

## MANAGEMENT REPORT

### CENTURY PEAK METALS HOLDINGS CORPORATION

Units 1403 & 1404, Equitable Bank Tower Condominium  
8751 Paseo De Roxas, Salcedo Village, Makati City, Philippines 1227

#### PART I - FINANCIAL STATEMENTS

##### *Item 1. Financial Statements and General Disclosures*

###### **a. Financial Statements**

A copy of the unaudited consolidated financial statements of Century Peak Metals Holdings Corporation (the "Issuer", the "Corporation" or the "Company") as of and for the sixmonths ended June 30, 2017 is attached as **Annex 1**.

The copy of the audited financial statements of the Issuer as of and for the year ended December 31, 2016 is attached to the Preliminary Information Statement of the Issuer as **Annex A**.

###### **b. Assets**

The following significant items comprise the Company's assets as of June 30, 2017.

###### **Property, Plant and Equipment**

The carrying value of property and equipment amounted to P0.952 billion and P0.953billion as at June 30, 2017 and December 31, 2016, respectively.

This account includes mine site development costs include costs incurred in the construction of road network, pier and stockyard. Measurement and recognition of this asset refers to those of property and equipment being used to develop and maintain CPC's mineral right property in Casiguran Property which has indicated various degrees of nickel mineralization.

Mine site development costs, transportation and field equipment were part of the group of assets acquired. These assets are initially recognized in the consolidated statement of financial position based on allocation of the total acquisition cost using their relative fair value.

## **Explored Mineral Resources**

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.

The carrying value of explored mineral resources amounted to 1.72 billion as at June 30, 2017 and 1.73 billion as at December 31, 2016.

## **Deferred Tax Assets**

The Group's deferred tax assets in the consolidated statement of financial position as at June 30, 2017 and December 31, 2016 amounts to P7.8 and P3.7 million, respectively.

### **Other Noncurrent Assets**

The other noncurrent assets pertain mainly to the non-current portion of deferred input VAT and funds to promote the welfare of inhabitants, amounting to P98.93 million and P90.07 million as at June 30, 2017 and December 31, 2016, respectively.

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 created in accordance with a Memorandum of Agreement with the Development Bank of the Philippines.

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

AFS financial assets pertain to the Parent Company's 3% ownership in Century Peak Development, Inc. representing 15,000 shares at P100.00 par value, which are measured at cost in the absence of fair value.

### **c. *Liabilities***

#### **Accounts payable and other current liabilities**

The Company's accountspayable are usually paid within one year. Unearned revenue pertains to fees received from customers for future shipments. Contractor's fees pertain to outstanding payables to previously engaged contractors. Such amount is being negotiated by both parties. Others include statutory payables, accrued salaries and various items that are individually immaterial.

#### **Related Party Payables**

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Group, including holdings companies, subsidiaries and fellow subsidiaries are considered related parties of the Group. Associates and individuals, owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and of officers of the Group and close family members of these individuals and companies associated with these individuals also constitute related entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to nonrelated entities in an economically comparable market.

In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form. Significant related party transactions represent mainly availment non-interest-bearing advances from stockholders for working capital purposes. As at June 30, 2017 and December 31, 2016, the total outstanding advances from a stockholder amounted to P183.0 million and P127.2 million, respectively. The advances are payable on demand.

The outstanding balances are unsecured without fixed repayment terms and interest.

**d. *Income Statement***

During the six months ended June 30, 2017, the Group made five shipments equivalent to 273,354 WMT with an average selling price of \$9.60 (P478.97) as compared to three shipments equivalent to 166,910 WMT with an average selling price of \$9.00 (P513.17) during the six months ended June 30, 2016. The increase of 53% in revenue was mainly due to favorable weather conditions for the month of May and June 2017 compared with the same period in 2016.

The cost of sales for the six months ended June 30, 2017 amounted to P119.4 million, 44% higher than the cost of sales of P83.2 million for the same period last year. The cost of sales mainly pertain to depreciation, contractor's fees and fuel and oil which represent 32%, 16% and 15% of the total cost of sales, respectively. The increase in cost of sales of 44% is directly related mainly to the increase in shipments in 2017.

