

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. ...November 11, 2024.....
Date of Report (Date of earliest event reported)
2. SEC Identification Number ...11341..... 3. BIR Tax Identification No.000-051-037.....
4.BENGUET CORPORATION.....
Exact name of issuer as specified in its charter
5. ..Metro Manila, Philippines..... 6. (SEC Use Only)
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. 7th Floor, Universal Re Building, 106 Paseo de Roxas, Makati City... ..1226.....
Address of principal office Postal Code
8. 02-8812-1380.....
Issuer's telephone number, including area code
9.N/A.....
Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Convertible Preferred Class A	217,061
Common Class A	428,120,008*
Common Class B	285,064,121*

(*) Net of Treasury Shares

Total consolidated outstanding principal debt as of June 30, 2024 – P85.06 Million

11. Indicate the item numbers report herein: Item 9

We furnish the Security and Exchange Commission (SEC) a copy of the amended comprehensive corporate disclosure in compliance with the Philippine Stock Exchange (PSE) requirement relative to the private placement of Red Earth Mineral Resources Corporation ("Red Earth").

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.


REYNALDO P. MENDOZA
Executive Vice President and
Assistant Corporate Secretary
*Signature and Title**

Date: November 11, 2024

* Print name and title of the signing officer under the signature.



AMENDED

Date: November 7, 2024

THE PHILIPPINE STOCK EXCHANGE

PSE Tower, 5th Avenue corner 28th
Street, Bonifacio Global City,
Taguig City 1634, Metro Manila

Attention: Atty. STEFANIE ANN B. GO
Officer-in-Charge, Disclosure Department

Gentlemen:

In compliance with Section 6 under Article V, Part A of the Consolidated Listing and Disclosure Rules of the PSE, below is our comprehensive corporate disclosure relative to the private placement of Red Earth Mineral Resources Corporation ("Red Earth") in Benguet Corporation (the "Company"), as follows:

For item -

(a) Attached hereto are:

Annex "A", copy of First Private Placement Agreement dated November 5, 2024 for the subscription of 90,000,000 Common shares consisting of 53,000,000 Class "A" Common shares and 37,000,000 Class "B" Common shares; and

Annex "B", copy of Second Private Placement Agreement dated November 5, 2024 for the subscription of 20,000,000 Common shares consisting of 13,000,000 Class "A" Common shares and 7,000,000 Class "B" Common shares between the Company and Red Earth.

(b)(c)(d) - The transaction is a private placement in the Company's shares up to the total amount of P440 million where Red Earth will subscribe to 66,000,000 Class "A" Common Shares and 44,000,000 Class "B" Common Shares of the Company at P4.00 per Class "A" Common share and P4.00 per Class "B" Common share. The subscription or placement is divided into two (2) transactions. For the first transaction, Red Earth will subscribe to 90,000,000 shares from the unissued shares of the Company consisting of 53,000,000 Class "A" common shares and 37,000,000 Class "B" common shares. For the second transaction, Red Earth will subscribe to 20,000,000 shares consisting of 13,000,000 Class "A" common shares and 7,000,000 Class "B" common shares, which will come entirely from the future increase in capital stock of the company upon approval of the Securities and Exchange Commission (SEC).

As of November 5, 2024, the Company received from Red Earth the amount of Two Hundred Eighty Million Pesos (Php280,000,000.00) as partial payment for the first transaction with the balance of Eighty Million Pesos (Php80,000,000.00) to be paid after stockholders' approval of the private placement in the upcoming Annual Stockholders' Meeting on December 20, 2024. Further, Red Earth paid Twenty Million Pesos (Php20,000,000.00) as deposit for future subscription in the second transaction with the balance of Sixty Million Pesos (Php60,000,000.00) to be paid after the approval by the SEC of the capital increase of the company.

The additional capital infusion will be used for Pantingan Gold Project, Bolco Gold Project, Solar Project, Agribusiness Project and other priority projects of the Company which may in the long term contribute to the enhancement of the value of the Company shares.

- (e) The share prices have been mutually set and agreed upon at ₱4.00 per class “A” common share and ₱4.00 per class “B” common share based on the thirty (30) trading days volume-weighted average (V-WAP) at the PSE plus premium prior to October 29, 2024. Attached hereto as Annex “C” is VWAP computation. Company’s Class “A” and Class “B” common shares have par value of P1.00 per share.
- (f) The purpose of the private placement is to fund in part the development of the various mining/non-mining projects of the Company and for general corporate purposes.

