COVER SHEET

For

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 0 3 2 4 9 6 6

Company Name

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

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

14/F Equitable Tower
8751 Paseo de Roxas
Salcedo Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
213		December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ENRICO TRINIDAD		(02) 856-0999	

Contact Person's Address

Note: 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.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

CENTURYPEAK
METALS HOLDINGS CORP.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Century Peak Metals Holdings Corporation and Subsidiaries** ("the Group"), is responsible for the preparation and fair presentation of the consolidated financial statements as at and for the years ended December 31, 2014 and 2013, including the additional components attached therein, in accordance with the Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated 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.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

R.G. Manabat & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: ____________________
WILFREDO D. KENG
President / Chairman of the Board / Chief Executive Officer

Signature: ____________________
ROLDAN M. ANTONIO
Chief Finance Officer

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 3 0 2015
AT MAKATI CITY AFFIANT EXHIBITED TO ME HIS/HER
____________ ISSUED ______ AT ______

Doc. No. 118
Page No. 24
Book No. 494
Series No. 2015

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M 30
UNTIL DECEMBER 31, 2016
ROLL OF ATTY. NO.48348
MCLE COMPLIANCE NO. IV-0016333/4-10-2013
IBP NO. 706762 – LIFETIME MEMBER
PTR. NO. 474 - 8510 JAN 05, 2015
EXECUTIVE BLDG. CENTER
MAKATI AVE.,COR., JUPITER

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Century Peak Metals Holdings Corporation and Subsidiaries
14/F Equitable Tower, 8751 Paseo de Roxas
Salcedo Village, Makati City

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Century Peak Metals Holdings Corporation and Subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Century Peak Metals Holdings Corporation and Subsidiaries as at December 31, 2014 and 2013, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

R.G. MANABAT & CO.

Dindo Marco M. Dioso

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 1387-A, Group A, valid until February 5, 2017
Tax Identification No. 912-365-765
BIR Accreditation No. 08-001987-30-2013
Issued December 2, 2013; valid until December 1, 2016
PTR No. 4748107MC
Issued January 5, 2015 at Makati City

April 13, 2015
Makati City, Metro Manila

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2014	2013
ASSETS			
Current Assets			
Cash	*4*	**P99,529,835**	P4,126,670
Trade receivables - net	*5*	**256,787,152**	-
Inventories	*6*	**49,922,332**	47,774,749
Due from related parties	*18*	**20,288,939**	11,088,629
Other current assets - net	*7*	**67,425,722**	33,409,613
Total Current Assets		**493,953,980**	96,399,661
Noncurrent Assets			
Investment properties	*8*	**21,385,768**	21,385,768
Property and equipment - net	*9*	**1,163,175,744**	830,785,405
Explored mineral resources - net	*10*	**1,863,527,473**	1,962,088,553
Deferred tax assets	*16*	**6,195,919**	4,190,499
Other noncurrent assets	*11*	**38,409,981**	138,267,889
Total Noncurrent Assets		**3,092,694,885**	2,956,718,114
		P3,586,648,865	P3,053,117,775
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	*12*	**P278,321,858**	P51,839,796
Due to related parties	*18*	**392,113,755**	424,114,936
Income tax payable		**-**	298,163
Total Current Liabilities		**670,435,613**	476,252,895
Noncurrent Liability			
Provision for site rehabilitation	*13*	**10,283,147**	9,344,635
Total Liabilities		**680,718,760**	485,597,530
Equity Attributable to Equity Holders of the Parent			
Capital stock	*17*	**2,820,330,450**	2,820,330,450
Additional paid-in capital		**1,931,550**	1,931,550
Retained earnings (deficit)		**92,298,368**	(241,449,108)
Total Equity Attributable to Equity Holders of the Parent		**2,914,560,368**	2,580,812,892
Noncontrolling Interest	*17*	**(8,630,263)**	(13,292,647)
Total Equity		**2,905,930,105**	2,567,520,245
		P3,586,648,865	P3,053,117,775

See Notes to the Consolidated Financial Statements.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2014**	2013	2012
SALES		**P1,008,271,790**	P69,117,950	P263,330,094
COST AND EXPENSES				
Cost of sales	*14*	**(526,163,734)**	(57,356,761)	(183,518,383)
Operating expenses	*15*	**(47,384,370)**	(49,118,150)	(50,392,158)
Depletion of explored mineral resources	*10*	**(98,561,080)**	(14,834,922)	(38,148,151)
INCOME (LOSS) BEFORE OTHER INCOME (CHARGES)		**336,162,606**	(52,191,883)	(8,728,598)
OTHER INCOME (CHARGES)				
Foreign exchange gains (losses)		**1,358,419**	3,319,908	(1,307,985)
Other income - net		**618,133**	4,747,015	40,983
Interest income	*4*	**24,083**	18,919	13,989
Interest expense	*13*	**(1,758,801)**	(854,342)	(776,954)
Impairment losses on property and equipment	*9*	**-**	(197,019,755)	-
INCOME (LOSS) BEFORE INCOME TAX		**336,404,440**	(241,980,138)	(10,758,565)
INCOME TAX EXPENSE (BENEFIT)	*16*			
Current		**-**	298,163	4,263,988
Deferred		**(2,005,420)**	(1,916,700)	12,557,494
Final		**-**	4,261	1,261
		(2,005,420)	(1,614,276)	16,822,743
NET INCOME (LOSS)/TOTAL COMPREHENSIVE INCOME (LOSS)		**P338,409,860**	(P240,365,862)	(P27,581,308)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent company		**P333,747,476**	(P147,587,768)	(P22,128,667)
Noncontrolling interest	*17*	**4,662,384**	(92,778,094)	(5,452,641)
		P338,409,860	(P240,365,862)	(P27,581,308)
Income (Loss) Per Share				
Basic/diluted	*20*	**P0.1183**	(P0.0523)	(P0.0078)

See Notes to the Consolidated Financial Statements.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Attributable to Equity Holders of the Parent					
	Capital Stock (Note 17)	Additional Paid-in Capital	Retained Earnings (Deficit)	Total	Noncontrolling Interest (Note 17)	Total Equity
Balance at January 1, 2012	P2,820,330,450	P1,931,550	(P71,732,673)	P2,750,529,327	P84,938,088	P2,835,467,415
Net loss/total comprehensive loss for the year	-	-	(22,128,667)	(22,128,667)	(5,452,641)	(27,581,308)
Balance at December 31, 2012	2,820,330,450	1,931,550	(93,861,340)	2,728,400,660	79,485,447	2,807,886,107
Net loss/total comprehensive loss for the year	-	-	(147,587,768)	(147,587,768)	(92,778,094)	(240,365,862)
Balance at December 31, 2013	2,820,330,450	1,931,550	(241,449,108)	2,580,812,892	(13,292,647)	2,567,520,245
Net income/total comprehensive income for the year	-	-	333,747,476	333,747,476	4,662,384	338,409,860
Balance at December 31, 2014	**P2,820,330,450**	**P1,931,550**	**P92,298,368**	**P2,914,560,368**	**(P8,630,263)**	**P2,905,930,105**

See Notes to the Consolidated Financial Statements.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	2014	2013	2012
		Years Ended December 31		
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**P336,404,440**	(P241,980,138)	(P10,758,565)
Adjustments for:				
Depreciation, amortization and depletion	*9, 10*	**256,805,219**	44,672,334	64,202,144
Interest expense	*13*	**1,758,801**	854,342	776,954
Interest income	*4*	**(24,083)**	(18,919)	(13,989)
Unrealized foreign exchange losses		**1,358,419**	3,319,908	251,057
Impairment losses on property and equipment	*9*	**-**	197,019,755	-
Reversal of impairment losses on trade receivables		**-**	(3,266,916)	-
Provision for impairment losses on input VAT		**-**	-	460,683
Operating income before working capital changes		**596,302,796**	600,366	54,918,284
Decrease (increase) in:				
Trade receivables		**(256,787,152)**	27,046,614	(23,804,937)
Inventories		**(1,495,665)**	(46,776,254)	96,279,812
Other current assets	*18*	**(34,016,109)**	(12,148,142)	(9,433,096)
Long-term receivable		**-**	(12,577,754)	-
Increase in accounts payable and other current liabilities		**226,482,062**	30,926,913	1,005,174
Net cash generated from (used in) operations		**530,485,932**	(12,928,257)	118,965,237
Interest received		**24,083**	18,919	13,989
Income taxes paid		**(820,289)**	(2,194,360)	(3,261)
Interest paid		**(298,163)**	(1,485)	-
Net cash provided by (used in) operating activities		**529,391,563**	(15,105,183)	118,975,965
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	*9*	**(491,286,396)**	(81,270,171)	(21,731,641)
Decrease (increase) in:				
Due from related parties		**(9,200,310)**	(7,927,581)	2,559,166
Other noncurrent assets		**(11,046,338)**	(10,454,923)	(12,670,305)
Net cash used in investing activities		**(511,533,044)**	(99,652,675)	(31,842,780)

Forward

	Note	2014	2013	2012
		Years Ended December 31		
CASH FLOWS FROM A FINANCING ACTIVITY				
Advances from (payments to) stockholders	*18*	**P78,903,065**	P99,064,886	(P75,175,984)
EFFECT OF EXCHANGE RATE CHANGES IN CASH		**(1,358,419)**	(3,319,908)	(225,818)
NET INCREASE (DECREASE) IN CASH		**95,403,165**	(19,012,880)	11,731,383
CASH AT BEGINNING OF YEAR		**4,126,670**	23,139,550	11,408,167
CASH AT END OF YEAR	*4*	**P99,529,835**	P4,126,670	P23,139,550

See Notes to the Consolidated Financial Statements.

1. Corporate Information

Century Peak Metals Holdings Corporation (CPMHC or the "Parent Company"), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 30, 2003. On February 15, 2008, the SEC approved the change in the Parent Company's corporate name to Century Peak Metals Holdings Corporation.

On April 14, 2008, the SEC approved the amendment of the Parent Company's Articles of Incorporation changing its primary purpose to include promoting, operating, managing, holding, acquiring or investing in corporations or entities that are engaged in mining activities or mining-related activities. The Parent Company further expanded its primary purpose by including investing in real estate development and energy. The amended Articles of Incorporation was approved by the SEC on March 18, 2010.

The Parent Company listed its common shares of stock with the Philippine Stock Exchange (PSE) on October 6, 2009.

The Parent Company operates as the holding company of the following subsidiaries:

	Percentage of Ownership [a]	
	Direct	Indirect
Century Peak Corporation (CPC)	100.00	-
Century Hua Guang Smelting Incorporated (CHGSI)	55.00	-
Century Sidewide Smelting Incorporated (CSSI) [b]	60.00	-
Century Summit Carrier, Inc. (CSCI) [b] [c]	-	80.00

[a]Based on the Parent Company's interest in the issued and outstanding shares of the subsidiaries.
[b]CSSI and CSCI were incorporated on September 6, 2011 and September 29, 2011, respectively.
[c]Owned by the Parent Company through CPC.

