

## SECURITIES AND EXCHANGE COMMISSION

### SEC FORM 17-C

#### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Aug 29, 2018

2. SEC Identification Number

147584

3. BIR Tax Identification No.

002-727-376-000

4. Exact name of issuer as specified in its charter

PREMIERE HORIZON ALLIANCE CORPORATION

5. Province, country or other jurisdiction of incorporation

PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

Unit 1705, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas  
Center, Pasig City  
Postal Code  
1605

8. Issuer's telephone number, including area code

(02) 632-7715

9. Former name or former address, if changed since last report

Not applicable

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK P 0.25 PAR VALUE	1,990,480,889

11. Indicate the item numbers reported herein

Not Applicable

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## Premiere Horizon Alliance Corporation

# PHA

**PSE Disclosure Form 5-1 - Substantial Acquisitions**  
**References: SRC Rule 17 (SEC Form 17-C) and**  
**Section 4.4 and/or Section 5 of the Revised Disclosure Rules**

**Subject of the Disclosure**

Acquisition of up to 98.88% of Pyramid Hill Mining Industrial Corporation by Redstone Construction & Development Corporation (RCDC)

**Background/Description of the Disclosure**

Redstone Construction & Development Corporation (RCDC) an 80% subsidiary of PHA acquired 98.88% of Pyramid Hill Mining Industrial Corporation and 98.55% of Palawan Star Mining Ventures, Inc. are holders of Mineral Production Sharing Agreements (MPSAs) covering approximately 10,384 hectares, containing probable quality limestone deposits located in the mineralize area of Southern Palawan.

With these investments, RCDC is looking into business expansion in infrastructure development particularly in limestone related businesses.

<b>Date of Approval by Board of Directors</b>	Mar 12, 2018
<b>Date of Approval by Stockholders</b>	N/A
<b>Other Relevant Regulatory Agency, if applicable</b>	N/A
<b>Date of Approval by Relevant Regulatory Agency</b>	N/A

**Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction**

With these investments, RCDC is looking into business expansion in infrastructure development particularly in limestone related businesses.

**Description of the transaction including the timetable for implementation and related regulatory requirements, if any**

Redstone Construction & Development Corporation acquired 98.88% of Pyramid Hill Mining Industrial Corporation through a conversion of advances from RCDC amounting Php220 Million.

**Identities of the parties to the transaction**

Name	Nature of Business	Nature of any material relationship with the Issuer, their directors/officers or any of their affiliates
PYRAMID HILL MINING INDUSTRIAL CORPORATION	To carry on the business of limestone quarrying and related activities.	None
REDSTONE CONSTRUCTION & DEVELOPMENT CORPORATION	Contract Mining Services and Hauling	RCDC is a 80% owned subsidiary of PHA

**Terms and conditions of the transaction**
**The nature and amount of consideration (e.g. price per share, the aggregate amount)**

Consideration is based on Par Value of Php1.00 per share for a total of Php220 Million

**Basis upon which the amount of consideration or value of the transaction was determined**

Conversion of advances to equity amounting to Php220 Million.

<b>The number of shares to be acquired</b>	220,000,000
<b>Ratio/percentage to total outstanding capital stock</b>	98.88

<b>Terms of payment</b>
Conversion of advances to equity at par value through subscription in the increase in Authorized Capital Stock.
<b>Conditions precedent to closing of the transaction, if any</b>
Not Applicable

**Description of the company subject of the transaction**

<b>Nature and business</b>
Its primary purpose is to carry on the business of operating the coal mines, and of prospecting, exploration and mining of all kinds of ores, metals, minerals, hydrocarbons, acids and chemicals, and its related products.
<b>Discussion of major projects and investments</b>
Holder of MPSA No. 173-2001-IV, with an area of 5,149.9001 hectares situated in the towns of Española and Quezon south of the Province of Palawan. There are currently no major projects and investments. The company has just recently completed its initial exploration of the MPSA Property.