Status of the Project:

1. Pantingan Gold Project

Pantingan Gold Project is located in Bataan Peninsula and is covered by Mineral Production Sharing Agreement No. 154-2000-III and it has an aggregate area of 1,410.25 hectares. The Pantingan Gold Project is a viable prospect for epithermal gold mineralization. The Company is implementing a drilling program to assess and probe the mineralization of the area. In the Phase 1 drilling program, six (6) boreholes were completed and out of the six (6), two (2) holes namely PDH-001 and PDH-002 showed promising results. Phase 2 is ongoing and designed to test the five (5) veining systems. In between drilling, activities such as geological mapping, trenching and sampling are done continuously in the claim area. Phase 3 drilling program will be implemented in early 2025.

2. BOLCO Gold Project

The property straddles the common boundary of R.T. Lim, Zamboanga Sibugay and Siocon, Zamboanga del Norte. With MGB approval of Exploration Permit No.-012-2023-IX last December 5, 2023 and after LGU/community consultation, exploration activity in the San Fernandino Area is underway which includes drilling.

3. Solar Project

Benguet Corporation’s solar project is in San Marcelino, Zambales. The property comprises of titled lots with a total land area of more than 600 hectares.

The high irradiation level in the said area makes the property very suitable for a solar power project. Initial design of the solar facility to be developed in phases, has a minimum capacity of 650 MW, depending on the technology and capacity of the PV (photovoltaic) panel to be used. Currently, permitting with the Department of Energy (DOE) is being conducted. Preparation of a Feasibility Study, which is a requirement to obtain Solar Energy Operating Contract, has been contracted to an engineering firm.

4. Agribusiness Project

The proposed agroforestry project situated in Western Samar will be under the Samar Agricultural Farm Corporation (SAFC), a wholly subsidiary of Benguet Corporation. It will develop over 10,000 hectares of idle forest land focused on developing hybrid coconut as the maincrop and intercropped with cacao, coffee and bamboo species.

Currently, the application for Upland Agroforestry tenurial instrument of SAFC has been endorsed to the Department of Environment and Natural Resources (DENR) Central Office by DENR Region 8 after a thorough assessment, evaluation and review of the proposed area. Pending the grant of tenurial instrument by DENR, SAFC will proceed with the preparation of the Comprehensive Development and Management Plan/Program.

- (g) Red Earth Mineral Resources Corporation (formerly Red Earth Bauxite Resources Corporation) with principal office at 16th Floor, Citibank Tower (now BDO Towers-Valero), Paseo de Roxas, Makati City is the beneficial owner of the subscribed shares. Red Earth was incorporated and registered with the Security and Exchange Commission (SEC) on August 31, 2018, with SEC registration number CS201817090. It has an authorized capital stock of Php100,000,000.00 divided into 100,000,000 shares with par value of Php1.00 per share. The subscribed shares are 25,000,000 shares and the paid-up capital is 6,250,000 shares.

Red Earth was originally established to engage in mining but has evolved to encompass a broader business activities. In February 2023, Red Earth's Board of Directors approved the amendment of its Articles of Incorporation, which change its name from Red Earth Bauxite Resources Corporation to "Red Earth Mineral Resources Corporation" and redefined its secondary business purpose. Under its revised corporate mandate, Red Earth Mineral Resources Corporation has diversified its operations to include dealings in all kinds of properties including investments in bonds and shares of capital stock. The Company's strategic vision is focused on maintaining robust operational performance in traditional mining investments and pursuing diversified investment strategies that enhance shareholder value.

Directors:

Edgar D. Padernal	- Chairman of the Board
Imelda C. Cabading	- Member
Diane Madelyn C. Ching	- Member

Officers:

Edgar D. Padernal	- President
Imelda C. Cabading	- Treasurer
Diane Madelyn C. Ching	- Corporate Secretary

Affiliates/Subsidiaries:

Red Earth Mineral Resources Corporation has 30% ownership with Strong Built (Mining) Development Corporation.