The registered office address of the Parent Company and its subsidiaries (collectively referred to as the "Group") is at 14/F Equitable Tower, 8751 Paseo de Roxas, Salcedo Village, Makati City.

The Parent Company's subsidiaries were all incorporated in the Philippines and registered with the SEC. Their principal activities are as follows:

CPC and CHGSI	Invest in and engage in the business of operating and mining of any mineral resources in the Philippines such as iron, ore, copper, gold, silver, lead, manganese, chromites, nickel, etc.
CSSI	Invest in and engage in the business of operating and mining of any mineral resources in the Philippines and to engage in the business of managing, administering solid waste disposal system.
CSCI	Engage in the business of operating barges, steamships, motorboats and other kinds of water crafts for the transportation of cargoes and passengers.

Registration of CPC with the Board of Investments (BOI)
On May 7, 2010, CPC was registered with the BOI with Certificate of Registration No. 2010-093 (the "BOI Registration"), on its mining and extraction of nickel ore at Casiguran, Loreto, Dinagat Islands (the "Project"), as a new project on a Non-Pioneer Status under the Omnibus Investments Code of 1987 (Executive Order No. 226).

As a BOI-registered entity, CPC is entitled to the following incentives, among others:

a. Tax credit on taxes and duties paid on raw materials and supplies in producing its export product for a period of ten (10) years from start of commercial operations;

b. Importation of consigned equipment for a period of ten (10) years from date of registration;

c. Exemption from wharfage dues, any export tax, duties, imposts and fees for a ten (10) year period from date of registration; and

d. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On January 14, 2015, BOI granted the Company's request to amend the Specific Terms and Conditions of its BOI Registration, which entitled the Project to a one-year Income Tax Holiday incentive covering taxable year 2014 only.

<u>The Smelting Plant Project</u>
CHGSI
CHGSI was registered and incorporated with the SEC on January 14, 2008. The principal activities of CHGSI are to invest in and engage in the business of operating and mining mineral resources in the Philippines such as iron ore, copper, gold, silver, lead, manganese, chromites, nickel, etc.; prospecting, exploring, milling, concentrating, converting, smelting, treating, refining, and manufacturing; preparing for the market, whether export or domestic; and producing and dealing in all its products and by-products of every kind and description and by whatsoever process the same can be or may be hereafter be produced.

On October 28, 2009, CHGSI was registered with Philippine Economic Zone Authority (PEZA) under Republic Act (RA) No. 7916 as an ecozone export enterprise engaged in the production of ferro-nickel (pig iron) at the Leyte Industrial Development Estate - Special Economic Zone (LIDE-SEZ).

By virtue of its PEZA registration, CHGSI is entitled, among other incentives, to four (4) years income tax holiday, which shall he reckoned upon its start of commercial operations, as well as tax and duty free importation of its capital equipment and raw materials, subject to its compliance with the terms and conditions of its registration.

CSSI
In 2011, the Parent Company entered into a partnership with Sidewide Resources (H.K.) Limited, a subsidiary of Chaoyang Saiwai Mining Co., Ltd of P. R. China., a group that owns an iron powder processing plant, electric furnace smelting plant, and primarily does mineral ore trading. It is the Parent Company's plan to set up electric furnaces in the future to enhance the production of its nickel pig iron. From this formed partnership, CSSI is incorporated.

CSCI
On December 8, 2011, CSCI was registered with the Maritime Industry Authority with Certificate No. DSO-2006-003-095 (2011) under Marina Circular 2006-003, which is valid until December 7, 2014.

2. Basis of Preparation

Statement of Compliance
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC).

The accompanying consolidated financial statements were authorized for issue by the Group's Board of Directors (BOD) on April 13, 2015.

Basis of Measurement
The consolidated financial statements have been prepared on a historical cost basis.

Basis of Consolidation
The consolidated financial statements include the accounts of the Group from the date control was obtained by the Parent Company. Equity attributed to the equity holders of the Parent Company is based on its share in net profits and net assets of the investees in accordance with the investees' Articles of Incorporation.

The consolidated financial statements reflect the consolidated accounts of the Group. Intra-group balances and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in the consolidation.

The consolidated financial statements of the Group are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

A subsidiary is an entity that is controlled by the Parent Company and whose accounts are included in the consolidated financial statements. Control exists when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date control ceases.

Noncontrolling Interest
Noncontrolling interest represents the interests not held by the Parent Company in its subsidiaries.

Functional and Presentation Currency
The consolidated financial statements are presented in Philippine peso, which is the Group's functional currency. All financial information presented in Philippine peso has been rounded-off to the nearest peso, unless otherwise indicated.

Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with PFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements. The judgments and estimates used in the accompanying consolidated financial statements are based on management's evaluation of relevant facts and circumstances as of the date of the Group's consolidated financial statements. Actual results may differ from these estimates.

Judgments, estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, that have the most significant effect on the amounts recognized in the consolidated financial statements:

Legal Contingencies

As at Decemher 31, 2014 and 2013, management, in consultation with outside counsel handling the Group's defense in legal matters, determined that there are no ongoing litigations filed against the Group that would have a material adverse impact on the consolidated financial statements.

Determining whether an Arrangement Contains a Lease

The Company uses its judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement at inception date and makes assessment of whether the arrangement is dependent on the use of a specific asset or assets, the arrangement conveys a right to use the asset and the arrangement transfers substantially all the risks and rewards incidental to ownership to the Company.

Operating Lease - The Company as Lessee

The Company has entered into various arrangements covering the lease of its warehouse, equipment and residence of officers. In determining whether all significant risks and rewards of ownership remain with the lessor or transferred to the lessee, the following factors are considered:

a. the ownership of the asset does not transfer at the end of the lease term;

h. there is no option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such that, at the inception of the lease, it is reasonably certain that the option will be exercised;

c. the lease term is not for the major part of the economic life of the asset even if title is not transferred;

d. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; and

e. the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

The Company has determined that the lessors retain all the significant risks and rewards of ownership of the properties and, as such, accounts for the agreements as operating leases.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty as of reporting date that have the most significant risk of resulting in a material adjustment to the carrying amounts of assets, liabilities and equity within the next financial year are as follows:

Estimating Allowance for Impairment Losses on Trade Receivables

The Group maintains an allowance for impairment losses on receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with the customer, the customer's payment behavior and known market factors. The Group performs regular review of the age and status of receivables, designed to specifically identify accounts with objective evidence of impairment and provides these with the appropriate allowance for impairment losses. The review is accomplished using a combination of specific and collective assessment approaches, with the impairment losses being determined for each risk grouping identified by the Group. The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different methodologies. An increase in the allowance for impairment losses on receivables would increase the recorded operating expenses and decrease current assets.

Trade receivables amounted to P256.8 million at December 31, 2014 (see Note 5).

Estimating Net Realizable Value of Inventories

In determining the net realizable value of inventories, the Company considers inventory obsolescence based on specific identification and as determined by management for inventories estimated to be unsaleable in the future. The Company adjusts the cost of inventories to the net realizable value at a level considered adequate to reflect any market decline in the value of the recorded inventories. The Company reviews, on a continuous basis, the product movement, changes in customer demands and introduction of new products to determine whether these items should still be used in operations or otherwise disposed of, and identifies inventories which are to be written-down to net realizable values. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in inventory obsolescence and market decline would increase recorded operating expenses and decrease current assets.

As at December 31, 2014 and 2013, the cost of inventories amounted to P49.9 million and P47.8 million, respectively (see Note 6).

Estimating Allowance for Impairment Losses on Input Value-added Tax (VAT)

The Group maintains an allowance for impairment losses at a level considered adequate to provide for probable unrecoverable amounts of input VAT. The level of this allowance is evaluated by management on the basis of factors that affect the recoverability of the account.

Management has provided allowance for input VAT amounting to P9.1 million as at December 31, 2014 and 2013. The carrying value of input VAT as at December 31, 2014 and 2013 amounted to P17.5 million and P10.0 million, respectively (see Note 7).

Estimating Useful Lives of Property and Equipment (Excluding Mine Site Development Cost)
The Company reviews at each reporting date the estimated useful lives (EUL) of property and equipment (excluding mine site development cost) based on the period over which the assets are expected to be available for use and updates these expectations if actual results differ from previous estimates due to physical wear and tear and technical or commercial obsolescence. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the EUL of property and equipment (excluding mine site development cost) will increase the recorded depreciation and amortization expense and decrease noncurrent assets.

As at December 31, 2014 and 2013, property and equipment (excluding mine site development cost), net of accumulated depletion, depreciation and amortization, amounted to P764.4 million and P419.5 million, respectively (see Note 9).

Estimating Allowance for Impairment Losses on Nonfinancial Assets
The Group assesses the impairment of its explored mineral resources, property and equipment and investment properties whenever events or changes in circumstances indicate that the carrying value of the assets or group of assets may not be recoverable. Factors that the Group considered in deciding when to perform impairment review includes the following, among others:

- The period for which the Group has the right to explore the specific areas has expired or will expire in the near future, and is not expected to be renewed;

- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- Exploration for the evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;

- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the explored mineral resource is unlikely to be recovered in full from successful development or by sale;

- Significant under-performance of a business or product line in relation to expectations;

- Significant negative industry or economic trends; or

- Significant cbanges or planned changes in the use of the assets.

In 2013, the Group recognized impairment losses on its property and equipment amounting to P197.0 million, resulting from the destruction caused hy typhoon Yolanda, which the fair value is based on current replacement costs.

As at December 31, 2014 and 2013, management assessed that there are no impairment indicators relating to the Group's non-financial assets, other than input VAT. Accordingly, the Group did not recognize any impairment losses on its nonfinancial assets in 2014 and 2013.

The carrying values of investment properties, property and equipment, and explored mineral resources are disclosed in Notes 8, 9 and 10 to the consolidated financial statements, respectively.

Valuation of Explored Mineral Resources
The Group recognized explored mineral resources at its fair value as of initial recognition. The Group estimated the fair value based on the cash flow generation of the relevant mineral property covered by the acquired MPSA. Assumptions and methods used in the estimation are disclosed in Note 10 to the consolidated financial statements. The amount initially recognized would differ if the Group utilized different valuation methodologies and assumptions. Using a different amount to recognize the explored mineral resources as of initial recognition would affect the periodic amortization expense and any impairment losses which may be subsequently recognized.

The carrying value of explored mineral resources amounted to P1.9 billion and P2 billion as at December 31, 2014 and 2013, respectively (see Note 10).

Estimating Recoverable Reserves
Recoverable reserves and resource estimates for development projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, estimated climatic conditions and other factors. Proven reserve estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured.

All proven reserve estimates are subject to revision, either upward or downward, based on new information, such as from block grading and production activities or from changes in economic factors, including product prices, contract terms or development plans.

Estimates of reserves for undeveloped or partially developed areas are subject to greater uncertainty over their future life than estimates for reserves for areas that are substantially developed and depleted. As an area goes into production, the amount of proven reserves will be subject to future revision once additional information becomes available. As those areas are further developed, new information may lead to revisions. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded depletion expenses for any period would be affected by changes in these factors and circumstances.

