall be effective 15 days after its publication. The CREATE Act seeks to reduce the corporate income tax rate and rationalize the current fiscal incentives by making them time-bound, targeted and performance-based.

Among others, the key changes of the CREATE Act relevant to the Company are as follows:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5.0-million and with total assets not exceeding ₱100-million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%;
- Minimum corporate income tax (MCIT) is reduced from 2% to 1% for the period beginning July 1, 2020 until June 30, 2023;
- Imposition of improperly accumulated earnings tax of 10% is repealed;
- Allowable deduction for interest expense is reduced by 20% (from 33%) of the interest income subjected to final tax.

21. Basic Loss Per Share

Basic loss per share is computed as follows:

		September 30, 2022 (Unaudited)		September 30, 2021 (Unaudited)
Loss attributable to ordinary shares	**₱**	**(55,262,049)**	₱	(46,936,023)
Divide by: Weighted average number of ordinary shares outstanding		**292,686,349,297**		280,336,349,297
Basic loss per share	**₱**	**(0.00019)**	₱	(0.00017)

There are no potential dilutive ordinary shares outstanding as at September 30, 2022 and 2021.

22. 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
Cagayan Iron Sand Resources Corporation	With common shareholders	Philippines
Cagayan 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, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Shareholders	Advances for working capital	Long-term, unsecured, non-interest bearing, repayable in cash		₱ –	₱ 423,257	₱ (247,983,223)	₱ (247,983,223)
Directors & Officers	Advances to related parties	Long-term, unsecured, non-interest bearing		528,012	–	528,012	–
Affiliates	Advances to related parties	Long-term, unsecured, non-interest bearing, repayable in cash		3,599,527	–	3,599,527	–

Key Management Personnel Compensation

Since the Group is in its pre-operating stages, there are no key management personnel compensation recognized in September 30, 2022 and 2021, since the officers offer their services pro-bono to save on operating costs except for bereavement given to spouse of one of its key management personnel (see Note 18). Likewise, the Group does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

23. 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 ₱233,472 and ₱71,772 as at September 30, 2022 and December 31, 2021, respectively (see Note 7).

Total expense from these leases amounted to ₱957,564 in September 30, 2022 and ₱536,619 in September 30, 2021 which was charged to general & administrative costs (see Note 17).

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. As at September 30, 2022 and December 31, 2021 advance royalty payment from Agbiag amounted to ₱91,070,200.

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 statements of financial position.

<u>Social and Environmental Responsibilities</u>

In 2019, the Subsidiary 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.

The Subsidiary will start implementing these programs upon commencement of operations.

<u>COVID-19 Impact</u>

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 COVID-19 pandemic is continuing globally in 2021. Several variants or mutations, claimed to be more infectious and more contagious, have emerged and are now being monitored. COVID-19 cases are declining in most parts of the world while other parts are seeing spikes or resurgence. Vaccination efforts in the Philippines started on March 1, 2021.

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. A mining vessel has already been deployed in the mining tenement and is commissioning the industrial siphon, conducting thorough calibration of the machinery, and performing final tests of the mineral product output prior to dispatch of commercial shipments to customers.

24. Fair Value Measurements

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, 2022		December 31, 2021	
	Note/s	Carrying amounts	Fair Values	Carrying amounts	Fair Values
Financial assets:					
At amortized cost:					
Cash	5	₱ 100,794,053	100,794,053	₱ 202,450,661	₱ 202,450,661
Receivables – net	6	15,434,995	15,434,995	3,834,663	3,834,663
Security deposits	7	233,472	233,472	71,772	71,772
Construction bond	7	50,000	50,000	50,000	50,000
Advances to related parties	22	4,127,539	4,127,539	–	–
Total		₱ 120,640,059	₱ 120,640,059	₱ 206,407,096	₱ 206,407,096
Financial liabilities:					
At amortized cost:					
Accounts & other payables	13	₱ 12,804,600	₱ 12,804,600	₱ 7,035,707	₱ 7,035,707
Contractors deposit	14	2,750,000	2,750,000	–	–
Loans & borrowings	15	112,299,901	112,299,901	90,999,901	90,999,901
Advances from related parties	22	247,983,223	247,983,223	247,983,223	247,983,223
Total		₱ 375,837,724	₱ 375,837,724	₱ 346,018,831	₱ 346,018,831

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 PFRSs, 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 PFRSs, as at September 30, 2022 and December 31, 2021:

		September 30, 2022			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At amortized cost:					
Cash	5	₱ 100,794,053	₱ –	₱ –	₱ 100,794,053
Receivables – net	6	–	–	15,434,995	15,434,995
Security deposits	7	–	–	233,472	233,472
Construction bond	7	–	–	50,000	50,000
Advances to related parties	22	–	–	4,127,539	4,127,539
Total		₱ 100,794,053	₱ –	₱ 19,846,006	₱ 120,640,059
Financial liabilities:					
At amortized cost:					
Accounts & other payables	13	₱ –	₱ –	₱ 12,804,600	₱ 12,804,600
Contractors deposit	14	–	–	2,750,000	2,750,000
Loans & borrowings	15	–	–	112,299,901	112,299,901
Advances from related parties	22	–	–	247,983,223	247,983,223
Total		₱ –	₱ –	₱ 375,837,724	₱ 375,837,724