The Group's operating expenses for the six months ended June 30, 2017 amounted to P64.4 million, 382% higher than the Group's operating expenses of P13.4 million for the same period last year. The Operating expenses for the six months ended June 30, 2017 pertain mainly to taxes and licenses, allowance for impairment of long-outstanding advances and prepayments and royalty tax, which represent 27%, 22% and 12% of the total operating expenses, respectively. The increase in the Group's operating expenses for the six months ended June 30, 2017 compared with the period in 2016 is mainly attributable to deficiency taxes in prior years including municipal business taxes, occupation fees and regulatory fees aggregating P12.8 million, allowance provided to long-outstanding advances and prepayments and impairment of inventory amounting to P 14.4 million and P2.3 million respectively.

***Item 2. Information on Independent Accountants***

The principal external auditor is the firm R. G. Manabat & Co., CPAs. The Company engaged Mr. Vernilo G. Yu, partner of R. G. Manabat & Co., CPAs, for the audit of the Company's books and accounts in 2016.

*a. External Audit Fees*

The Group paid its external auditors the following fees for the last two (2) years for professional services rendered:

	<b>2015</b>	<b>2016</b>
Audit & audit-related fees	P800,000	P900,000
Tax fees	-	-
All other fees	-	-

Except for the audit of the Corporation's financial statements, no other professional services are rendered to the Corporation by the external auditor.

## PART II - MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATIONS

### *Item 1. Business of the Issuer*

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

On April 14, 2008, the SEC approved the amendment of the Company's articles of incorporation specifically, its primary purpose, which was changed to include "promoting, operating, managing, holding, acquiring or investing in corporations or entities that are engaged in mining activities or mining-related activities." The Company further expanded its primary purpose to include "investing in real estate development and energy," which amendment was approved by the SEC on March 18, 2010. The Company listed its common shares of stock with the Philippine Stock Exchange ("PSE") on October 6, 2009.

The registered office address of the Parent Company is at Units 1403 and 1404 Equitable Bank Tower Condominium, 8751 Paseo de Roxas, Makati City.

As of June 30, 2017, the Company has six subsidiaries, the wholly-owned subsidiaries Century Peak Corporation ("CPC"), Century Peak Minerals Development Corporation ("CPMDC"), and Century Peak Cement Manufacturing Corporation ("CPCMC"), 55%-owned subsidiary Century Hua Guang Smelting Incorporated ("CHGSI"), 60%-owned subsidiary Century Sidewide Smelting Incorporated ("CSSI") and 80%-owned subsidiary, through CPC, Century Summit Carrier, Inc. ("CSCI") (collectively, the "Group").

## Management's Discussion and Analysis or Plan of Operations

### Item 2. Performance

#### Interim Unaudited Consolidated Statements of Comprehensive Income

<i>In thousands, except % change data</i>	2017	2016	Change	%
Revenue	₱130,929	₱85,653	100	47
Cost of sales	(119,400)	(83,189)		(62)
Depletion of explored mineral resources	(16,568)	(16,944)		
Gross Loss	(5,039)	(14,480)		91
Interest Income	16			
Operating Expenses	(64,421)	(13,373)		(50)
Foreign Exchange gains (losses)	298	2		
Interest Expense	(648)	0		
Net Loss	(₱69,794)	(₱27,631)		40
Net Loss attributable to the equity holders of the Parent	(₱66,321)	(₱27,406)		38
Loss Per Share Basic/Diluted	(₱0.0235)	₱		

### *Item 3. Results of Operations for the six months ended June 30, 2017 compared with June 30, 2016*

During the six months ended June 30, 2017, the Group exported five shipments of nickel ore. Operating expenses of 64.4 million in 2017 was incurred. Compared with 13.3 million for the same period in 2016, there is a 79% increase in operating expenses.

The Group's operating expenses for the six months ended June 30, 2017 pertain mainly to taxes and licenses, allowance for impairment of long-outstanding advances and prepayments and royalty tax, which represent 27%, 22% and 12% of the total operating expenses, respectively.