**List of subsidiaries and affiliates, with percentage holdings**

Name	% Ownership
Not Applicable	-

**Capital structure****Authorized capital stock**

Type of Security	Amount	Number of Shares
COMMON	250,000,000	250,000,000

**Subscribed Shares**

Type of Security	Amount	Number of Shares
COMMON	222,500,000	222,500,000

**Paid-Up Capital**

<b>Amount</b>	222,500,000
<b>Number of Shares</b>	222,500,000

**Issued Shares**

Type of Security	Amount	Number of Shares
COMMON	222,500,000	222,500,000

**Outstanding Shares**

Type of Security	Amount	Number of Shares
COMMON	222,500,000	222,500,000

**Par Value**

Type of Security	Amount
COMMON	1.00

**Ownership Structure (including percentage holdings)**

Name	Number of Shares	% Ownership
HIGINIO C. MENDOZA	375,000	0.17
HENRY E. FERNANDEZ	375,000	0.17
FERNANDO B. ESGUERRA	625,000	0.28

LUIS J. MORALES	375,000	0.17
ROLAND F. RODRIGUEZ	375,000	0.17
PATRICK T. AQUINO	375,000	0.17
REDSTONE CONSTRUCTION & DEVELOPMENT CORPORATION	220,000,000	98.88

**Board of Directors**

Name	(Regular or Independent)
CARLOS C. CRUZ	REGULAR
ANDRES A. DEL ROSARIO	REGULAR
ANA LIZA G. AQUINO	REGULAR
ROLAND F. RODRIGUEZ	REGULAR
MANOLO B. TUASON	REGULAR

**Principal Officers**

Name	Position/Designation
CARLOS C. CRUZ	CHAIRMAN
ANDRES A. DEL ROSARIO	PRESIDENT
PAOLO ANTONIO A. MARTINEZ	CHIEF FINANCE OFFICER
MANOLO B. TUASON	TREASURER
ATTY. VISITACION S. FANGAYEN	CORPORATE SECRETARY

**Effect(s)/impact on the business, financial condition and operations of the Issuer**

With these investments, RCDC is looking into business expansion in infrastructure development particularly in limestone related businesses.

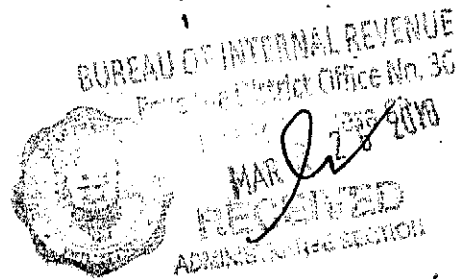
**Other Relevant Information**

On July 11, 2018 the SEC approved the increased in Authorized Capital Stock from 10,000,000 shares at a par value of Php1.00 with the paid up of Php2,500,000 to 250,000,000 shares Authorized Capital Stock with a par value of Php1.00 and for an additional paid up capital of Php220,000,000 bringing the total paid p capital to Php222,500,000. The Php220.0M RCDC advances converted to equity is broken down into Php62.0M advances from 2017 per AFS of 2017 and Php158.0M advances made in 2018.

**Filed on behalf by:**

<b>Name</b>	Raul Ma. Anonas
<b>Designation</b>	CIO/ COO

**PYRAMID HILL MINING & INDUSTRIAL CORP.**  
*A Corporation*



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**Financial Report**  
*With Report from Independent Auditor*

*For the year ended December 31, 2017*

**Contents:**

Statement of Management's Responsibility for Financial Statements  
Statement of Management's Responsibility for Income Tax Return  
Independent Auditor's Report  
Audited Financial Statements  
Notes to Financial Statements  
Independent Auditor's Report to Accompany Income Tax Return  
Supplemental Independent Auditor's Report

# COVERSHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number  
A S 9 3 0 0 5 7 5 7

**Company Name**

P Y R A M I D   H I L L   M I N I N G   &   I N D U S T R I  
A L   C O R P.