The carrying value of mine site development cost amounted to P398.8 million and P411.3 million as at December 31, 2014 and 2013, respectively (see Note 9). As at December 31, 2014 and 2013, the carrying value of explored mineral resources amounted to P1.9 billion and P2 billion, respectively (see Note 10).

Estimating Provision for Site Rehabilitation
In determining the provision for mine rehabilitation, the Group considers factors that affect the calculation of the ultimate liability. These factors include, but not limited to, the extent and costs of rehabilitation activities, technological changes, regulatory changes and changes in discount rates. The Group reviews and updates these factors on a continuous basis. It is possible that future results of operations could be materially affected by change in the provision for site rehabilitation brought about by the changes in the factors mentioned.

As at December 31, 2014 and 2013, the provision for site rehabilitation costs amounted to P10.3 million and P9.3 million, respectively (see Note 13).

Estimating Allowance for Impairment Losses on Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that items of property and equipment, investments in subsidiaries and investment properties may be impaired. Determining the amount of the assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the separate financial statements. Further events could cause the Company to conclude that these assets are impaired. Any resulting impairment loss could have material impact on the unconsolidated financial position and performance of the Company.

The preparation of the estimated future cash flows involves estimations and assumptions. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of the recoverable amounts and may lead to future additional impairment.

The Company recognized impairment losses on its property and equipment amounting to P197.02 million in 2013. There is no additional impairment on the Company's property and equipment in 2014.

Estimating Realizability of Deferred Tax Assets
The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces the carrying amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company also reviews the expected timing and tax rates upon reversal of temporary differences and adjusts the impact of deferred tax accordingly. The Company's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenues and expenses.

Recognized deferred tax assets amounted to P6.2 million and P4.2 million as at December 31, 2014 and 2013, respectively (see Note 16).

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by the Group, except for the changes in accounting policies as explained below.

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards and new interpretation starting January 1, 2014 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these amendments to standards and interpretation did not have any significant impact on the Group's consolidated financial statements.

- *Offsetting Financial Assets and Financial Liabilities (Amendments to PAS 32).* These amendments clarify that:

  - an entity currently has a legally enforceable right to set-off if that right is:
    - not contingent on a future event; and
    - enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties; and

  - gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that:
    - eliminate or result in insignificant credit and liquidity risk; and
    - process receivables and payables in a single settlement process or cycle.

- *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to PAS 36).* These narrow-scope amendments to PAS 36 address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments clarified that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

- *Measurement of short-term receivables and payables (Amendment to PFRS 13).* The amendment clarifies that, in issuing PFRS 13 and making consequential amendments to PAS 39 and PFRS 9, the intention is not to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

Recognition of Financial Instruments

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities on initial recognition and, where applicable and appropriate, re-evaluates this designation at each reporting date. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting. Regular way purchases or sales of financial assets require delivery of assets within the period generally established by regulations or convention in the marketplace.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The fair value of a financial instrument on initial recognition is normally the transaction price (i.e., the fair value of the consideration given or received). If a financial asset is not subsequently accounted for at FVPL, the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination.

The Group classifies its financial assets in the following categories: HTM investments, AFS financial assets, FVPL financial assets and loans and receivables. The Group classifies its financial liabilities as either FVPL financial liabilities or other financial liabilities. The classification depends on the Group's business model for managing financial instruments and the contractual cash flow characteristics of the financial instruments. The management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates this designation at every reporting date.

As at December 31, 2014 and 2013, the Group has no designated FVPL financial assets and liabilities and HTM investments.

Loans and Receivables. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS or FVPL financial assets. Such assets are recognized initially at fair value. After initial recognition, loans and receivables are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment losses, if:

- the loans and receivables are held within a business model whose objective is to hold such assets in order to collect contractual cash flows; and

- the contractual terms of the loans and receivables give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through amortization process. Loans and receivables are classified as current assets if maturity is within 12 months from the reporting date. Otherwise, these are classified as noncurrent assets.

Loans and receivables comprise cash, trade receivables, due from related parties, long-term receivable, advances to employees, suppliers and third parties, and rehabilitation funds.

Cash includes cash on hand and in banks, which is stated at face value.

The current portion of the Group's long-term receivable and advances to employees, suppliers and third parties are included as part of "Other current assets" account in the consolidated statements of financial position. The noncurrent portion of long-term receivable and rehabilitation funds are included as part of "Other noncurrent assets" account in the consolidated statements of financial position.

AFS Financial Assets. AFS securities are financial assets which are designated as such, or do not qualify to be classified or have not been classified under any other financial category. They are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions. These include debt and equity securities.

After initial measurement, AFS financial assets are subsequently measured at fair value. Changes in fair value, other than impairment losses, and foreign currency differences on AFS equity securities are recognized in other comprehensive income as "Unrealized gains or losses on AFS securities" and are presented within equity. The losses arising from the impairment of such securities are recognized in profit or loss. When the security is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is transferred to profit or loss. The effective yield component of AFS debt securities, as well as the impact of restatement on foreign currency-denominated AFS debt securities, is reported in profit or loss.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of unobserved inputs such as in the case of unquoted equity instruments, these financial assets are allowed to be carried at cost less impairment, if any.

This category includes equity securities not held for control or significant influence over the investee.

As at December 31, 2014 and 2013, the AFS financial assets represent the Group's investment in the common shares of Century Peak Property Development, Inc. (CPPDI). These equity instruments do not have a quoted market price in an active market and are measured at cost less impairment, if any.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Included in this category are the Group's accounts payable and other current liabilities and amounts due to related parties that meet the above definition (other than liabilities covered by other PFRSs, such as income tax payable).

'Day 1' Profit. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions of the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' profit) in profit or loss. In cases where no observable data are used, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' profit amount.

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

Derecognition of Financial Assets and Liabilities

Financial Assets

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

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

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

Financial Liabilities

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

Determination of Fair Values

The Group's accounting policies require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes, when necessary, based on the estimated amounts that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. When applicable, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair values are categorized into different levels in a fair valne hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within 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 the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change has occurred.

Inventories

Inventories, which consist of nickel and chromite ores, are measured at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The Group uses the weighted average method of inventory costing. Under the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period. The average may be calculated on a periodic basis, or as each additional shipment is received, depending upon the circumstances of the entity.

Cost represents the weighted average cost and comprises direct materials, labor and an appropriate portion of fixed and variable production overhead expenditure on the basis of normal operating capacity, including depreciation and amortization incurred in converting materials to finished products.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. The Group's investment properties are held either to earn rental income or for capital appreciation or both. Subsequent to initial recognition, investment properties are carried at cost less any impairment in value.

Investment properties are derecognized when these have been disposed or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Explored Mineral Resources

Explored mineral resources represent the Group's intangible asset for its right to mine certain areas. Such intangible asset, which has a definite useful life, was acquired by the Group in relation to its acquisition of a group of assets.

Explored mineral resources are measured at cost of acquisition less accumulated amortization and accumulated impairment losses, if any. Amortization of explored mineral resources is calculated using the units-of-production method based on estimated recoverable reserves, as this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortization shall begin when the nickel ore extraction begins or when the mine site is in the condition when it is capable to operate in the manner intended by management, whichever is earlier. Amortization shall cease at the earlier of the date that the intangible assets is classified as held for sale in accordance with PFRS 5 and the date that asset is derecognized.

The estimated recoverable reserves and the amortization method are reviewed periodically to ensure that the estimated recoverable reserves and method of depletion are consistent with the expected pattern of economic benefits from the explored mineral resources. If the estimated recoverable reserve is different from previous estimates, the basis of depletion shall be changed accordingly.

Property and Equipment

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

Initially, an item of property and equipment is measured at its cost, which consists of its purchase price and any directly attributable cost in bringing the asset to the location and condition for its intended use. Subsequent costs (including costs of replacing a part of an item of property and equipment) that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Group. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation and amortization is computed using the straight-line method over the EUL of the assets. Depreciation, amortization and depletion commences once the assets become available for use. Leasehold improvements are amortized using the straight-line method over the shorter of their EUL or corresponding lease terms.

	Number of Years
Transportation and field equipment	4 - 10
Office equipment	3 - 5
Barges and boats	4
Improvements	10

The assets' residual values, useful lives and depreciation, amortization and depletion methods are reviewed annually and adjusted, if appropriate, to ensure that the methods and period of depreciation, amortization and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. Any change in the expected residual values, EUL and methods of depreciation, amortization and depletion is adjusted prospectively from the time the change was determined necessary.

When an asset is disposed of, or is retired from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization, depletion and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss.

Construction in progress represents property and equipment under construction and is stated at cost. This includes cost of construction and other direct costs. Assets under construction are transferred to the related property and equipment account when the construction and installation and related activities necessary to prepare the property and equipment for the intended use are completed, and the property and equipment are ready for services. Construction in progress is not depreciated until such time that the relevant assets are completed and put into operational use but tested for impairment losses.

Mine site development costs represent the cost of road network, pier, stockyard and other costs incurred in constructing the production infrastructure. When exploration results are positive or commercially viable, cost incurred for development of mining properties are deferred as incurred.

Depletion of mine site development cost is computed based on ore extraction over the estimated volume of proven and probable ore reserves, as estimated by the Group's geologist and certified by an independent geologist, or over the estimated life of specific components whichever results in a shorter period of depletion.

Mine site development cost is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the year the item is derecognized.

Assets Held for Sale

Noncurrent assets or disposal groups comprising assets and liabilities, are classified as held-for-sale if its highly probable that they will recovered primarily through sale rather than through continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less cost of disposal. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized on profit or loss.

Once classified as held-for-sale, intangible asset and property, plant and equipment are no long amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset (an incurred "loss event") and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

If there is an objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). Time value is generally not considered when the effect of the discounting is not material. The carrying amount of the asset is reduced through the use of an allowance account. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. The financial assets, together with the associated allowance accounts, is written-off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Group. Impairment loss is recognized in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, either directly or by adjusting an allowance account. Any subsequent reversal is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets, such as property and equipment, explored mineral resources, investment properties and other noncurrent assets, are reviewed at each reporting date to determine whether there is any indication that an asset may be impaired, or whether there is any indication that an impairment loss previously recognized for an asset in prior periods may no longer exist or may have decreased. If any such indication exists and when the carrying amount of an asset exceeds its estimated recoverable amount, the asset or cash-generating units (CGU) to which the asset belongs is written-down to its recoverable amount. Recoverable amounts are estimated for individual assets or investments or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of a nonfinancial asset is the greater of the asset's fair value less costs of disposal and its value in use. The fair value is the amount obtainable from the sale of the asset in an orderly transaction between market participants at a measurement date, less the costs of disposal. Value in use is the present value of the future cash flows expected to be delivered from an asset or CGU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognized in profit or loss in the year in which it arises. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any accumulated depreciation and amortization for property and equipment, net of any depletion for mine site development cost) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in profit or loss. After such reversal, the depreciation, amortization and depletion expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Equity
Capital stock is measured at par value for all shares issued and outstanding. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct cost incurred related to the equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to additional paid-in capital. If additional paid-in capital is not sufficient, the excess is charged to deficit.