#### *Results of Operations for the year ended December 31, 2016*

In 2016 and 2015, revenue of Php419.2 million and Php230.5million respectively were generated from operations, particularly from CPC's mining activities, while Php1.008 million revenues were generated in 2014. The 2016, 2015 and 2014 audited consolidated statements of comprehensive income reported a net loss after taxes of Php54.8 million in 2016; net loss of Php61.6 million in 2015 and net income of Php338.4 million in 2014.

## Interim Unaudited Consolidated Statements of Comprehensive Income

For the twelve months ended December 31

<i>In thousands, except % change data</i>	2016	2015	2014	%
				2015 vs 2014
Revenue	₱419,226	₱230,544	₱1,008,272	(80)
Cost of sales	(333,585)	(196,412)	(526,164)	
Depletion of explored mineral resources	(67,348)	(53,146)	(98,561)	
Gross Loss	18,293	2,014	333,547	
Operating Expenses	(63,806)	(25,641)	(47,384)	
Net income (loss) before other income	(45,513)	(50,655)	336,163	
Net income (loss) before income tax	(46,837)	(50,871)	336,404	
Net Income (loss) after tax/ Total Comprehensive Income (loss)	(54,878)	(61,592)	338,410	
Net loss attributable to the equity holders of the Parent	(₱55,801)	(₱62,482)	₱333,747	
Loss Per Share Basic/Diluted	(₱0.0198)	₱	₱	

Revenue in 2016 increased by 80% from 2015 due to the increase in shipments from 6 shipments in 2015 to 18 shipments in 2016. Good weather conditions and high nickel price in 2016 also contributed to the increase in revenues for 2016.

In 2014, 19 shipments were made compared to 6 shipments in 2015, this is equivalent to 77% reduction in the number of shipments.

The Company's sales in 2016 totaled to 947,737 WMT compared to 337,349 WMT and 1,048,966 WMT in 2015 and 2014, respectively.

Depletion of explored mineral resources is directly related to production for the year multiplied by the ratio between the mineral resources and the valuation of explored mineral resources in 2010.

Operating expenses increased by 148% because of an increase in the cost of operations in 2016 compared to 2015 and 46% down compared from 2014 due to low cost of operations.



#### ***Item 4. Plan of Operations***

##### ***Mining Operations***

CPC's ISO 14001 Certification was issued last November 2016. The Certification was issued by DQS/IQ Net, as the Certifying Agency based in Germany.

CPC's focus is to continue its compliance with environmental rehabilitation requirements and implementation of social development and management programs. Recently, CPC was commended by MGB Region XIII during the EPEP conference held at Gateway Hotel in Surigao City for its efficient implementation of the said activities/programs. CPC was also nominated at the Safest Mines Awards for the Presidential Mineral Industry Environmental Award (PMIEA) Under Surface Mining Category last August 11, 2017.

This mining season, CPC is targeting to have a total production of low grade nickel high iron laterite ores of approximately 900,000 Wet Metric Tons (WMT) and a total of about 17 shipments.

As at June 30, 2017, a total of five (5) shipments have already been made, and another ten (10) shipments were delivered thereafter, for a total of fifteen (15) shipments for the current year.

##### ***The Smelting Plant Project***

The Group's smelting plant project, which is to be undertaken through its subsidiary CHGSI, is located at Leyte Industrial Development Estate (LIDE) in Isabel, Leyte ("LIDE"). The Environmental Compliance Certificate for the smelting plant project was issued last April 16, 2010. Initial civil works have been undertaken on the smelting plant. However, in late 2013, typhoon Yolanda brought massive devastation in Leyte Island, significantly impairing the value of CHGSI's assets in Leyte. Despite this, the company is optimistic that it will be able to pursue operations in the future as negotiations with investors and technology partners are ongoing.

##### ***The Coking Coal Plant Project***

Also to be located at the LIDE, CHGSI has an approved application with PEZA for its proposed Coking Coal Production Project. The Supplemental Agreement to its Registration Agreement last 28<sup>th</sup> October 2009 was signed last March 01, 2011. The Company's Coking Coal Plant project will be a support system to its Ferro-Nickel Smelting Plant. It is CHGSI's approach to making the Ferro-Nickel Smelting Plant as self-sustaining as possible.