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

1 4 3   R I Z A L   A V E N U E ,   P U E R T O   P R I N C  
E S A ,   P A L A W A N

Form Type

A F S

Department requiring the report

Secondary License Type, if Applicable

**COMPANY INFORMATION**

Company's Email Address

Company's Telephone Number/s

632-7714

Mobile Number

No. of Stockholders

Annual Meeting  
Month/Day

Fiscal Year  
Month/Day

12 / 31

**CONTACT PERSON INFORMATION**

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

Name of Contact Person

MANOLO B. TUASON

Email Address

Telephone Number/s

632-7714

Mobile Number

Contact Person's Address

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incidents 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 design

# PYRAMID HILL MINING & INDUSTRIAL CORP.

#143 Rizal Ave. Puerto Princesa, Palawan

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR INCOME TAX RETURN

BUREAU OF INTERNAL REVENUE  
Revenue District Office No. 36

MAR 28 2018

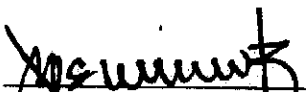
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INDUSTRIAL TAX SECTION

The Management of PYRAMID HILL MINING & INDUSTRIAL CORP. is responsible for all information and representations contained in the Financial Statements for the years ended of December 31, 2017 and 2016 in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

In this regard, the management affirms that the attached audited financial statements for the year ended December 31, 2017 and 2016 and the accompanying Annual Income Tax Return are in accordance with the books and records of complete and correct in all materials respects. Management likewise affirms that:

- (a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue.
- (b) Any disparity of figures in the submitted reports arising from the preparation of the financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-227 an other relevant issuances;
- (c) PYRAMID HILL MINING & INDUSTRIAL CORP. has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


Signature:

  
Higinio C. Mendoza Jr.  
Chairman of the Board

Signature:

  
Roland R. Rodriguez  
President

Signature:

  
Henry E. Fernandez  
Treasurer

March 20, 2018

# PYRAMID HILL MINING & INDUSTRIAL CORP.

#143 Rizal Ave. Puerto Princesa, Palawan

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **PYRAMID HILL MINING & INDUSTRIAL CORP.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due fraud or error.

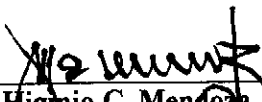
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

The Board of Directors is responsible for overseeing the Company's financial reporting process.


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

Winnie D. De Jesus, CPA, the independent external auditor, appointed by the stockholders has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.

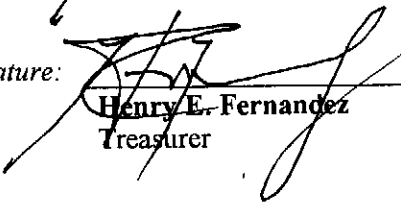
Signature: \_\_\_\_\_

  
**Higinio C. Mendoza Jr.**  
Chairman of the Board

Signature: \_\_\_\_\_

  
**Roland R. Rodriguez**  
President

Signature: \_\_\_\_\_

  
**Henry E. Fernandez**  
Treasurer

March 20, 2018



BUREAU OF INTERNAL REVENUE  
Revenue District Office No. 36  
Puerto Princesa City  
MAR 26 2018  
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ADMINISTRATIVE SECTION



# Winnie De Jesus

## Certified Public Accountant

1372 Icastano Street Paco, Manila

wdejesuscpas@gmail.com | +632-5273278

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors  
**PYRAMID HILL MINING & INDUSTRIAL CORP.**  
#143 Rizal Ave. Puerto Princesa, Palawan



#### Report on the Financial Statements

##### *Opinion*

I have audited the accompanying financial statements of **PYRAMID HILL MINING & INDUSTRIAL CORP.**, which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended December 31, 2017 and 2016, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In my opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Company as at December 31, 2017 and 2016, and its financial performance flows for the year then ended in accordance with Philippine Financial Reporting Standards for Small and Medium Enterprise (PFRS for SME).

##### *Basis for Opinion*

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the Code of Ethics for Professional Accountants in the Philippines (The Code of Ethics), and I have fulfilled my other ethical responsibilities in accordance with The Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

PYRAMID HILL MINING & INDUSTRIAL CORP.