Retained earnings (deficit) represents the accumulated income (losses) of the Group.

Revenue
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Minerals
Revenue from sale of minerals, such as nickel and chromite ores, is recognized in profit or loss on the date that minerals are delivered to the customer. Revenue is the fair value of the consideration received or receivable, net of taxes, such as VAT (if applicable).

Interest Income
Interest income is recognized on a time-proportion basis using the effective interest method.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are rendered or the expenses are incurred.

Cost of Sales

Cost of sales is recognized when the expense is incurred and is reported in the consolidated financial statements in the periods to which it relates.

Operating Expenses

Expenses incurred in the general administration of the day-to-day operation of the Group are generally recognized when the service is rendered or the expense is incurred.

Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income.

Current Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute this amount are those that are enacted or substantively enacted as at the reporting date.

Deferred Tax

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and the carryforward tax benefits of the net operating loss carryover (NOLCO) and the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT). The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, carryforward benefits of NOLCO and MCIT, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the carryforward tax benefits of NOLCO and MCIT can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accrual for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. Tax assessments rely on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax availabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

VAT
Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of VAT included.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the Group's consolidated statements of financial position.

Final Tax
Final tax represents tax on interest income derived from bank deposits. Final tax is recognized in profit or loss in the same period when the related interest income is recognized and is withheld by the depository bank for remittance to the taxing authority.

Foreign Currency Transactions
The functional and presentation currency of the Group is the Philippine peso. Transactions in foreign currencies are recorded in Philippine peso based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated into Philippine peso using the prevailing exchange rate at the reporting date. Exchange gains or losses arising from translation of foreign currency denominated items at rate different from those at which they were previously recorded are recognized in profit or loss.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risk specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

Provision for Site Rehabilitation
The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailing dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mine assets. Overtime, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statements of comprehensive income as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Related Parties
Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Earnings (Loss) Per Share
Basic earnings (loss) per share in the consolidated financial statements is determined by dividing net income (loss) attributable to equity holders of the Parent Company by the weighted average number of shares outstanding, after giving retroactive effect to any stock dividends declared during the year. Diluted EPS is computed in the same manner as basic EPS, however, net income attributable to common shares and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares (see Note 20).

Events After the Reporting Date
Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed when material.

Standards Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2014. However, the Group has not applied the following new or amended standards in preparing these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective July 1, 2014

- *Annual Improvements to PFRSs: 2010 - 2012 and 2011 - 2013 Cycles* - Amendments were made to a total of nine standards, with changes made to the standards on business combinations and fair value measurement in both cycles. Most amendments will apply prospectively for annual periods beginning on or after July 1, 2014. Earlier application is permitted, in which case the related consequential amendments to other PFRSs would also apply. Special transitional requirements have been set for amendments to the following standards: PFRS 2, PAS 16, PAS 38 and PAS 40. The following are the said improvements or amendments to PFRSs, none of which has a significant effect on the consolidated financial statements of the Group:

  - *Scope of portfolio exception (Amendment to PFRS 13)*. The scope of the PFRS 13 portfolio exception - whereby entities are exempted from measuring the fair value of a group of financial assets and financial liabilities with offsetting risk positions on a net basis if certain conditions are met - has been aligned with the scope of PAS 39 and PFRS 9.

    PFRS 13 has been amended to clarify that the portfolio exception potentially applies to contracts in the scope of PAS 39 and PFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under PAS 32 - e.g. certain contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument.

  - *Definition of 'related party' (Amendment to PAS 24)*. The definition of a 'related party' is extended to include a management entity that provides key management personnel (KMP) services to the reporting entity, either directly or through a group entity. For related party transactions that arise when KMP services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the KMP services. The reporting entity will also need to disclose other transactions with the management entity under the existing disclosure requirements of PAS 24 - e.g. loans.

Effective January 1, 2016

- *Annual Improvements to PFRSs 2012 - 2014 Cycle.* This cycle of improvements contains amendments to four standards, none of which are expected to have significant impact on the Company's financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

  - *Changes in method for disposal (Amendment to PFRS 5).* PFRS 5 is amended to clarify that:

    if an entity changes the method of disposal of an asset (or disposal group) - i.e. reclassifies an asset (or disposal group) from held-for-distribution to owners to held-for-sale (or vice versa) without any time lag - then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset (or disposal group) and recognizes any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset (or disposal group); and

    if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

    Any change in method of disposal or distribution does not, in itself, extend the period in which a sale has to be completed.

    The amendment to PFRS 5 is applied prospectively in accordance with PAS 8 to changes in methods of disposal that occur on or after January 1, 2016.

Effective January 1, 2018

- *PFRS 9 Financial Instruments (2014).* PFRS 9 (2014) replaces PAS 39, *Financial Instruments: Recognition and Measurement,* and supersedes the previously published versions of PFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). PFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2013. PFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

  The new standard is to be applied retrospectively for annual periods beginning on or after January 1, 2018 with early adoption permitted.

4. Cash

	2014	2013
Cash in banks	**P99,522,396**	P4,085,678
Cash on hand	**7,439**	40,992
	P99,529,835	P4,126,670

Cash in banks earns interest at the prevailing bank deposit rates. Interest income earned amounted to P24,083, P18,919 and P13,989 in 2014, 2013 and 2012, respectively.

The Group's exposures to credit risk and foreign currency risk are disclosed in Note 19 to the consolidated financial statements.

5. Trade Receivables

Trade receivables from sale of nickel ore amounted to P256,787,152 as at December 31, 2014, which are noninterest-bearing and are generally on 30 - 60 days credit term.

The Group's exposures to credit risk and foreign currency risk are disclosed in Note 19 to the consolidated financial statements.

6. Inventories

	2014	2013
Nickel ore	**P47,586,063**	P45,438,480
Chromite	**2,336,269**	2,336,269
	P49,922,332	P47,774,749

Nickel ore and chromite inventories are stated at cost.

In 2014 and 2013, the cost of inventories (excluding contractors' fees amounting to P8.1 million, royalties and excise tax) recognized in profit or loss amounted to P492.8 million and P52.1 million, respectively (see Note 14).

7. Other Current Assets - net

	Note	**2014**	2013
Advances to:			
Third parties		**P16,609,690**	P1,776,477
Suppliers		**-**	867,554
Employees		**-**	2,222,668
Input VAT		**26,649,142**	19,122,308
Prepaid expenses		**10,681,389**	3,301,188
Assets held for sale		**8,192,487**	-
Current portion of deferred input VAT		**7,997,243**	600,000
Current portion of long-term receivable	*21*	**6,045,197**	7,396,610
Receivable from suppliers		**-**	6,852,452
Others		**378,811**	398,593
		76,553,959	42,537,850
Allowance for impairment losses on input VAT		**(9,128,237)**	(9,128,237)
		P67,425,722	P33,409,613

The Group's advances to third parties and employees are noninterest-bearing and are collectible on demand.

Prepaid expenses consist primarily of consist of prepaid taxes, insurance, supplies and various items that are individually immaterial. Receivable from suppliers are insurance claims for the repairs of defective barges purchased in 2012, which were collected in 2014.

In 2013, management has committed to sell five coasters amounting to P8.2 million. Continuous efforts to sell the coasters are currently being implemented. The Company expects to sell the assets in 2015.

Deferred input VAT was incurred from purchase of field and transportation equipments.

The Group's exposure to credit risk in respect of long-term receivable and advances to employees, suppliers and third parties is disclosed in Note 19 to the consolidated financial statements.

8. Investment Properties

Investment properties consist of two parcels of land with carrying amount of P21.4 million as at December 31, 2014 and 2013. Fair values, which represent the price that would be received to sell the investment properties in an orderly transaction between market participants at the measurement date of February 28, 2011, amounted to P35.4 million. No direct cost was incurred.

The non-recurring fair values of investment properties are determined by the Group through an independent property appraiser using the market data approach. In this approach, the values of the parcels of land are based on sales and listings of comparable property registered within the vicinity. The comparison is premised on the factors of location, size and share of the lot, time element and others.

9. Property and Equipment

Movements of this account are presented below:

	Land	Mine Site Development Cost	Transportation and Field Equipment	Office Space and Improvements	Office Equipment	Construction in Progress	Total
Cost							
January 1, 2013	P40,221,355	P408,754,772	P539,200,022	P37,587,957	P5,562,215	P32,045,528	P1,063,371,849
Additions	-	9,385,476	71,520,091	-	364,604	-	81,270,171
Reclassifications	-	-	(178,968,102)	-	-	178,968,102	-
December 31, 2013	40,221,355	418,140,248	431,752,011	37,587,957	5,926,819	211,013,630	1,144,642,020
Additions	-	2,265,298	486,213,560	-	414,738	2,392,800	491,286,396
December 31, 2014	**40,221,355**	**420,405,546**	**917,965,571**	**37,587,957**	**6,341,557**	**213,406,430**	**1,635,928,416**
Accumulated Depreciation, Amortization, Depletion and Impairment Losses							
January 1, 2013	-	4,660,572	74,371,647	3,756,615	4,210,614	-	86,999,448
Depreciation, amortization and depletion for the year	-	2,199,056	24,942,455	1,503,948	1,191,953	-	29,837,412
Impairment losses recognized during the year	6,391,355	-	-	-	146,932	190,481,468	197,019,755
December 31, 2013	6,391,355	6,859,628	99,314,102	5,260,563	5,549,499	190,481,468	313,856,615
Depreciation, amortization and depletion for the year	-	14,752,345	142,278,554	1,503,518	361,640	-	158,896,057
December 31, 2014	**6,391,355**	**21,611,973**	**241,592,656**	**6,764,081**	**5,911,139**	**190,481,468**	**472,752,672**
Carrying Amount							
December 31, 2013	P33,830,000	P411,280,620	P332,437,909	P32,327,394	P377,320	P20,532,162	P830,785,405
December 31, 2014	**P33,830,000**	**P398,793,573**	**P676,372,915**	**P30,823,876**	**P430,418**	**P22,924,962**	**P1,163,175,744**

Depreciation, amortization and depletion are recognized under the following:

	Note	**2014**	2013	2012
Inventories	*6*	**P651,918**	P11,558,643	P -
Cost of sales	*14*	**151,457,451**	11,237,571	17,002,477
Operating expenses	*15*	**6,786,688**	7,041,198	9,051,516
		P158,896,057	P29,837,412	P26,053,993

Allowance for Impairment Losses on Property and Equipment
The Group has recognized provision for impairment losses on its property and equipment amounting to P197 million in 2013, following the impairment of some equipment, construction in progress and parcels of land of CHGSI in Leyte caused by typhoon Yolanda in November 2013. The impaired assets have a carrying value of P251.4 million as at December 31, 2013. The fair value of these assets amounting to P54.4 million was based on the current replacement costs as estimated by an independent property appraiser.

As at December 31, 2014 and 2013, construction in progress represents the installation of CHGSI's smelting plant which is expected to be completed in 2016.