Attached hereto are Red Earth's Audited Financial Statements (AFS) as of December 31, 2023 (Annex D); AFS as of December 31, 2022 (Annex D-1) and AFS as of December 31, 2021 (Annex D-2).

- (h) Attached hereto (Annex "E") is a statement of active business pursuits of Red Earth Mineral Resources Corporation.

- (i) To our knowledge, there are no controlling and substantial stockholders of the parties to the private placement transaction. The effects to the capital stock structure of the Company before and after the implementation of the transactions are as follows:

1. First Transaction

	Before	After
Authorized		
Common Class "A"	430,380,000	430,380,000
Common Class "B"	286,920,000	286,920,000
Convertible Preferred Class "A"	19,652,912	19,652,912
Total	736,952,912	736,952,912
Issued Shares		
Common Class "A"	375,430,802	428,430,802
Common Class "B"	248,101,396	285,101,396
Convertible Preferred Class "A"	217,061	217,061
Total	623,749,259	713,749,259

2. Second transaction (After obtaining the approval of the application for the increase in authorized capital stock from SEC)

	Before	After
Authorized		
Common Class "A"	430,380,000	1,870,380,000
Common Class "B"	286,920,000	1,246,920,000
Convertible Preferred Class "A"	19,652,912	19,652,912
Total	736,952,912	3,136,952,912
Issued Shares		
Common Class "A"	428,430,802	441,430,802
Common Class "B"	285,101,396	292,101,396
Convertible Preferred Class "A"	217,061	217,061
Total	713,749,259	733,749,259

- (j) The respective directors of the Company and Red Earth (the "Parties") have no interest in the proposed transaction. The parties have no common directors. Red Earth is not a subsidiary nor an affiliate of the Company.

- (k) The Company maintains its compliance with the required public ownership percentage to safeguard the interests of independent minority shareholders. As of October 31, 2024, the computed public ownership percentage of the Company is 45.9%. After the private placement (first transaction), the public ownership percentage of the Company will be 40.11% which is more than the minimum required public ownership percentage of 20% (based on the computed market capitalization of the Company as of November 5, 2024, per PSE formula of computing public ownership percentage).

Effect of the placement on the following:

a. Ownership structure (First and Second Transaction):

	Before		After	
		% to		% to

Principal Stockholders	Total Shares Held	Total Outstanding Shares	Total Shares Held	Total Outstanding Shares
1. PCD Nominee Corporation (Filipino)	187,161,423	30.02%	187,161,423	25.52%
2. RYM business Management Corporation	123,039,261	19.74%	123,039,261	16.78%
3. Red Earth Mineral Resources Corporation	-	-	110,000,000	15.00%
4. Palm Avenue Holdings Company Inc. and/or Palm Avenue Realty Corp.	94,754,865	15.20%	94,754,865	12.92%
5. Palm Avenue Holding Company, Inc.	65,624,727	10.53%	65,624,727	8.95%
6. Palm Avenue Realty and Development Corporation	43,680,000	7.01%	43,680,000	5.96%
7. Cede & Co.	29,674,860	4.76%	29,673,866	4.05%
8. PCD Nominee Corporation (Non-Filipino)	26,742,190	4.29%		3.65%
9. FEBTC TA 4113-00204-5 (ESPP)	8,084,469	1.30%	8,084,469	1.10%
10. Sysmart Corporation	2,309,910	0.37%	2,309,910	0.31%

b. Capital Structure

1. First Transaction

	Before	After
Issued Shares		
Common Class "A"	375,430,802	428,430,802
Common Class "B"	248,101,396	285,101,396
Convertible Preferred Class "A"	217,061	217,061
Total	623,749,259	713,749,259
Outstanding Shares (Net of Treasury Shares)		
Common Class "A"	375,120,008	428,120,008
Common Class "B"	248,064,121	285,064,121
Convertible Preferred Class "A"	217,061	217,061
Total	623,401,190	713,401,190
Listed Shares		
Common Class "A"	375,430,802	428,430,802
Common Class "B"	248,101,396	285,101,396
Convertible Preferred Class "A"	217,061	217,061
Total	623,749,259	713,749,259
Treasury Shares		
Common Class "A"	310,794	310,794
Common Class "B"	37,275	37,275
Total	348,069	348,069