STATEMENTS OF FINANCIAL POSITION  
December 31, 2017 and 2016

BUREAU OF INTERNAL REVENUE  
Revenue District Office No. 36

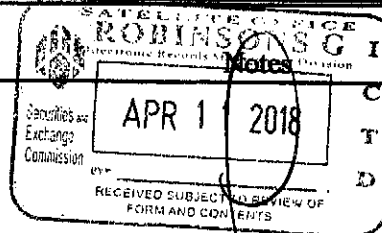
(Amounts in Philippine Pesos)



Puerto Princesa City  
MAR 25 2018

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ADMINISTRATIVE SECTION



		2017	2016
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	2, 3, 4	9,350	9,850
Due from related party	2, 3, 8	2,400,000	2,400,000
Deferred exploration costs	2, 3, 5	62,425,093	98,650
<b>Total Current Assets</b>		<b>64,834,443</b>	<b>2,508,500</b>
<b>TOTAL ASSETS</b>		<b>64,834,443</b>	<b>2,508,500</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accrued expense	2, 3, 6	49,250	43,250
Advances from others	2, 3, 7	62,326,443	-
<b>Total Current Liabilities</b>		<b>62,375,693</b>	<b>43,250</b>
<b>Total Liabilities</b>		<b>62,375,693</b>	<b>43,250</b>
<b>EQUITY</b>			
Share capital	2, 3, 9.1	2,500,000	2,500,000
Deficit	2, 3, 9.2	(41,250)	(34,750)
<b>Total Equity</b>		<b>2,458,750</b>	<b>2,465,250</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>64,834,443</b>	<b>2,508,500</b>

(See Accompanying Notes to Financial Statements)

PYRAMID HILL MINING & INDUSTRIAL CORP.

STATEMENTS OF PROFIT OR LOSS  
For the Years Ended December 31, 2017 and 2016

(Amounts in Philippine Pesos)

BUREAU OF INTERNAL REVENUE  
Revenue District Office No. 36

Puerto Princesa City

MAR 6 2018



ADMINISTRATIVE SECTION  
2016

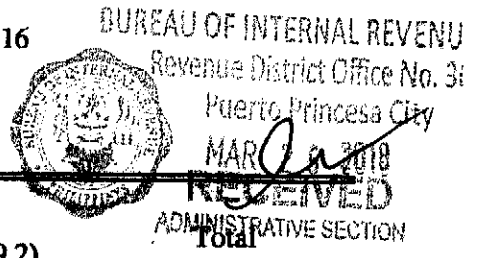
	Notes	2017	2016
REVENUE		-	-
COST OF SERVICES		-	-
GROSS PROFIT		-	-
OPERATING EXPENSES	2, 3, 10	(6,500)	(6,500)
OTHER INCOME		-	-
LOSS BEFORE TAX		(6,500)	(6,500)
INCOME TAX EXPENSE	2, 3, 11.1	-	-
LOSS FOR THE YEAR		(6,500)	(6,500)

(See Accompanying Notes to Financial Statements)

PYRAMID HILL MINING & INDUSTRIAL CORP.

STATEMENTS OF CHANGES IN EQUITY  
For the Years Ended December 31, 2017 and 2016

(Amounts in Philippine Pesos)



	Share Capital (Notes 2 and 9.1)	Deficit (Notes 2, 9.2)	Total
BALANCE, DECEMBER 31, 2015	2,500,000	(28,250)	2,471,750
Loss for the year 2016		(6,500)	(6,500)
BALANCE, DECEMBER 31, 2016	2,500,000	(34,750)	2,465,250
Loss for the year 2017	-	(6,500)	(6,500)
<b>BALANCE, DECEMBER 31, 2017</b>	<b>2,500,000</b>	<b>(41,250)</b>	<b>2,458,750</b>

(See Accompanying Notes to Financial Statements)

PYRAMID HILL MINING & INDUSTRIAL CORP.

STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2017 and 2016

(Amounts in Philippine Pesos)

BUREAU OF INTERNAL REVENUE  
Revenue District Office No. 36

Puerto Princesa City  
MAR 2 2018



	Notes	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Loss for the year		(6,500)	(6,500)
Operating loss before working capital changes		(6,500)	(6,500)
Changes in operating assets and liabilities:			
Decrease (Increase) in:			
Other current assets		-	-
Deferred exploration costs	5	(62,326,443)	-
Increase (Decrease) in:			
Accrued expense	6	6,000	6,500
Cash generated from operations		(62,326,943)	-
Income tax paid	11.2	-	(750)
Net cash used in operating activities		(62,326,943)	(750)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances from others	7	62,326,443	-
Net cash provided used in financing activities		62,326,443	-
<b>NET CHANGE IN CASH</b>		<b>(500)</b>	<b>(750)</b>
<b>CASH - BEGINNING</b>	4	<b>9,850</b>	<b>10,600</b>
<b>CASH - ENDING</b>	4	<b>9,350</b>	<b>9,850</b>

(See Accompanying Notes to Financial Statements)

PYRAMID HILL MINING & INDUSTRIAL CORP.

NOTES TO FINANCIAL STATEMENTS

As of and For the Years Ended December 31, 2017 and 2016

*(Amounts in Philippine Pesos)*

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1. CORPORATE INFORMATION

Pyramid Hill Mining & Industrial Corp. (the "Company"), was registered with the Securities and Exchange Commission (SEC) of the Philippines on July 28, 1993 per Registration No. AS93-005757. Its primary purpose is to carry on the business of operating the coal mines, and of prospecting, exploration and mining of all kinds of ores, metals, minerals, hydrocarbons, acids and chemicals, and its related by-products.

The Company had submitted its application with the Department of Environment and natural Resources (DENR) for an operating permit (i.e. Mining Production Agreement Sharing). Due to the passage of various mining laws that imposed additional requirements before an operating permit can be granted, the Company's application for various permits and clearances necessary to operate are still in process as of December 31, 2017.

The Company's registered address is at #143 Rizal Avenue, Puerto Princesa, Palawan.

The financial statements of the Company were approved and authorized for issue by the Board of Directors on March 20, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared in accordance and in compliance with the Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) issued by the Financial Reporting Standards Council of the Philippines under the historical cost convention, as modified by fair value measurement of financial instruments, if any.

The preparation of financial statements in conformity with PFRS for SMEs requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying its accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the

“functional currency”). The financial statements are presented in Philippine Peso, which is the Company’s functional and presentation currency.

All values represent absolute amounts and are rounded to the nearest Peso (P1), except when otherwise indicated.

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#### Statements of Financial Position Captions

The following are descriptions of specific statement of financial position captions:

##### Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions.

The PFRS for SMEs splits the financial instruments’ requirements into two sections: Section 11 on basic financial instruments; and Section 12 on additional financial instrument issues. Only Section 11 applies and is relevant to the Company.

##### Financial Assets

Financial assets are basic financial instruments categorized as either measured at: (a) amortized cost less impairment, or (b) fair value with changes in fair value recognized in profit or loss.

The Company’s basic financial assets are presented, classified, recognized, measured, and disclosed in the financial statements as follows:

a.) Cash and Cash Equivalents

Cash is carried in the statement of financial position at face value or at transaction price. It includes cash on hand and cash in banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less and are subject to insignificant risk of change in value.

As of December 31, 2017, the Company has no cash equivalents.

b.) Due from Related Party

Dues from related parties are recognized at the amount of cash released to the Company’s stockholders, officers, and other related companies. These are stated at face value.

##### Impairment of Financial Assets

The Company also assesses at the reporting period whether there is objective evidence that financial assets or groups of financial assets are impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the assets (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indication that the customer or counterparty is experiencing significant difficulty, default in trade payments, probability that they will enter bankruptcy or other financial reorganization and where the observable data indicate that there is measurable decrease

in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### Derecognition of Financial Assets

All financial assets are recognized on their trade date. Derecognition of financial assets occurs only when:

- (a) the contractual rights to the cash flows from the financial asset expire or are settled, or
- (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or
- (c) the Company has retained some significant risks and rewards but has transferred control of the asset to another party. The asset is therefore derecognized, and any rights and obligations created or retained are recognized.