10. Explored Mineral Resources

	2014	2013
Cost	**P2,016,756,977**	P2,016,756,977
Allowance for accumulated depletion	**(153,229,504)**	(54,668,424)
	P1,863,527,473	P1,962,088,553

The movements in the allowance for accumulated depletion as at December 31 are as follows:

	2014	2013
Balance at beginning of year	**P54,668,424**	P39,833,502
Depletion for the year	**98,561,080**	14,834,922
Balance at end of year	**P153,229,504**	P54,668,424

Explored mineral resources are part of the group of assets of CPC that were acquired in 2008, in exchange for shares of stock of the Parent Company. At acquisition date, these explored mineral resources were measured based on the expected cash flows from the explored area of about 400.0 hectares or 42.0% of total area covered by the MPSA.

The valuation also considered CPC's existing exploration permit in Puerto Princesa, Palawan covering an estimated area of 3,188.3 hectares and exploration permit application in Albor, Surigao del Norte with an estimated area of 5,136.3 hectares, without assigning financial or monetary value. Costs of exploration permits were immaterial and were charged to profit or loss. In addition, the valuation did not include any assignment of operating agreements and additional mining tenements that may contain other minerals.

The financial model yielded an expected NPV on CPC's group of assets amounting to P2.0 billion using an investment hurdle rate of 36.6%. The NPV computation assumed an average selling price of USD 27,500.0 per metric ton of pure nickel, which considered a 16.2% discount to London Metal Exchange quoted prices; a 15-year production and selling period with a maximum annual production yield of 2.0 million metric tons; and an average production cost of USD 6.4 per wet metric ton. The valuation was prepared by Asian Alliance Investment Corporation (AAIC), an independent financial advisor. Subsequently, the Parent Company appointed Multinational Investment Bancorporation (MIB), another independent financial advisor, to render fairness opinion to the valuation. The result of MIB's report dated April 9, 2008 fairly approximated that of AAIC's report.

For purposes of computing the net present value using discounted cash flow method, the valuation of intangible assets involves the extraction of non-replaceable resource.

The assumptions used in the valuation included a number of market factors that are subject to market risk, such as commodity risk and currency risk. Significant changes in the commodity prices and foreign exchange rates would affect the fair value of the explored mineral resource.

11. Other Noncurrent Assets

	Note	**2014**	2013
Noncurrent portion of deferred input VAT	*7*	**P27,377,932**	P2,170,000
Rehabilitation funds		**9,532,049**	3,640,075
AFS financial assets		**1,500,000**	1,500,000
Advances to suppliers		**-**	117,512,183
Noncurrent portion of long-term receivable	*21*	**-**	5,181,144
Others		**-**	8,264,487
		P38,409,981	P138,267,889

Advances to suppliers are required down payments for the purchase of barges and blast equipment.

Rehabilitation funds were set up by the Group to ensure availability of financial resources for the satisfactory compliance with and performance of activities of its Environmental Protection and Enhancement Program during the specific phases of its mining projects. The funds also include a Social Development Management Program fund under a Memorandum of Agreement with the Development Bank of the Philippines (DBP).

The Group's rehabilitation funds are deposited with DBP and earn interest at the respective bank deposit rates.

AFS financial assets pertain to the Parent Company's 3.0% ownership interest in CPPDI representing 15,000 shares at P100.00 par value, which are measured at cost in the absence of fair value.

12. Accounts Payable and Other Current Liabilities

	2014	2013
Accounts payable	**P269,171,498**	P40,435,136
Contractors' fees	**8,071,106**	8,071,104
Accrued operating expenses	**-**	2,541,357
Others	**1,079,254**	792,199
	P278,321,858	P51,839,796

The Company's accounts payable are usually paid within one year. Contractor's fees pertain to outstanding payables to previously engaged contractor. Such amount is being negotiated by both parties. Others include statutory payables, accrued salaries and various items that are individually immaterial.

The Group's exposure to liquidity risk is disclosed in Note 19 to the consolidated financial statements.

13. Provision for Site Rehabilitation

The movements in this account are as follows:

	2014	2013
Balance at beginning of year	**P9,344,635**	P8,491,778
Accretion of interest	**938,512**	852,857
Balance at end of year	**P10,283,147**	P9,344,635

A provision is recognized for the estimated rehabilitation costs of the Company's mine site upon termination of the MPSA, which is 25 years. The provision is calculated by the Company's engineers based on an estimate of the expected cost to be incurred to rehabilitate the mine site. The provision is presented at discounted value using the Philippine bond yield of 9.93% as the effective interest rate. The accretion of interest is recognized as part of "Interest expense" account in profit or loss.

14. Cost of Sales

	Note	2014	2013	2012
Depreciation, depletion and amortization	*9*	**P151,457,451**	P11,237,571	P17,002,477
Fuel and oil		**123,077,424**	7,754,842	-
Rental expense		**70,213,033**	6,227,899	-
Royalties		**45,974,554**	3,742,450	13,229,950
Contractors' fees		**36,980,714**	6,424,195	106,469,471
Materials		**26,943,006**	-	-
Transportation expense		**26,351,644**	-	28,401,602
Excise tax		**18,396,212**	1,496,980	5,291,980
Labor cost		**15,017,187**	7,606,450	7,244,051
Taxes and licenses		**5,236,458**	-	-
Utilities		**764,172**	930,066	-
Demurrage fee		**-**	5,146,049	-
Other charges		**5,751,879**	6,790,259	5,878,852
		P526,163,734	P57,356,761	P183,518,383

Rental expenses consist of various lease agreements with third parties with terms of not more than 1 year.

Royalties pertain to the tax imposed on the sale of mineral resources, which is 5% of the assessed value of MGB.

Other charges include survey fees and various items that are individually immaterial.

15. Operating Expenses

	Note	**2014**	2013	2012
Salaries, wages and employee benefits		**P9,941,632**	P10,014,512	P8,187,018
Depreciation, amortization and depletion	*9*	**6,786,688**	7,041,198	9,051,516
Transportation and travel		**6,190,648**	2,600,382	5,276,809
Taxes and licenses		**5,349,506**	3,773,809	4,337,571
Service fee		**3,906,796**	6,013,724	-
Office supplies		**3,655,834**	3,115,267	1,350,733
Customs and brokerage fees		**3,612,276**	596,810	-
Professional fees		**1,648,405**	2,984,062	3,061,726
Utilities		**1,230,815**	1,688,047	2,816,599
Association dues		**896,475**	801,139	-
Insurance		**703,718**	843,129	-
Representation		**568,600**	986,034	1,011,936
Repairs and maintenance		**168,726**	2,653,544	4,422,369
Fuel and oil		**111,940**	3,097,451	-
Manning fees		**15,000**	773,561	3,676,704
Charitable contributions		**-**	640,438	-
Vessel expenses		**-**	-	1,903,767
Security services		**-**	-	1,052,000
Provision for impairment of input VAT		**-**	-	460,683
Others		**2,597,311**	1,495,043	3,782,727
		P47,384,370	P49,118,150	P50,392,158

Others include bank charges and various items that are individually immaterial.

16. Income Taxes

The components of the Company's income tax expense (benefit) are as follows:

	2014	2013	2012
Current	**P -**	P298,163	P4,263,988
Final tax	**-**	4,261	1,261
Origination and reversals of deferred tax	**(2,005,420)**	(1,916,700)	12,557,494
	(P2,005,420)	(P1,614,276)	(P16,822,743)

In 2013, CPC has incurred MCIT amounting to P298,163 which is available for offsetting against income tax payable until 2016.

As mentioned in Note 1, the Company is registered with BOI on its mining and extraction of nickel ore. No income tax expense was recognized for the year ended December 31, 2014 as the Company enjoyed tax credit amounting to P128.7 million for income generated from its BOI-registered activity under ITH.

As at December 31, 2014 and 2013, the Group only recognized deferred tax asset on CPC's NOLCO in 2013 amounting to P8 million. The NOLCO of other entities in the Group totaling P87.6 million and P89.9 million as December 31, 2014 and 2013 has not been recognized as deferred tax assets as management believes that it is not probable that sufficient taxahle profit will be available against which deferred tax assets may be utilized.

As at December 31, 2014, the Group has NOLCO which can be claimed as deduction against future taxable income as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2014	P19,231,470	P -	P -	P19,231,470	2019
2013	21,137,631	-	-	21,137,631	2018
2012	23,526,603	-	-	23,526,603	2017
2011	19,154,165	-	-	19,154,165	2016
2010	18,304,332	5,741,213	-	12,563,119	2015
2009	7,845,643	-	7,845,643	-	2014
	P109,199,844	P5,741,213	P7,845,643	P95,612,988	

Under Section 244 of National Internal Revenue Code of 1997, the net operating loss of a business or enterprise for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income, shall be carried over as a deduction from gross income for the next three (3) consecutive taxable years immediately following the year of such loss. Provided, that for mines other than oil and gas wells, a net operating loss without benefits of incentives provided for under Executive Order No. 226, As Amended, incurred in any of the first ten (10) years of operation may be carried over as a deduction from taxable income for the next five (5) years immediately following the year of such loss. Following this NIRC, CPC could carry over its NOLCO for five (5) years, while the other subsidiaries of the Group could carry over its NOLCO for three (3) years.

The components of the Company's deferred tax assets (liability) recognized in the consolidated statements of financial position are as follows:

2014	**January 1**	**Recognized in Profit or Loss**	**December 31**
Deferred tax assets:			
NOLCO	**P2,405,401**	**(P679,543)**	**P3,084,944**
Provision for site rehabilitation - net	**1,495,072**	**(910,329)**	**2,405,401**
MCIT	**298,163**	**(109,248)**	**407,411**
Unrealized foreign exchange losses (gains)	**(8,137)**	**(306,300)**	**298,163**
Allowance for impairment losses on receivables	**-**	**-**	**-**
Net deferred tax assets	**P4,190,499**	**(P2,005,420)**	**P6,195,919**

2013	January 1	Recognized in Profit or Loss	December 31
Deferred tax assets:			
NOLCO	P -	(P2,405,401)	P2,405,401
Provision for site rehabilitation - net	1,239,215	(255,857)	1,495,072
MCIT	-	(298,163)	298,163
Unrealized foreign exchange losses (gains)	54,509	62,646	(8,137)
Allowance for impairment losses on receivables	980,075	980,075	-
Net deferred tax assets	P2,273,799	(P1,916,700)	P4,190,499

The reconciliation of income tax expense (benefits) computed at the statutory tax rates to income tax expense (benefits) recognized in profit or loss is summarized as follows:

	2014	2013	2012
Loss before income tax	**P336,404,440**	(P240,365,862)	(P10,758,565)
Income tax expense computed at statutory tax rates of 30%	**P100,921,332**	(P72,109,759)	(P3,227,570)
Income tax effects of:			
Income tax holiday benefits incentive	**(128,737,818)**	-	-
Effect of change in unrecognized deferred tax assets and others	**17,941,756**	69,668,073	20,327,433
Expired NOLCO	**7,845,643**	4,336,385	-
Nondeductible expenses	**23,828**	(279,009)	(224,036)
Interest income subjected to final tax	**(161)**	(5,675)	(54,345)
Final tax paid	-	4,261	1,261
	(P2,005,420)	**(P1,614,276)**	P16,822,743

17. Equity

Capital Stock

	Number of Shares	Amount
Authorized, P1.0 par value	3,575,000,000	P3,575,000,000
Issued and outstanding	2,820,330,450	P2,820,330,450

The Group has 213 holders of common equity securities as at December 31, 2014 and 2013.