2. Second transaction (After obtaining the approval of the application for increase in authorized capital stock from SEC)

	Before	After
Issued Shares		
Common Class "A"	428,430,802	441,430,802
Common Class "B"	285,101,396	292,101,396
Convertible Preferred Class "A"	217,061	217,061
Total	713,749,259	733,749,259
Outstanding Shares (Net of Treasury Shares)		
Common Class "A"	428,120,008	441,120,008
Common Class "B"	285,064,121	292,064,121
Convertible Preferred Class "A"	217,061	217,061
Total	713,401,190	733,401,190
Listed Shares		
Common Class "A"	428,430,802	441,430,802
Common Class "B"	285,101,396	292,101,396
Convertible Preferred Class "A"	217,061	217,061
Total	713,749,259	733,749,259
Treasury Shares		
Common Class "A"	310,794	310,794
Common Class "B"	37,275	37,275
Total	348,069	348,069

We hope that the above complies with your disclosure requirements.

Very truly yours,

BENGUET CORPORATION

By:


REYNALDO P. MENDOZA

Executive Vice President and
Assistant Corporate Secretary

FIRST PRIVATE PLACEMENT AGREEMENT

KNOW ALL PERSONS BY THESE PRESENTS:

This Agreement is made and entered into this 05 November 2024, at Makati City, Philippines by and between:

BENGUET CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 7th Floor Universal – Re Building No. 106 Paseo de Roxas, Makati City, duly represented by its President, ATTY. LINA G. FERNANDEZ, hereinafter referred to as the "Corporation";

-and-

RED EARTH MINERAL RESOURCES CORPORATION, a domestic corporation duly organized and existing under the laws of the Philippines, with principal office address at 16th Floor BDO Towers Valero (formerly Citibank Towers) Paseo de Roxas, Bel-Air, Makati City, duly represented herein by its President and Chairman, ATTY. EDGAR DENNIS A. PADERNAL, hereinafter referred to as the "Subscriber".

(Each is referred to as the "Party" and collectively as the "Parties")

WITNESSETH: *That –*

WHEREAS, the Corporation has an authorized capital stock of Seven Hundred Seventeen Million Three Hundred Thousand Only Pesos (PHP717,300,000.00), with Ninety Three Million Seven Hundred Sixty Seven Thousand Eight Hundred Two (93,767,802) available and unissued shares with par value of PHP1.00 per share.

WHEREAS, the Subscriber intends to subscribe to Ninety Million (90,000,000) Common shares of the Corporation (the "Subject Shares") consisting of Fifty Three Million (53,000,000) Class "A" Common shares and Thirty Seven Million (37,000,000) Class "B" Common shares at Four Pesos (Php4.00) per share or a total subscription price of Three Hundred Sixty Million Pesos (PHP360,000,000.00), and the Corporation has accepted the Subscriber's offer;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Subscriber and the Corporation agree as follows:

1. **Subscribed Shares.** The Subscriber shall subscribe by way of private placement to Ninety Million (90,000,000) Common shares of the Corporation consisting of Fifty Three Million (53,000,000) Class "A" Common shares and Thirty Seven Million (37,000,000) Class "B" Common shares, which shall be issued from the remaining unissued capital stock.
2. **Subscription Price and Manner of Payment.** The Subject Shares shall be subscribed at the subscription price of Four Pesos (PHP4.00) per share or a total subscription price of Three Hundred Sixty Million Pesos (PHP360,000,000.00), which shall be paid as follows: (a) partial payment of Two Hundred Eight Million Pesos (PHP280,000,000.00) on November 5, 2024 and (b) full payment in the amount of Eighty Million Pesos (PHP80,000,000.00) upon securing



approval from the shareholders of the private placement in the scheduled Annual Stockholders Meeting on December 20, 2024.

3. Obligations of the Corporation. The Corporation hereby undertakes and covenants to the Subscriber to perform the following:

- 3.1. Issue the Subscription Shares as soon as partial payment of PhP 280,000,000.00 is received.
- 3.2. Pay the Documentary Stamp Tax due on the issuance of the Subscribed Shares on or before the statutory deadline;
- 3.3. Secure ratification/ approval of the shareholders in the scheduled Annual Stockholders Meeting on December 20, 2024.
- 3.4. Pay and apply for listing of the Subscribed Shares with the Philippine Stock Exchange (the "PSE").