CHGSI has received its Amended Environmental Compliance Certificate (ECC), with Reference Code 1003-0011 issued by the Environmental Management Bureau (EMB), Central Office, to include the installation of a Coking Coal Plant to be located at the LIDE.

### *The Shipping Company*

Century Summit Carrier Inc., complements the mining operations of CPC. It owns three (3) units of landing craft tanks (LCT) (self-propelled barges) with a capacity of 3000DWT. Two of the vessels are registered with the MARINA under the names of Century Summit 1 and Century Summit 2. These vessels are utilized for the mining operations of CPC.

The management of CPMHC looks forward to 2018 that will be marked by the development of great potentials that can be tapped from the resources of the Company.

### *The Cement and Limestone Project*

Through MPSA 045-96-VII and MPSA 046-96-VII, the Group has 4,795 hectares in Pinamungahan, Cebu which it can use to mine limestone.

In April and July 2015, the Group was able to obtain the ECC for the Cement Plant/Power Plant and Limestone Quarry Project, as follows:

1. ECC-CO-1505-0017 for Limestone Quarry to extract 6 million tons of limestone and associated minerals annually
2. ECC-CO-1503-0011 for Cement Plant & Power Plant with annual capacity of 2 million metric tons with 60MW coal fired power plant to supplement the cement plants power requirements.
3. ECC-R07-1611-0018 for Seaport Facility to be located at Brgy. Mangoto, Municipality of Pinamungahan, Cebu.

As of record date, the command center and the causeway for the Cement Plant located at Pinamungahan, Cebu has already been installed, and other major infrastructure projects are currently on going.

### *Item 5. Liquidity and Capital Resources*

The Group has funded its pre-operating expenses through capital-raising exercises that started in October 2007. With the current rate of operations and sales of nickel ore, the Group believes that it can generate sufficient resources to finance its working capital requirements. The Group expects to regularly undertake shipment of ore and the corresponding management and collection of accounts receivable, and temperance of accounts payable. Capital expenditures such as the additional purchase of property and equipment can be met by the Group via collections from sales and, if necessary, infusions of either equity or debt through the shareholders. All funding for the Group's operations for the next 12 months shall be internally generated. The majority shareholder has committed to continually provide working capital to the Group to assure its continuous operations.

## Interim Consolidated Statements of Financial Position

<i>In thousands, except % change data</i>	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)	% Change
Total current assets	₱102,422	₱162,707	(37)
Total assets	2,999,098	3,029,841	(1)
Current liabilities	262,808	227,929	(15)
Total liabilities	275,886	240,381	(14)
Total equity attributable to equity holders of the parent	2,730,862	2,797,003	(2)
Equity attributable to minority interest	(7,470)	(7,543)	
Total equity	2,723,212	2,789,459	(2)
Current assets/Total assets	0.05	0.05	
Current ratio	0.65	0.65	
Debt to equity ratio	0.08	0.08	

### Item 6. Financial Condition

The Group has total assets amounting to ₱2.99billion as of June 30, 2017of which ₱2.80 billion or 93.33% comprise of property and equipment, explored mineral resources and other non-current assets. Property and equipment includes mine site development cost which applies to road network, pier, stockyard and land rights. Depreciation is computed using the straight line method. The liabilities of the Group mainly consist of payables to contractors, suppliers and related parties. The payable to related parties represents advances which were used to finance the operation of the Holding Company and its subsidiaries.

#### 6.1 Material Variances Affecting the Balance Sheet

Balance sheet accounts as at June 30, 2017 with variances of plus or minus 5 percent against December 31, 2016balances are discussed, as follows:

##### Current Assets

1. The decrease in Cash from ₱48.9 million in 2016to ₱17.3 million in June2017 was due to disbursements which exceeded the collections from receivables. Disbursements include exploration cost of ₱34.0 million and payment of advances from stockholders amounting to ₱55.0 million.
2. Trade Receivables as of 2017 amounting to ₱20.8 was part of the Sales as of June 30, 2017 amounting to ₱130.9 million.
3. The decrease in inventory from ₱34.2 million in 2017 to ₱63.6 million in 2016 is attributable to the remaining 83,680 WMT at ₱360 unit price per WMT as of June 30, 2017 against 162,163 WMT at ₱384 unit price per WMT as of December 31, 2016

4. The decrease in Other Current Assets pertains to liquidation of advances & prepayments amounting to ₱29.9 million, and ₱50.0 million, respectively.