The Group is compliant with the minimum public float of 10% that is required by the PSE, where the Parent Company's shares are traded.

Noncontrolling Interest
The following table summarizes the information relating to each Group's subsidiaries:

	2014		
	CHGSI	**CSSI**	**CSCI**
NCI percentage	**45**	**40**	**20**
Current assets	**P621,223**	**P207,881,787**	**P124,641,505**
Noncurrent assets	**80,545,561**	**-**	**155,470,964**
Current liabilities	**208,499,232**	**87,700,792**	**273,494,121**
Noncurrent liabilities	**-**	**-**	**-**
Net assets (liabilities)	**(P127,332,438)**	**P120,180,995**	**(P6,618,348)**
Carrying amount of NCI	**(P57,299,597)**	**P48,072,398**	**(P1,323,670)**
Revenue	**P270**	**(P16)**	**P41,010,235**
Net income (loss)/total comprehensive income (loss)	**(P219,615)**	**(P78,784)**	**P23,963,630**
Net income (loss)/total comprehensive income (loss) allocated to NCI	**(P98,827)**	**(P31,514)**	**P4,792,725**
Cash flows from operating activities	**(P11,144)**	**(P777,531)**	**P48,651,138**
Cash flows from investing activities	**-**	**-**	**(41,938,441)**
Cash flows from a financing activity	**-**	**743,768**	**-**
Net decrease in cash	**(P11,144)**	**(P33,763)**	**P6,712,697**

	2013		
	CHGSI	CSSI	CSCI
NCI percentage	45	40	20
Current assets	P1,034,974	P210,929,364	P17,122,650
Non-current assets	80,689,839	-	209,592,213
Current liabilities	208,837,646	90,669,585	244,060,145
Non-cnrrent liabilities	-	-	-
Net assets	(P127,112,833)	P120,259,779	(P17,345,282)
Carrying amount of NCI	(P57,200,775)	P47,377,185	(P3,469,057)
Revenue	P347	P5,282	P2,119,256
Net income (loss)/total comprehensive income (loss)	(P200,132,319)	(P33,397)	(P13,525,953)
Net income (loss)/total comprehensive iucome (loss) allocated to NCI	(P90,059,544)	(P13,359)	(P2,705,191)
Cash flows from operating activities	(P38,591)	(P9,270)	P6,966,137
Cash flows from an investing activity	-	-	(6,910,357)
Cash flows from a financing activity	-	7,303	-
Net decrease in cash	(P38,591)	(P1,967)	P55,780

18. Related Party Transactions

The following are the significant related party transactions and balances:

Category/Transaction	Year	Note	Amount of the Transaction	Outstanding Balance: Due from Related Parties	Outstanding Balance: Due to Related Parties	Terms	Conditions
Stockholder							
Advances*	**2014**	*a*	**P -**	**P -**	**P392,113,755**	**Due on demand; noninterest-bearing**	**Unsecured; no impairment**
	2013		99,725,931	-	424,114,936	Due on demand; noninterest-bearing	Unsecured; no impairment
Under Common Control							
Century Peak Energy Corporation							
Advances	**2014**	*b*	**8,921,569**	**12,045,969**	-	**Due on demand; noninterest-bearing**	**Unsecured; no impairment**
	2013		3,124,399	3,124,399	-	Due on demand; noninterest-bearing	Unsecured; no impairment
Philippines Dalishi Mining Co., Inc.							
Advances	**2014**	*b*	**1,741,857**	**3,937,202**	-	**Due on demand; noninterest-bearing**	**Unsecured; no impairment**
	2013		2,195,345	2,195,345	-	Due on demand; noninterest-bearing	Unsecured; no impairment
Mineral Treasures Mining Corporation							
Advances	**2014**	*b*	**348,273**	**515,597**	-	**Due on demand; noninterest-bearing**	**Unsecured; no impairment**
	2013		167,324	167,324	-	Due on demand; noninterest-bearing	Unsecured; no impairment
Others							
Advances	**2014**	*b*	**1,349,658**	**3,790,171**	-	**Due on demand; noninterest-bearing**	**Unsecured; no impairment**
	2013		2,440,513	5,601,561	-	Due on demand; noninterest-bearing	Unsecured; no impairment
Key Management Personnel							
Short-term benefits	**2014**		**2,234,285**	**-**	**-**		
	2013		1,434,609	-	-		
TOTAL	**2014**			**P20,288,939**	**P392,113,755**		
TOTAL	2013			P11,088,629	P424,114,936		

*Advances to suppliers amounting to P110.9 million were applied against the outstanding advances to stockholder in 2014.

a. Noninterest-bearing cash advances from stockholders were used by the Group to finance working capital requirements.

b. Noninterest-bearing cash advances to entities under common control were provided by the Group to finance working capital requirements.

19. Financial Risk and Capital Management Objectives and Policies

Financial Risk Management

Overview

The Group's financial instruments consist of cash, trade receivables, due from related parties, rehabilitation funds, long-term receivable, advances to employees, suppliers and third parties, due to related parties and accounts payable and other liabilities. The main purpose of these financial instruments is to finance the Group's operations. The main risks arising from the use of these financial instruments are credit risk, liquidity risk and market risk.

Risk Management Framework
The BOD and management have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There were no changes in the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk from previous year.

Credit Risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's bank deposits and trade debtors and is monitored on an ongoing basis. The objective is to reduce the risk of loss through default by counterparties. The risk is managed by spreading financial transactions, including bank deposits, across an approved list of high quality banks.

Exposure to Credit Risk
The carrying amounts of financial assets, which are classified as loans and receivables, represent the maximum credit exposure. Credit risk at the reporting date is as follows:

	Note	**2014**	2013
Cash in banks	*4*	**P99,522,396**	P4,085,678
Trade receivables	*5*	**256,787,152**	-
Due from related parties	*18*	**20,288,939**	11,088,629
Long-term receivable	*7, 11*	**-**	12,577,754
Advances to third parties and employees	*7*	**16,609,690**	4,866,699
Rehabilitation funds	*11*	**9,532,049**	3,640,075
		P402,740,226	P36,258,835

Trade Receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base have less of an influence on credit risk.

The Group maintains a defined credit policy to ensure that the credit is given only to customers with an appropriate credit history. As such, the Group normally does not obtain collateral from its customers.

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

As at December 31, 2014, the Group's financial assets were classified as neither past due nor impaired.

Trade receivables which are past due but not impaired pertain to outstanding accounts of customers that are more than 60 days past due.

The Group believes that the unimpaired amounts of not past due and past due are collectible, based on historic payment behavior and extensive analysis of customers counterparties credit risk.

The Group's exposure to credit risk arises from default of the counterparty. Cash in banks and rehabilitation funds are of high grade quality. High grade cash in banks and rehabilitation funds are invested and deposited in reputable local banks. Trade receivables, advances to employees, suppliers and third parties and amounts due from related parties are of standard grade quality as at December 31, 2014 and 2013, respectively. Standard grade quality financial assets are those assessed as having minimal to regular instances of payment default due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

The credit qualities of financial assets that were neither past due nor impaired are determined as follows:

- Cash and rehabilitation funds are based on the credit standing or rating of the counterparty.

- Trade receivables, advances to employees, suppliers and third parties and amounts due from related parties are based on a combination of credit standing or rating of the counterparty, historical experience and specific and collective credit risk assessment.

The allowance for impairment losses on trade receivables as at December 31, 2014 and 2013 are based on historical collection experience of the Group and relate to outstanding accounts of customers that are more than 60 days past due. Amounts due from related parties and advances to employees, suppliers and third parties are neither past due nor impaired and are assessed to be fully collectible as at December 31, 2014 and 2013.

Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources. Cash balances are managed with two main objectives: maintain maximum liquidity and minimize the cost of borrowing.

Exposure to Liquidity Risk
The following tables summarize the maturity of the Company's financial liabilities as at December 31, 2014 and 2013 based on contractual repayment arrangements:

	2014			
	Carrying Amount	**Contractual Cash Flows**	**Within One Year**	**More than One Year**
Accounts payable and other current liabilities*	P277,242,604	P277,242,604	P277,242,604	P -
Due to related parties	392,113,755	392,113,755	392,113,755	-
	P669,356,358	**P669,356,358**	**P669,356,358**	**P -**

**Excludes non-financial liabilities amounting to a total of P1,079,254.*

	2013			
	Carrying Amount	Contractual Cash Flows	Within One Year	More than One Year
Accounts payable and other current liabilities*	P51,047,597	P51,047,597	P51,047,597	P -
Due to related parties	424,114,936	424,114,936	424,114,936	-
	P475,162,533	P475,162,533	P475,162,533	P -

**Excludes non-financial liabilities amounting to a total of P792,199.*

As disclosed above, the Group's financial assets amounted only to P402.7 million and P36.3 million as at December 31, 2014 and 2013, respectively, which are less than the contractual obligations. However, the amounts due to related parties can be rolled over at maturity; thus mitigating liquidity risk.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Exposures to Foreign Currency Risk

The Group's currency exposure relates mainly to foreign currency transactions in which trade receivables have to be collected and paid.

The following table shows the Company's significant foreign currency-denominated monetary assets and liabilities and their U.S. dollar equivalents as at December 31, 2014 and 2013:

	2014		2013	
	U.S. Dollar	**Philippine Peso***	U.S. Dollar	Philippine Peso*
Current financial assets:				
Cash	**$28,274**	**P1,264,398**	$16,076	P713,935
Receivables	**5,742,110**	**256,787,152**	-	-
	$5,770,384	**P258,051,550**	$16,076	P713,935

Sensitivity Analysis

The following table sets out, for the year ended December 31, 2014 and 2013, the impact of the range of reasonably possible movement in the U.S. Dollar to peso exchange rates with all other variables held constant, on the Company's income before tax (due to changes in the fair value of monetary assets and liabilities).

Strengthening (Weakening) of Philippine Peso against U.S. Dollar	Increase (Decrease) in Income Before Tax	
	2014	2013
1%	**(P2,580,516)**	P7,139
(1%)	**2,580,516**	(7,139)

This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period.

The Philippine Dealing & Exchange Corp. rates used for the years ended December 31, 2014 and 2013 are P44.72 and P44.41, respectively. For the year ended December 31, 2014 and 2013, foreign exchange losses recognized in profit or loss amounted to P1.4 million and P3.3 million, respectively.

Capital Management

The primary objective of the Group's capital management is to maximize the value of its capital for the benefit of its shareholders and other stakeholders. In order to achieve the objective, the management of the Group reviews its operations and financial performance with the forecasts on a regular basis to ensure that appropriate measures can be taken on a timely and effective manner. In addition, management of the Group also meets regularly to review the Group's capital requirement and the reasonableness of the level of its capital to be maintained.