		December 31, 2021			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At amortized cost:					
Cash	5	₱ 202,450,661	₱ –	₱ –	₱ 202,450,661
Receivables – net	6	–	–	3,834,663	3,834,663
Security deposits	7	–	–	71,772	71,772
Construction bond	7	–	–	50,000	50,000
Total		₱ 202,450,661	₱ –	₱ 3,956,435	₱ 206,407,096

Financial liabilities:					
At amortized cost:					
Accounts & other payables	13	₱ –	₱ –	₱ 7,035,707	₱ 7,035,707
Loans & borrowings	15	–	–	90,999,901	90,999,901
Advances from related parties	22	–	–	247,983,223	247,983,223
Total		₱ –	₱ –	₱ 346,018,831	₱ 346,018,831

As at September 30, 2022 and December 31, 2021, there were no financial assets or financial liabilities measured at fair value. There were no transfers between levels in 2022 and 2021.

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.

25. Fair Value Measurements

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021, 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 Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Group as at September 30, 2022 and December 31, 2021, without considering the effects of collaterals and other credit risk mitigation techniques:

	Note/s	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cash in banks	5	₱ 100,754,053	₱ 202,430,661
Receivables	6	15,866,192	4,265,860
Security deposits	7	233,472	71,772
Construction bond	7	50,000	50,000
Advances to related parties	22	4,127,539	–
Total		₱ 121,031,256	₱ 206,818,293

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 per depositor per banking institution.

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash.

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, 2022 and December 31, 2021:

September 30, 2022 (Unaudited)	Neither Past Due nor Impaired			Past Due but Not Impaired	Impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Cash in banks	₱ 100,754,053	₱ –	₱ –	₱ –	₱ –	₱ 100,754,053
Receivables	–	–	–	15,434,995	431,197	15,866,192
Security deposits	233,472	–	–	–	–	233,472
Construction bond	50,000	–	–	–	–	50,000
Advances to related parties	4,127,539	–	–	–	–	4,127,539
Total	₱ 105,165,064	₱ –	₱ –	₱ 15,434,995	₱ 431,197	₱ 121,031,256

December 31, 2021 (Audited)	Neither Past Due nor Impaired			Past Due but Not Impaired	Impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Cash in banks	₱ 202,430,661	₱ –	₱ –	₱ –	₱ –	₱ 202,430,661
Receivables	–	–	–	3,834,663	431,197	4,265,860
Security deposits	71,772	–	–	–	–	71,772
Construction bonds	50,000	–	–	–	–	50,000
Total	₱ 202,552,433	₱ –	₱ –	₱ 3,834,663	₱ 431,197	₱ 206,818,293

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.

Security deposits and Construction bond. These pertain to receivables from counterparties which are not expected to default in settling its obligations, hence there is no perceived credit risk.

Aging Analysis

An aging analysis of the Group's financial assets as of September 30, 2022 and December 31, 2021 are as follows:

September 30, 2022 (Unaudited)	Neither Past Due nor Impaired	Past Due but not Impaired: Less than 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Cash in banks	₱ 100,754,053	₱ –	₱ –	₱ –	₱ –	₱ –	₱ 100,754,053
Receivables	–	–	–	–	15,434,995	431,197	15,866,192
Security deposits	233,472	–	–	–	–	–	233,472
Construction bond	50,000	–	–	–	–	–	50,000
Advances to related parties	4,127,539	–	–	–	–	–	4,127,539
Total	₱ 105,165,064	₱ –	₱ –	₱ –	₱ 15,434,995	₱ 431,197	₱ 121,031,256

December 31, 2021 (Audited)	Neither Past Due nor Impaired	Past Due but not Impaired: Less than 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Cash in banks	₱ 202,430,661	₱ –	₱ –	₱ –	₱ –	₱ –	₱ 202,430,661
Receivables	–	–	–	–	3,834,663	431,197	4,265,860
Security deposits	71,772	–	–	–	–	–	71,772
Construction bonds	50,000	–	–	–	–	–	50,000
Total	₱ 202,552,433	₱ –	₱ –	₱ –	₱ 3,834,663	₱ 431,197	₱ 206,818,293

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, 2022 and December 31, 2021 based on the remaining undiscounted contractual cash flows:

	September 30, 2022 (Unaudited)			
	Carrying Amount	On Demand	Within 1 Year	Beyond 1 Year
Financial assets:				
At amortized cost:				
Cash	₱ 100,794,053	₱ 100,794,053	₱ –	₱ –
Receivables	15,434,995	15,434,995	–	–
Security deposits	233,472	–	233,472	–
Construction bond	50,000	–	50,000	–
Advances to related parties	4,127,539	–	–	4,127,539
Total	₱ 120,640,059	₱ 116,229,048	₱ 283,472	₱ 4,127,539
Financial liabilities:				
At amortized cost:				
Accounts & other payables	₱ 12,804,600	₱ 10,411,651	₱ 2,392,949	₱ –
Contractors deposit	2,750,000	–	2,750,000	–
Loans & borrowings	112,299,901	–	66,000,000	46,299,901
Advances from related parties	247,983,223	–	–	247,983,223
Total	₱ 375,837,724	₱ 10,411,651	₱ 71,142,949	₱ 294,283,124