### **Liabilities and Equity**

5. The increase in Accounts Payable & other current liabilities from ₱227.9 million in 2016 to ₱262.8 million in 2017 is due to additional liabilities to suppliers and contractors.
6. The increase in Stockholder's account from ₱127.2 million in 2016 to ₱182.9 million in 2017 was due to increase in advances to stockholders.

### ***Item 7. Top Key Performance Indicators***

Results of operations are analyzed using the following key performance indicators, among other measures:

#### **Tons Extracted and Ore Grade Sold and Shipped**

Tons extracted and ore grade are key determinants of sales volume. Higher tonnage and ore grade are directly proportional to revenue level.

#### **Actual Production Cost**

Production cost per ton is a key measure of operating efficiency. A lower unit production cost both in ore extraction and smelting operation will result in the Group's meeting, if not exceeding, its profitability targets.

#### **Earnings per Share**

The Company's earnings per share is a key measure of the Company's effectiveness in meeting its financial targets that in turn, will provide investors comparable benchmarks relative to similar companies.

### ***Item 8. Other Information***

#### ***Century Peak Corporation (CPC)***

On May 7, 2010 CPC was registered with the Board of Investments (BOI) with Certificate of Registration No. 2010-093, for its mining and extraction of nickel ore at Casiguran, Loreto, Province of Dinagat, 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 used 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, subject to posting of re-export bond;
- 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.

***Century Peak Cement Manufacturing Corporation (CPCMC) and Century Peak Minerals Development Corporation (CPMDC)***

Through MPSA 046-96-VII and MPSA 047-96-VII expiring in 2021, the Group has 4,795 hectares in Pinamungahan, Cebu to mine limestone. The initial assessment in 2012 on an 81 hectare area shows that the estimated limestone resource would be around 34,000,000 metric tons.

In April and July 2015, the Group was able to obtain the ECC for the Cement Plant/Power Plant and Limestone Quarry Project, respectively.

As of record date, the command center and the causeway for the Cement Plant located at Pinamungahan, Cebu has already been installed, and other major infrastructure projects are currently on going.

***Century Hua Guang Smelting Incorporated (CHGSI)***

On October 28, 2009, CHGSI was registered with the Philippine Economic Zone Authority (“PEZA”) under Republic Act (RA) No. 7916 as an ecozone export enterprise to engage 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 be 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.

**CHGSI Registration with MGB and EMB**

CHGSI has filed its application for a Mineral Processing Permit (MPP) for its Smelting Plant and is currently under evaluation with the MGB Regional Office, Region 8. It has received its Amended Environmental Compliance Certificate (ECC), with Reference Code 1003-0011 issued by the Environmental Management Bureau (EMB) - Central Office, to include the installation of a Coking Coal Plant, aside from its smelting plant, also to be located at the Leyte Industrial Development Estate (LIDE) in Isabel, Leyte.

### *Century Sidewide Smelting Incorporated (CSSI)*

The Company entered into a partnership agreement with Sidewide Resources (H.K.) Limited, a subsidiary of Chaoyang Saiwai Mining Co., Ltd. of P.R. China. This group owns an iron powder processing plant, electric furnace smelting plant, and primarily does trading of mineral ore. Sidewide Resources (H.K.) Limited has offices in Beijing, Shanghai and Hong Kong. It is the Company's plan to set up electric furnaces in the future to enhance the production of its nickel pig-iron. From this newly formed partnership, CSSI was incorporated in the Philippines and its Certificate of Registration was issued by the SEC on September 6, 2011.

### *Century Summit Carrier, Inc. (CSCI)*

On December 8, 2011, CSCI was registered with the Marina Industry Authority ("Marina") with Certificate No. DSO-2006-003-095 (2011) under Marina Circular 2006-003 issued pursuant to Section 4 Paragraph 2 and Section 6 (a) of Presidential Decree No. 474 and Section 12 (a) of Executive Order No. 125-A Republic Act to engage in Domestic Shipping Business.