The Group monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to total liabilities. Total equity comprises all components of equity including capital stock and retained earnings (deficit).

	2014	2013
Total liabilities	**P680,718,760**	P485,597,530
Less cash	**99,529,835**	4,126,670
Net debt	**P581,188,925**	P481,470,860
Total equity	**P2,905,930,105**	P2,567,520,245
Net debt to equity ratio at December 31	**0.20:1**	0.19:1

Fair Values

The fair values of cash, trade receivables, due from and to related parties, advances to employees, suppliers and third parties, rehabilitation funds and accounts payable and other liabilities approximate their carrying amounts due to the short-term nature of these financial instruments and the interest rates they carry approximate interest rates for comparable instruments in the market.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and Rehabilitation Funds

The carrying amounts approximate fair values considering that these instruments are subject to an insignificant risk of change in value.

Trade Receivables, Due from and to Related Parties, Advances to Employees, Suppliers and Third Parties and Accounts Payable and Other Liabilities

The carrying amounts approximate fair values due to the short-term nature of such instruments. Management believes that the effect of discounting cash flows from these instruments using the prevailing market rate is not significant.

AFS Financial Assets

The Group holds an investment in equity shares of CPPDI, which is classified as AFS. Quoted market price of these shares are not available since these shares are not listed on any stock exchange in 2014 and 2013, and there were no recent observable transactions. The fair value of the investment was determined to be Level 3 under the fair value hierarchy at December 31, 2014 and 2013.

20. Earnings (Loss) Per Share Computation

The following table presents information necessary to calculate earnings per share:

	2014	2013	2012
Income (loss) attributable to equity holders of the Parent Company (a)	**P333,747,476**	(P147,587,768)	(P22,128,667)
Weighted average number of common shares outstanding (b)	**2,820,330,450**	2,820,330,450	2,820,330,450
Basic/diluted income (loss) per share (a/b)	**P0.1183**	(P0.0523)	(P0.0078)

The Parent Company has no dilutive shares for the years ended December 31, 2014, 2013 and 2012.

21. Other Matters

Joint Operating Agreement with Pinamungahan Limestone Property
On November 18, 2010, CPC entered into a joint operating agreement with PMDC as the operator in the exploration, development, mining operation and utilization of the limestone and associated mineral deposits in Toledo and Pinamungahan, Cebu. The agreement has a term of 25 years. The pre-operation activities are ongoing.

Sales Contract with Froelich Tours, Inc.
On December 12, 2013, the Company sold three (3) buses amounting to P11 million, which is exclusive of VAT and sales discount of P0.6 million. This is payable in twenty-three (23) equal monthly payments. Interest is 10% per annum. The cost to acquire the buses amounted to P9.1 million. The Company recognized other income amounting to P2.1 million in profit or loss in 2013.

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
Century Peak Metals Holdings Corporation and Subsidiaries
14/F Equitable Tower, 8751 Paseo de Roxas
Salcedo Village, Makati City

We have audited, in accordance with the Philippine Standards on Auditing, the consolidated financial statements of Century Peak Metals Holdings Corporation and Subsidiaries (the "Group") as at and for each of the three years in the period ended December 31, 2014, included in this form 17-A, and have issued our report thereon dated April 13, 2015.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of the Group taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Group's management. Such additional components include:

- Map of the Conglomerate
- Schedule of Philippine Financial Reporting Standards and Interpretations
- Supplementary Schedules of Annex 68-E

These supplementary information are presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended, and are not required part of the basic consolidated financial statements. Such information have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

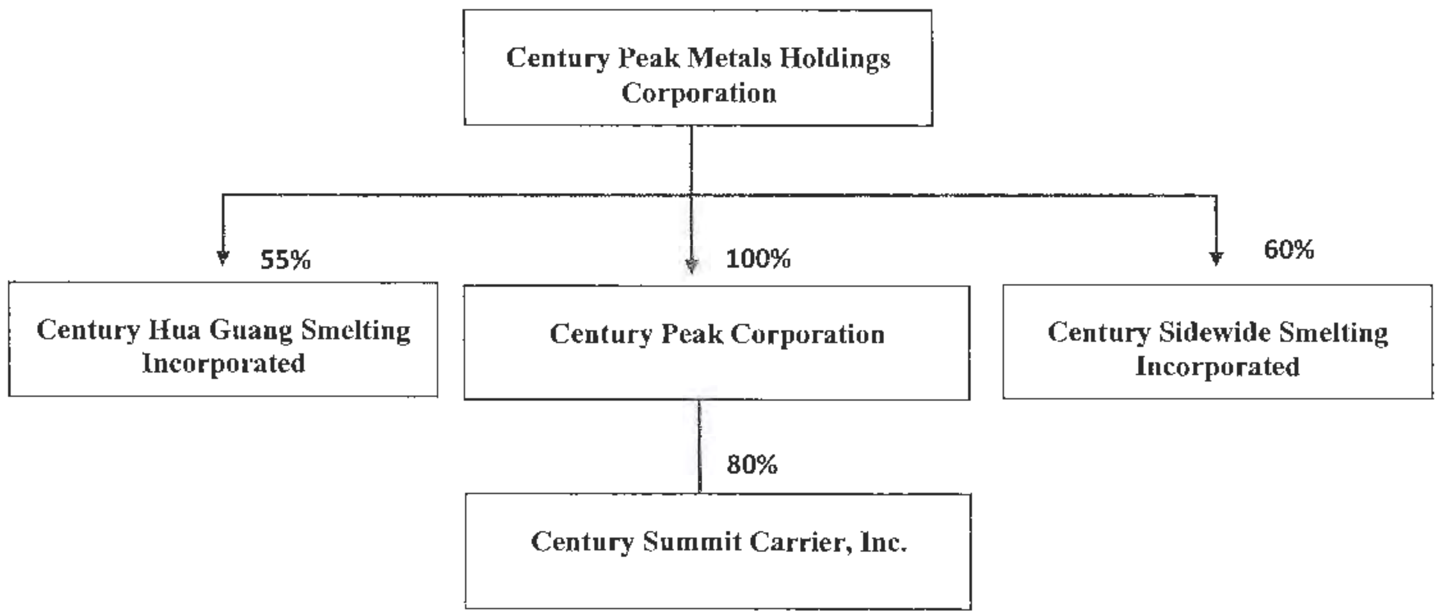
Dindo Marco M. Dioso

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 1387-A, Group A, valid until February 5, 2017
Tax Identification No. 912-365-765
BIR Accreditation No. 08-001987-30-2013
Issued December 2, 2013; valid until December 1, 2016
PTR No. 4748107MC
Issued January 5, 2015 at Makati City

April 13, 2015
Makati City, Metro Manila

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

Map of the Conglomerate
As at December 31, 2014



A. Century Sidewide Smelting Incorporated has been incorporated on September 6, 2011
B. Century Summit Carrier, Inc. has been incorporated on September 29, 2011

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE A. FINANCIALS ASSETS

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Valued based on market quotation at balance sheet date (iii)	Income received and accrued

NOT APPLICABLE

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN AFFILIATES).

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
Century Peak Energy Corporation	P3,124,399	P8,921,570	P -	P -	P12,045,969	P -	P12,045,969
Philippines Dalishi Mining Co., Inc.	2,195,345	1,741,857	-	-	3,937,202	-	3,937,202
Mineral Treasures Mining Corporation	167,324	348,273	-	-	515,597	-	515,597
Agility Transport, Inc.	121,244	-	-	-	121,244	-	776,106
East Asia Summit Traders	101,510	-	-	-	101,510	-	101,510
Other stockholders	5,378,807	1,349,658	(3,161,048)	-	3,567,417	-	2,912,555
Totals	**P11,088,629**	**P12,361,358**	**(P3,161,048)**	P -	**P20,288,939**	**P -**	**P20,288,939**

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Not Current	Balance at end of period
Century Peak Corporation	P405,681,747	P -	P4,154,533	P -	P401,527,214	P -	P401,527,214
Century Summit Carrier, Inc.	184,680,546	-	-	-	184,680,546	-	184,680,546
Century Hua Guang Incorporated	182,483,664	279,765	-	-	182,763,429	-	182,763,429
Century Peak Metal Holdings Corporation	-	21,046	-	-	21,046	-	21,046
Totals	**P772,845,957**	**P300,811**	**P4,154,533**	**P -**	**P768,992,235**	**P -**	**P768,992,235**

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE D. INTANGIBLE ASSETS - OTHER ASSETS

Description (i)	Beginning balance	Additions at cost (ii)	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions) (iii)	Ending balance
Explored Mineral Resources	**P1,962,088,553**	**P -**	**P98,561,080**	**P -**	**P -**	**P1,863,527,473**

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE E. LONG TERM DEBT

Title of Issue and type of obligation (i)	Lender	Outstanding Balance	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)	Interest Rates	Number of Periodic Installments	Final Maturity

NOT APPLICABLE

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE F. INDEBTEDNESS TO RELATED PARTIES (LONG TERM LOANS FROM RELATED PARTIES)

Name of Related Parties (i)	Balance at beginning of period	Balance at end of period (ii)

NOT APPLICABLE

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

SCHEDULE G. GUARANTEES OF SECURITIES OF OTHER ISSUERS

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)

NOT APPLICABLE

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE H. CAPITAL STOCK

Title of Issue (2)	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates (3)	Directors, officers and employees	Others
Common Shares	3,575,000,000	2,820,330,450	-	-	1,313,762,503	1,506,567,947
Totals	**3,575,000,000**	**2,820,330,450**	-	-	**1,313,762,503**	**1,506,567,947**

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDESS INDICATORS

	Years Ended December 31	
	2014	2013
ASSETS		
Current ratio (current assets over current liabilities)	**0.74:1**	0.20: 1
Solvency ratio (net income plus depreciation and amortization over total liabilities)	**0.5I:1**	-0.43: 1
Debt-to-equity ratio (total liabilities over total equity)	**0.23:1**	0.19: 1
Asset-to-equity ratio (total assets over total equity)	**1.23:1**	1.19: 1
Interest rate coverage ratio (earnings before interest and taxes over interest expense)	**192.27:I**	-282.24: 1
Operating profit margin (operating income over net sales)	**33%**	-76%
Net profit margin (net income over net sales)	**34%**	-348%