#### Financial Liabilities

The Company's basic financial liabilities are presented, classified, recognized, measured and disclosed in the financial statements as follows:

##### a.) Accounts Payables and Other Liabilities

Accounts payables and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. They are included in current liabilities, except for maturities greater than 12 months after the reporting date which are classified as non-current liabilities. These are recognized initially at their transaction price and are subsequently measured at amortized cost, less settlement payments.

#### Derecognition of Financial Liabilities

Financial liabilities are derecognized only when they are extinguished- that is, when the obligation is discharged, cancelled or expires.

#### Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

#### Deferred Exploration Costs

Deferred exploration costs are carried at costs less impairment. All exploration costs incurred by the Company in connection with the development of nickel exploration and other ores and mines products are capitalized deferred and amortized over five (5) years once the Company commences its commercial operations.

#### Impairment of Non-Financial Assets

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in profit or loss. The recoverable amount is higher of an asset's selling price or value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or from its disposal at the end of its useful life.



For the years ended December 31, 2017 and 2016, there are no impairment losses incurred for non-financial assets.

#### Related Party Transactions and Relationships

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Transactions between the related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market. It also includes related party transactions with key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

A person or a close member of that person's family is related to the Company if that person:

- has control or joint control over the Company;
- has significant influence over the Company; or
- is a member of the key management personnel of the reporting entity or of a parent of the Company.

An entity is related to the Company if any of the following conditions apply:

- the entity and the Company are members of the same group wherein each member is related to the others in the group;
- one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
- both entities are joint ventures of the same third party.;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
- The entity is controlled or jointly controlled by a person who is a related party as identified above; and
- a person that has control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

#### Provisions and Contingencies

Provisions are recognized when the Company has a present obligation, legal or constructive as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting period and are adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Probable inflows of economic benefits that do not meet yet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Contingent liabilities are not recognized in the Company's financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes when inflows of economic benefits are probable.

#### Equity

Share capital is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value.

Retained earnings (Deficit) include all current and prior period results as disclosed in the statement of comprehensive income. Appropriated retained earnings are those earnings earmarked and separated by the Company for specific use as approved by the Board of Directors.

#### Statements of Comprehensive Income Captions

The following are description of specific statement of comprehensive income captions:

##### Revenue Recognition

The Company adopted the accrual accounting method. Under the accrual basis of accounting, transactions and events are recognized when they occur rather than when received or paid and they are recorded in the period to which they relate.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income from bank deposit is recognized when it is determined that such income will accrue to the Company and is presented net of applicable tax withheld by the banks.

All other income items are recognized when earned.

##### Cost of Services and Expense Recognition

Cost of services and expenses are recognized in profit or loss upon utilization of the goods or services or at the date they are incurred.

##### Income Taxes

Income tax on the statement of comprehensive income for the period comprises current tax and deferred tax.

Current income tax is the expected amount payable on the taxable income for the period using tax rates enacted or substantively enacted at the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the balance sheet liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, and the carry forward tax

benefit of net operating loss carryover (NOLCO) and the minimum corporate income tax (MCT) over the regular corporate income tax.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized/applied. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting period.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to a change in value or assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Other Comprehensive Income

Other comprehensive income is used to record items of income, gains, expenses, and losses that are not recognized in the regular statement of income. Section 5 of PFRS for SMEs sets out the following items as other comprehensive income:

- (a) Some gains or losses arising on translating the financial statements of a foreign operation
- (b) Some actuarial gains (losses)
- (c) Some changes in fair values on hedging instruments.

The Company has no other comprehensive income item for the periods 2017 and 2016.

#### Events After the Reporting Period

Post year-end events that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Post-year end events that are not adjusting events are disclosed in the notes to financial statements when material.

### 3. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES

The Company makes estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. The estimates, judgment and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### Critical Judgments in Applying Accounting Policies

- *Functional currency.* Based on economic substance of the underlying circumstances relevant to the Company, the functional currency has been determined to be the Philippine peso. It is the currency that mainly influences the normal operations of the Company.

- *Fair value of financial instruments.* The Company classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where the fair values of financial assets and liabilities recorded in the statement of financial position can be derived from active markets, they are determined based on market data. For those financial instruments with no active market, they are carried at cost less any impairment in value.