### Mineral Rights

The table below summarizes the Group's mineral rights, which were acquired through CPC, as at June 30, 2015:

<u>Tenement Designation</u>	<u>Area Covered (in Hectares)</u>	<u>Location</u>
Mineral Production Sharing Agreement (MPSA) 010-92-X	<u>1,198</u>	<u>Casiguran, Loreto, Dinagat Islands</u>
MPSA-283-2009-XIII-SMR Application for Mineral Production Sharing Agreement (APSA) 086-XIII	<u>3,188</u>	<u>Libjo (Albor), Dinagat Islands</u>
	<u>660</u>	<u>Acoje, Loreto, Dinagat Islands</u>

CPC acquired MPSA-010-92-X or the "Casiguran Nickel Project," by virtue of a deed of assignment executed with Casiguran Mining Corporation on May 29, 2006, which was approved by the Department of Environment and Natural Resources (DENR) on December 11, 2006.

MPSA-283-2009-XIII-SMR was approved by the DENR on June 19, 2009.

The Acoje Property is covered by APSA-086-XIII and Environmental Compliance Certificate (ECC) No. 008-345-301C. APSA-086-XIII is under final review with the MGB

Central Office as at October 6, 2017. CPC is the operator of this property by virtue of a Memorandum of Agreement between CPC and Maharlika Dragon Mining Corporation executed on April 4, 2008 and registered with the Mines and Geosciences Bureau (MGB) Regional Office No. XIII on July 30, 2008. On March 25, 2014, CPC and CRAU Mineral Resources Corporation, owner of 47.5% of the property, entered into a Deed of Conditional Assignment transferring to the former the latter's interest over the said mineral property. Initial payment for the property was made on June 11, 2014 and the Deed of Conditional assignment was registered with MGB Regional Office No. XIII on July 4, 2014.

CPC has a Joint Operating Agreement with the Philippine Mining Development Corporation (PMDC) as the operating partner for the exploration, development and mining operations of the Pinamungahan Limestone Property. This covers an area of 4,795 hectares located in Toledo and Pinamungahan, Cebu.

### Mining Operations

The Group has ongoing exploration work, through CPC, in its properties in the Province of Dinagat Island.

CPC released two Geologic Resource Evaluation Reports covering the Casiguran Nickel Project and a Resource Evaluation Report covering Rapid City Parcel II Prospect under MPSA-283-2009-XIII-SMR. These reports were prepared by Dr. Carlo A. Arcilla, an accredited competent person in accordance with the definition of the Philippine Mineral Reporting Code.

Based on the reports, the Casiguran Nickel Project has a combined indicated and measured resource of 9,897,000 DMT with a grade of 1.02% nickel (at 0.8% nickel cut-off). The Rapid City Parcel II Prospect reveal a combined indicated and measured resource of 9,067,000 DMT with a grade of 1.07% nickel (at 0.8% nickel cut-off). These represent 100,000 metric tons of pure nickel and 3.5 million tons of iron in respect of the Casiguran property, and 90,000 tons of pure nickel and 3.8 million tons of iron in respect of the Rapid City Parcel II Prospect, subject to mining plans and metal recovery parameters.

Management looks forward to continue developing and exploring these mineral properties either on its own or with joint venture partners.

### PART III -MARKET PRICE AND DIVIDENDS

#### *Item 1. Market Information*

The Issuer's common shares of stock are listed and traded in the Philippine Stock Exchange (PSE). The shares were listed with the PSE on October 6, 2009.

The table below shows the range of high and low bid information for the shares of the Company for each quarter from January 1, 2015 until September 30, 2017 where such interim period for the financial statements are required by SRC Rule 68:

Summary of Shares Selling Prices (in ₱)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2017				
Highest	.59	1.02	1.68	
Lowest	.44	0.56	0.89	

Summary of Shares Selling Prices (in ₱)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2016				
Highest	0.67	0.88	0.71	0.63
Lowest	0.45	0.59	0.54	0.48

Summary of Shares Selling Prices (in ₱)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2015				
Highest	1.19	1.13	1.00	0.89
Lowest	0.88	0.92	0.56	0.58

The current trading price of the listed common shares of CPM closed at P 1.55 per share on October 4, 2017.