Century Peak Metals Holdings Corporation and Subsidiaries

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✔	-	-
PFRSs Practice Statement Management Commentary		-	✔	-
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	-	-	✔
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	-	-	✔
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	-	-	✔
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	-	-	✔
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	-	-	✔
	Amendments to PFRS 1: Government Loans	-	-	✔
	Annual Improvements to PFRSs 2009 - 2011 Cycle: First-time Adoption of Philippine Financial Reporting Standards - Repeated Application of PFRS 1	-	-	✔
	Annual Improvements to PFRSs 2009 - 2011 Cycle: Borrowing Cost Exemption	-	-	✔
	Annual Improvements to PFRSs 2011 - 2013 Cycle: PFRS version that a first-time adopter can apply	-	-	✔
PFRS 2	Share-based Payment	-	-	✔
	Amendments to PFRS 2: Vesting Conditions and Cancellations	-	-	✔
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	-	-	✔
	Annual Improvements to PFRSs 2010 - 2012 Cycle: Meaning of 'vesting condition'	-	-	✔
PFRS 3 (Revised)	Business Combinations	✔	-	-
	Annual Improvements to PFRSs 2010 - 2012 Cycle: Classification and measurement of contingent consideration	-	-	✔
	Annual Improvements to PFRSs 2011 - 2013 Cycle: Scope exclusion for the formation of joint arrangements	-	-	✔
PFRS 4	Insurance Contracts	-	-	✔
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	-	-	✔
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✔	-	-
	Annual Improvements to PFRSs 2012 - 2014 Cycle: Changes in method for disposal	-	✔	-

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PFRS 6	Exploration for and Evaluation of Mineral Resources	✔	-	-
PFRS 7	Financial Instruments: Disclosures	✔	-	-
	Amendments to PFRS 7: Transition	✔	-	-
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✔	-	-
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✔	-	-
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✔	-	-
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✔	-	-
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✔	-	-
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	-	✔	-
	Annual Improvements to PFRSs 2012 - 2014 Cycle: 'Continuing involvement' for servicing contracts	-	-	✔
	Annual Improvements to PFRSs 2012 - 2014 Cycle: Offsetting disclosures in condensed interim financial statements	-	-	✔
PFRS 8	Operating Segments	-	-	✔
	Annual Improvements to PFRSs 2010 - 2012 Cycle: Disclosures on the aggregation of operating segments	-	-	✔
PFRS 9	Financial Instruments	-	✔	-
	Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39	-	-	✔
PFRS 9 (2014)	Financial Instruments	-	✔	-
PFRS 10	Consolidated Financial Statements	✔	-	-
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	-	-	✔
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception	-	-	✔
PFRS 11	Joint Arrangements	-	-	✔
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations	-	-	✔
PFRS 12	Disclosure of Interests in Other Entities	✔	-	-
	Amendments to PFRS 10, PFRS 11, and PFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	✔	-	-
	Amendments to PFRS 10, PFRS 12, and PAS 27 (2011): Investment Entities	-	-	✔

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PFRS 13	Fair Value Measurement	✔	-	-
	Annual Improvements to PFRSs 2010 - 2012 Cycle: Measurement of short-term receivables and payables	✔	-	-
	Annual Improvements to PFRSs 2011 - 2013 Cycle: Scope of portfolio exception	-	✔	-
PFRS 14	Regulatory Deferral Accounts	-	-	✔
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✔	-	-
	Amendment to PAS 1: Capital Disclosures	✔	-	-
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	-	-	✔
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	-	-	✔
	Annual Improvements to PFRSs 2009 - 2011 Cycle: Presentation of Financial Statements - Comparative Information beyond Minimum Requirements	✔	-	-
	Annual Improvements to PFRSs 2009 - 2011 Cycle: Presentation of the Opening Statement of Financial Position and Related Notes	✔	-	-
	Amendments to PAS 1: Disclosure Initiative	-	-	✔
PAS 2	Inventories	✔	-	-
PAS 7	Statement of Cash Flows	✔	-	-
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✔	-	-
PAS 10	Events after the Reporting Period	✔	-	-
PAS 11	Construction Contracts	-	-	✔
PAS 12	Income Taxes	✔	-	-
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	-	-	✔
PAS 16	Property, Plant and Equipment	✔	-	-
	Annual Improvements to PFRSs 2009 - 2011 Cycle: Property, Plant and Equipment - Classification of Servicing Equipment	-	-	✔
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	-	-	✔
	Amendments to PAS 16 and PAS 41: Agriculture: Bearer Plants	-	-	✔
	Annual Improvements to PFRSs 2010 - 2012 Cycle: Restatement of accumulated depreciation (amortization) on revaluation (Amendments to PAS 16 and PAS 38)	-	-	✔
PAS 17	Leases	✔	-	-
PAS 18	Revenue	✔	-	-

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 19 (Amended)	Employee Benefits	-	-	✔
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions	-	-	✔
	Annual Improvements to PFRSs 2012 - 2014 Cycle: Discount rate in a regional market sharing the same currency - e.g. the Eurozone	-	-	✔
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	-	-	✔
PAS 21	The Effects of Changes in Foreign Exchange Rates	✔	-	-
	Amendment: Net Investment in a Foreign Operation	-	-	✔
PAS 23 (Revised)	Borrowing Costs	-	-	✔
PAS 24 (Revised)	Related Party Disclosures	✔	-	-
	Annual Improvements to PFRSs 2010 - 2012 Cycle: Definition of 'related party'	-	✔	-
PAS 26	Accounting and Reporting by Retirement Benefit Plans	-	-	✔
PAS 27 (Amended)	Separate Financial Statements	-	-	✔
	Amendments to PAS 27: Equity Method in Separate Financial Statements	-	-	✔
PAS 28 (Amended)	Investments in Associates and Joint Ventures	-	-	✔
PAS 29	Financial Reporting in Hyperinflationary Economies	-	-	✔
PAS 32	Financial Instruments: Disclosure and Presentation	✔	-	-
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	-	-	✔
	Amendment to PAS 32: Classification of Rights Issues	-	-	✔
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✔	-	-
	Annual Improvements to PFRSs 2009 - 2011 Cycle: Financial Instruments Presentation - Income Tax Consequences of Distributions	-	-	✔
PAS 33	Earnings per Share	✔	-	-
PAS 34	Interim Financial Reporting	-	-	✔
	Annual Improvements to PFRSs 2009 - 2011 Cycle: Interim Financial Reporting - Segment Assets and Liabilities	-	-	✔
	Annual Improvements to PFRSs 2012 - 2014 Cycle: Disclosure of information "elsewhere in the interim financial report'	-	-	✔
PAS 36	Impairment of Assets	✔	-	-
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✔	-	-
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✔	-	-
PAS 38	Intangible Assets	✔	-	-

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 39	Financial Instruments: Recognition and Measurement	✔	-	-
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✔	-	-
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	-	-	✔
	Amendments to PAS 39: The Fair Value Option	-	-	✔
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	-	-	✔
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✔	-	-
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✔	-	-
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	-	-	✔
	Amendment to PAS 39: Eligible Hedged Items	-	-	✔
	Amendment to PAS 39: Novation of Derivatives and Continuotion of Hedge Accounting	-	-	✔
PAS 40	Investment Property	✔	-	-
	Annual Improvements to PFRSs 2011 - 2013 Cycle: Inter-relationship of PFRS 3 and PAS 40	-	-	✔
PAS 41	Agriculture	-	-	✔
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	-	-	✔
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments	-	-	✔
IFRIC 4	Determining Whether on Arrangement Contains a Lease	✔	-	-
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✔	-	-
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	-	-	✔
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies	-	-	✔
IFRIC 9	Reassessment of Embedded Derivatives	-	-	✔
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives	-	-	✔
IFRIC 10	Interim Financial Reporting and Impairment	-	-	✔
IFRIC 12	Service Concession Arrangements	-	-	✔
IFRIC 13	Customer Loyalty Programmes	-	-	✔
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	-	-	✔
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	-	-	✔
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	-	-	✔

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
IFRIC 17	Distributions of Non-cash Assets to Owners	-	-	✔
IFRIC 18	Transfers of Assets from Customers	-	-	✔
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	-	-	✔
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	✔	-	-
IFRIC 21	Levies	-	-	✔
SIC-7	Introduction of the Euro	-	-	✔
SIC-10	Government Assistance - No Specific Relation to Operating Activities	-	-	✔
SIC-15	Operating Leases - Incentives	-	-	✔
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	-	-	✔
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✔	-	-
SIC-29	Service Concession Arrangements: Disclosures.	-	-	✔
SIC-31	Revenue - Barter Transactions Involving Advertising Services	-	-	✔
SIC-32	Intangible Assets - Web Site Costs	-	-	✔
Philippine Interpretations Committee Questions and Answers				
PIC Q&A 2006-01	PAS 18, Appendix, paragraph 9 - Revenue recognition for sales of property units under pre-completion contracts	-	-	✔
PIC Q&A 2006-02	PAS 27.10(d) - Clarification of criteria for exemption from presenting consolidated financial statements	-	-	✔
PIC Q&A 2007-01-Revised	PAS 1.103(a) - Basis of preparation of financial statements if an entity has not applied PFRSs in full	-	-	✔
PIC Q&A 2007-03	PAS 40.27 - Valuation of bank real and other properties acquired (ROPA)	-	-	✔
PIC Q&A 2007-04	PAS 101.7 - Application of criteria for a qualifying NPAE	-	-	✔
PIC Q&A 2008-01-Revised	PAS 19.78 - Rate used in discounting post-employment benefit obligations	-	-	✔
PIC Q&A 2008-02	PAS 20.43 - Accounting for government loans with low interest rates under the amendments to PAS 20	-	-	✔
PIC Q&A 2009-01	Framework.23 and PAS 1.23 - Financial statements prepared on a basis other than going concern	-	-	✔
PIC Q&A 2009-02	PAS 39.AG71-72 - Rate used in determining the fair value of government securities in the Philippines	-	-	✔
PIC Q&A 2010-01	PAS 39.AG71-72 - Rate used in determining the fair value of government securities in the Philippines	-	-	✔
PIC Q&A 2010-02	PAS 1R.16 - Basis of preparation of financial statements	✔	-	-
PIC Q&A 2010-03	PAS 1 Presentation of Financial Statements - Current/non-current classification of a callable term loan	-	-	✔

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PIC Q&A 2011-01	PAS 1.10(f) - Requirements for a Third Statement of Financial Position	-	-	✔
PIC Q&A 2011-02	PFRS 3.2 - Common Control Business Combinations	-	-	✔
PIC Q&A 2011-03	Accounting for Inter-company Loans	✔	-	-
PIC Q&A 2011-04	PAS 32.37-38 - Costs of Public Offering of Shares	-	-	✔
PIC Q&A 2011-05	PFRS 1.D1-D8 - Fair Value or Revaluation as Deemed Cost	-	-	✔
PIC Q&A 2011-06	PFRS 3, Business Combinations (2008), and PAS 40, Investment Property - Acquisition of Investment properties - asset acquisition or business combination?	-	-	✔
PIC Q&A 2012-01	PFRS 3.2 - Application of the Pooling of Interests Method for Business Combinations of Entities Under Common Control in Consolidated Financial Statements	-	-	✔
PIC Q&A 2012-02	Cost of a New Building Constructed on the Site of a Previous Building	-	-	✔
PIC Q&A 2013-01	Applicability of SMEIG Final Q&As on the Application of IFRS for SMEs to Philippine SMEs	-	-	✔
PIC Q&A 2013-03	PAS 19 - Accounting for Employee Benefits under a Defined Contribution Plan subject to Requirements of Republic Act (RA) 7641, The Philippine Retirement Law	-	-	✔