	December 31, 2021 (Audited)			
	Carrying Amount	On Demand	Within 1 Year	Beyond 1 Year
Financial assets:				
At amortized cost:				
Cash	₱ 202,450,661	₱ 202,450,661	₱ –	₱ –
Receivables	3,834,663	1,442,783	2,391,880	–
Security deposits	71,772	–	71,772	–
Construction bond	50,000	–	50,000	–
Total	₱ 206,407,096	₱ 203,893,444	₱ 2,513,652	₱ –

Financial liabilities:								
At amortized cost:								
Accounts & other payables	₱	7,035,707	₱	4,192,866	₱	2,842,841	₱	–
Loans & borrowings		90,999,901		–		23,600,000		67,399,901
Advances from related parties		247,983,223		–		–		247,983,223
Total	₱	346,018,831	₱	4,192,866	₱	26,442,841	₱	315,383,124

26. 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, 2022 (Unaudited)		December 31, 2021 (Audited)
Total liabilities	₱	**466,907,924**	₱	437,089,031
Total equity		**3,944,942,161**		3,999,229,948
Debt-to-equity ratio		**0.12:1**		0.11:1

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.

27. 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, 2022 (Unaudited)		**January 1, 2022**		**Payments**		**Availments**		**Interest Expense**		**September 30, 2022**
Loans & borrowings	₱	**90,999,901**	₱	**–**	₱	**21,300,000**	₱	**–**	₱	**112,299,901**
Advances from related parties		**247,983,223**		**–**		**–**		**–**		**247,983,223**
Interest payable		**4,508,519**		**–**		**–**		**5,903,132**		**10,411,651**
Total liabilities from financing activities	₱	**343,491,643**	₱	**–**	₱	**21,300,000**	₱	**5,903,132**	₱	**370,694,775**

December 31, 2021 (Audited)		January 1, 2021		Payments		Availments		Interest Expense		December 31, 2021
Loans & borrowings	₱	37,550,000	₱	–	₱	53,449,901	₱	–	₱	90,999,901
Advances from related parties		247,924,585		–		58,638		–		247,983,223
Interest payable		361,334		–		–		4,147,185		4,508,519
Total liabilities from financing activities	₱	285,835,919	₱	–	₱	53,508,539	₱	4,147,185	₱	343,491,643

Non-cash Transactions

The Group had no material non-cash investing or financing activity-related transactions as of September 30, 2022 and December 31, 2021.

28. 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 SUBSIDIARIES

Supplementary Schedules under Annex 68-E

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
September 30, 2022

Schedule of Financial Soundness Indicators

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Liquidity Ratios:		
Current Ratio		
Current Assets	₱ 124,017,580	₱ 211,335,182
Current Liabilities	₱ 172,624,800	₱ 121,705,907
	0.72 : 1	1.74 : 1
Acid Test Ratio		
Liquid Assets	₱ 116,229,048	₱ 206,285,324
Current Liabilities	₱ 172,624,800	₱ 121,705,907
	0.67 : 1	1.69 : 1
Solvency Ratios:		
Debt-to-Equity Ratio		
Total Liabilities	₱ 466,907,924	₱ 437,089,031
Total Equity	₱ 3,944,942,161	₱ 3,999,229,948
	0.12 : 1	0.11 : 1
Asset-to-Equity Ratio		
Total Assets	₱ 4,411,850,085	₱ 4,436,318,979
Total Equity	₱ 3,944,942,161	₱ 3,999,229,948
	1.12 : 1	1.11 : 1
Profitability Ratios:		
Interest Coverage Ratio		
Earnings Before Interest and Taxes	₱ N/A	₱ N/A
Interest Expense	₱ 5,903,132	₱ 4,147,185
	N/A	N/A
Return on Assets		
Net Profit	₱ N/A	₱ N/A
Total Assets	₱ 4,411,850,085	₱ 4,436,318,979
	N/A	N/A
Return on Equity		
Net Profit	₱ N/A	₱ N/A
Total Equity	₱ 3,944,942,161	₱ 3,999,229,948
	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 SUBSIDIARIES

Supplementary Schedules under Annex 68-J

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
September 30, 2022

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
Cash	N/A	₱ 100,794,053	N/A	₱ 42,913
Receivables	N/A	15,434,995	N/A	–
Security deposits	N/A	233,472	N/A	–
Construction bond	N/A	50,000	N/A	–
Advances to related parties	N/A	4,127,539	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			
Directors & officers	–	528,012	–	–	–	528,012	528,012
Other related parties	–	3,599,527	–	–	–	3,599,527	3,599,527

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	50,431,197	N/A	–	–	–	50,431,197	50,431,197

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	–	66,000,000	46,299,901

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	247,983,223	247,983,223

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	292,686,349,297	–	–	46,507,293,501	246,179,055,796