- *Classification of financial instruments.* The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.
- *Revenue and expense recognition.* The Company's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and expenses. The Company's revenues and expenses are recognized when earned or incurred.
- *Recognition of realizable amount of deferred tax asset.* The Company reviews for any recognition of deferred tax assets at each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.
- *Evaluating assets impairment.* The Company reviews its financial and non-financial assets for impairment. This includes considering certain indications of impairment such as significant changes in asset usage, obsolescence or physical damage of asset.
- *Provisions and contingencies.* Judgment is exercised by management to distinguish between provisions and disclosures of contingencies.

### Management's Use of Estimates

The key assumptions concerning the future and other sources of estimating uncertainty at the reporting period that are significant to the carrying value of the assets and liabilities are as follows:

- *Revenue, cost and expense recognition.* The Company's revenue, cost and expense recognition requires the use of estimates and assumptions that may affect the recorded amounts of revenue, cost of services, and expenses. The Company's revenues, costs and expenses recognition policies are discussed in Note 2.

- *Evaluating impairment of financial assets.* The Company reviews financial assets and liabilities for impairment in value. This includes considering certain indication that the customer or counterparty is experiencing significant difficulty, default in trade payments, and the probability that they will enter bankruptcy or other financial reorganization and where the observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in areas or economic conditions that correlate with defaults.
- *Recognition of and realizable amount of deferred tax asset.* The Company reviews the carrying amounts of deferred tax assets at each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

#### 4. CASH

This account represents cash on hand. The balance of this account as of December 31, 2017 and 2016 amounted to P 9,350 and P 9,850, respectively.

#### 5. DEFERRED EXPLORATION COSTS

The details of this account are as follows:

	2017	2016
Balance, January 1	98,650	98,650
Additions	62,326,443	-
Disposals / Reversals	-	-
Balance, December 31	62,425,093	98,650

This account represents All exploration costs incurred by the Company in connection with the development of nickel exploration and other ores and mines products.

Management believes that its deferred exploration costs are not impaired as of December 31, 2017 and 2016.

#### 6. ACCRUED EXPENSES

This account represents unpaid fees. The balance of this account as of December 31, 2017 and 2016 amounted to P 49,250 and P 43,250, respectively.

7. ADVANCES FROM OTHERS

This account represents advances made by others. The balance of this account as of December 31, 2017 and 2016 amounted to P 62,326,443 and -Nil-, respectively.

8. RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

In the ordinary course of business, the Company makes/receives advances to/from its shareholders. These advances are unsecured, unguaranteed and non-interest bearing. For the reporting period, the Company did not make any provision for doubtful accounts relating to amounts owed by related parties. Assessments for allowance are undertaken every reporting period.

Details of related party advances are as follows:

a) Related Party Advances under Current Assets

This account represents dues from shareholders. The balance of this account as of December 31, 2017 and 2016 both amounted to P 2,400,000. The movements in the related party advances are as follows:

2017				
Relationship	Outstanding balances and Transactions during the year	Allowance for doubtful accounts	Doubtful accounts	Terms and conditions
Shareholders				This account is unsecured, non-interest bearing and is to be settled in cash.
Balance, January 1	2,400,000	-	-	
Advances released	-	-	-	
Advances collected	-	-	-	
Balance, December 31	2,400,000	-	-	

2016				
Relationship	Outstanding balances and Transactions during the year	Allowance for doubtful accounts	Doubtful accounts	Terms and conditions
Shareholders				This account is unsecured, non-interest bearing and is to be settled in cash.
Balance, January 1	2,400,000	-	-	
Advances released	-	-	-	
Advances collected	-	-	-	
Balance, December 31	2,400,000	-	-	

Management believes that its due from related party are not impaired as of reporting date.

b) Key Management Personnel Compensation

The Company does not provide compensation to its key management personnel.