### **Item 2. Recent Sales of Unregistered Securities or Exempt Securities**

There were no sales of unregistered securities or exempt securities including recent issuance of securities constituting an exempt transaction. All the shares of the Issuer are listed with the PSE.

### **Item 3. Holders**

The Company has 227 shareholders as of September 25, 2017 with 2,820,330,450 common shares issued and outstanding. The top 20 shareholders are:

	<b>Name of Shareholder</b>	<b>Outstanding Shares</b>	<b>Percentage</b>
1	PCD NOMINEE CORPORATION ( <i>FILIPINO</i> )	2,199,397,094	77.98%
2	PCD NOMINEE CORPORATION ( <i>NON-FILIPINO</i> )	317,865,065	11.27%
3	BENITO A. ONG	45,000,000	1.60%
4	GUO CONG YUAN/ ANSON TAN	20,000,000	0.71%
5	SB EQUITIES, INC.	15,815,677	0.56%
6	ANSON TAN &/OR CAI WEI WEI	15,000,000	0.53%
7	ARNOLD V.CABILTES	12,000,000	0.43%
8	WANG GUANG HUA	4,550,000	0.16%
9	WANG QIU YAN	4,400,000	0.16%
10	ELIZABETH G. TAN	4,000,000	0.14%
11	ZHANG JIN DE	3,370,000	0.12%
12	SU YU SHUANG	3,360,000	0.12%
13	CHEN CONG QUN	3,320,000	0.12%
14	WU CHANG LIE	3,320,000	0.12%
15	XU XIAN SHUN	3,310,000	0.12%
16	CAI RONG YAO	3,280,000	0.12%
17	XU LIAN CHENG	3,220,000	0.11%
18	HONG HAI TING	2,190,000	0.08%
19	WU XUAN QIANG	2,160,000	0.08%
20	WANG QING ZAN	2,140,000	0.08%

PCD Nominee Corporation, a wholly-owned subsidiary of the Philippine Central Depository, Inc. ("PCD"), is the registered owner of the shares in the books of the Company's transfer agent in the Philippines. The beneficial owners of such shares are PCD participants who hold the shares on their behalf or in behalf of their clients.

### *Quarterly Performance*

The high and low share prices for each quarter within the last two years are:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>2015</b>				
Highest	1.19	1.13	1.00	0.89
Lowest	0.88	0.92	0.56	0.58
<b>2016</b>				
Highest	0.67	0.88	0.71	0.63
Lowest	0.45	0.59	0.54	0.48

### *Dividends*

There were no dividends declared by the Issuer in 2016.

## **PART IV - CORPORATE GOVERNANCE**

To ensure good governance, the Board of Directors of the Issuer approves the plan and strategic investment objectives presented by the management, as well as the mechanism for evaluating the management's performance and the adequacy of internal control mechanisms for good governance through the following committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Corporate Governance Committee

The Issuer is continually taking steps to enhance adherence to principles and practices of good corporate governance.

**UNDERTAKING**

**A COPY OF THE ANNUAL REPORT OF THE ISSUER ON SEC FORM 17-A WILL BE PROVIDED, WITHOUT ANY CHARGE, TO ANY STOCKHOLDER OF THE CORPORATION UPON WRITTEN REQUEST ADDRESSED TO:**

**JESSIE JOSUAH P. HILARIO  
CHIEF COMPLIANCE OFFICER  
CENTURY PEAK METALS HOLDINGS CORPORATION  
Units 1403 & 1404, Equitable Bank Tower Condominiums, 8751 Paseo De Roxas, Salcedo  
Village, Makati City, Philippines 1227**

**AT THE DISCRETION OF THE MANAGEMENT, A CHARGE MAY BE MADE FOR EXHIBITS, PROVIDED SUCH CHARGE IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE REGISTRANT IN FURNISHING SUCH EXHIBITS.**