9. EQUITY

9.1 Share Capital

The details of the Company's share capital are as follows:

	2017		2016	
	Shares	Amount	Shares	Amount
Authorized share capital at P 1 par value per share	10,000,000	10,000,000	10,000,000	10,000,000
Issued and outstanding	2,500,000	2,500,000	2,500,000	2,500,000

9.2 Deficit

The details of these account are as follows:

	2017	2016
Balance, January 1	(34,750)	(28,250)
Loss for the year	(6,500)	(6,500)
Balance, December 31.	(41,250)	(34,750)

10. OPERATING EXPENSES

This account consists of:

	2017	2016
Professional fees	6,000	6,000
Taxes and licenses	500	500
Total	6,500	6,500

## 11. INCOME TAX

### 11.1 Income tax expense

The reconciliation of income tax computed at statutory tax rate based on pre-tax income to income tax expense is shown below:

	2017	2016
<i>Current income tax expense:</i>		
Income tax computed at statutory tax rate	(1,300)	(1,300)
Income tax before NOLCO	(1,300)	(1,300)
forfeiture of NOLCO	1,300	1,300
Income tax expense - current	-	-
Income tax expense - deferred	-	-
Income tax expense	-	-

### 11.2 Minimum Corporate Income Tax (MCIT)

The Company has no total gross income subject to Minimum Corporate Income Tax (MCIT) for the years 2017 and 2016.

## 12. EVENTS AFTER DECEMBER 31, 2017

The financial statements of the Company were approved and authorized for issue by the board of directors on March 20, 2018.

## 13. SUPPLEMENTARY TAX INFORMATION

The Bureau of Internal Revenue (BIR) issued on November 25, 2010 Revenue Regulation (RR) 15-2010; *Amending Certain Provisions of Revenue Regulations No. 21-2002, as Amended, Implementing Section 6 (H) of the Tax Code of 1997, Authorizing the Commissioner of Internal Revenue to Prescribe Additional Procedural and/or Documentary Requirements in Connection with the Preparation and Submission of Financial Statements Accompanying Income Tax Returns*. Under the said RR, companies are required to provide, in addition to the disclosures mandated under PFRS, and such other standards and/ or conventions as may be adopted, in the notes to the financial statements, information on taxes, duties and license fees paid or accrued during the taxable year.

Additional disclosure in the notes to the financial statements is also required under Revenue Regulations (RR) 19-2011 of the following schedules (a) sales/receipts/fees; (b) costs of sales/services; (c) non-operating and taxable; (d) itemized deductions (if the taxpayer did not avail of OSD); (e) taxes and licenses; and (f) other information prescribed to be disclosed in the notes to the financial statements.



### 13.1 Revenue Regulation (RR) 15-2010

#### 1. Sources of Output VAT

The Company has no income subject to Value-Added Tax for the years 2017 and 2016.

#### 2. Sources of Input VAT

The Company has no expenses subject to Value-Added Tax for the years 2017 and 2016.

#### 3. Other Taxes and Licenses

	<u>2017</u>	<u>2016</u>
<i>Included in Operating Expenses</i>		
BIR registration fee	500	500
Total	<u>500</u>	<u>500</u>

#### 4. Withholding Taxes

	<u>2017</u>	<u>2016</u>
Withholding taxes on compensation and benefits	-	-
Expanded withholding taxes	-	-
Final withholding taxes	-	-
Total	<u>-</u>	<u>-</u>

#### 5. Deficiency taxes with final assessment

The Company has no pending tax assessment as of December 31, 2017.

### 13.2 Revenue Regulation (RR) 19-2011

The following are the single year disclosures required by RR 19-2011:

#### 1. Sales/Receipts/Fees

The company has no income subject to the regular rate of 30% for the year 2017.

#### 2. Cost of Services

The company has no cost of services subject to the regular rate of 30% for the year 2017.

3. Non-Operating and Taxable Other Income

The company has no non-operating and taxable other income subject to the regular rate of 30% for the year 2017.

4. Itemized Deductions

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The company's itemized deductions subject to the regular rate of 30% for the year 2017 amounted to P 6,500, which is the same as shown in Note 10.

5. Taxes and Licenses

The details of the Company's taxes and licenses for the year 2017 are presented in Note 13.1 – 3.

6. Other Information

All other information prescribed by the BIR to be disclosed for the year 2017 has been included in the notes to financial statements.