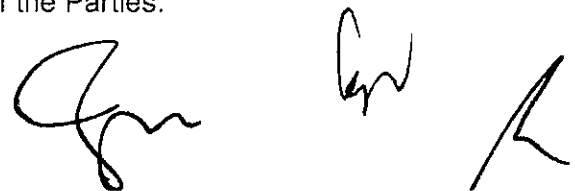
4. Warranties and Representations

4.1. Each Party to this Agreement represents and warrants in favor of the other Party that as of the date of execution of this Agreement that:

- a. It is duly organized and existing under the laws of the country of its creation or its incorporation and has the corporate power and authority, including the financial capacity, to enter into and perform its obligations under this Agreement.
- b. It has taken all necessary corporate legal action and approvals to authorize the execution, delivery and performance of this Agreement.
- c. This Agreement constitutes its legal, valid, direct and binding obligation, enforceable against it in accordance with its terms.
- d. The execution, delivery and performance of this Agreement will not violate and shall abide all applicable law, contract or agreement to which it is a party or which is binding upon it.
- e. Any information provided by it to the other Party relative this Agreement and the project is, to the best of its knowledge, true and accurate in all material aspects.
- f. It shall do or cause to be done all things necessary or reasonably desirable to give full effect to this Agreement and the transactions contemplated herein.

Each of the representations and warranties made by the Parties herein shall be construed as a separate and independent warranty and shall not be limited or restricted by reference to or interference from the terms of any other warranty or any other term of this Agreement.

5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, provided that no transfer of rights under this Agreement shall be effective without the consent of the Parties.



6. Waiver. The failure or delay of any Party to require performance by the other Party of any provision of this Agreement shall not affect its right to require performance of such provision unless and until such performance has been waived in writing by the other Party.
7. Severability. If any one or more of the provisions of this Agreement is declared by final judgment invalid, illegal, or unenforceable in any respect under any applicable law, such invalidity, illegality, or unenforceability shall not affect the other provision of this Agreement. In such event, the Parties shall consult each other as to the manner in which their original intention can be fulfilled as closely as possible, and they will amend this Agreement accordingly.
8. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations, discussions, and agreements.
9. Amendment. This Agreement may not be amended except in writing signed by the duly authorized representative of all Parties hereto.
10. Counterparts. This Agreement may be executed in more than one counterpart and each such counterpart when executed in identical form shall be construed as one integral document.
11. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Republic of the Philippines.
12. Effectivity. This Agreement shall take effect on the date of signing hereof.

(signature page follows)

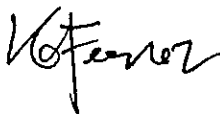
IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and at the place above written.

BENGUET CORPORATION

RED EARTH MINERAL RESOURCES CORPORATION

By:

By:



ATTY. LINA G. FERNANDEZ
President



ATTY. EDGAR DENNIS A. PADERNAL
President




REYNALDO R. MENDOZA

WITNESSES :


RMC A. MACABADING

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

ACKNOWLEDGMENT

BEFORE ME, a Notary Public in and for the City of MAKATI CITY, Philippines,
this NOV 05 2024, the following persons appeared:

Name	Competent Evidence of Identity	Date and Place of Issue/Validity
BENGUET CORPORATION By:		
ATTY. LINA G. FERNANDEZ		
RED EARTH MINERAL RESOURCES CORPORATION By:		
ATTY. EDGAR DENNIS A. PADERNAL		3.4.2019 OSCA CITY OF MLA

All known to me to be the same persons who executed the foregoing Subscription Agreement, composed of four (4) pages, including this page on which this acknowledgment is written and signed by the Parties on each and every page hereof, and they acknowledge to me that the same is their free and voluntary acts and deeds and that of the entities/corporations they represent.

WITNESS MY HAND AND SEAL on the date and place above written.


SHEILA C. CENIT-BELGICA

Commission No. M-234

Notary Public for Makati City

Until December 31, 2025

7F Universal Re Building

106 Paseo de Roxas, Makati City

Roll No. 53476

IBP Life Member No. 014470 / 02.18.16

PTR No MKT10078179 dated January 4, 2024

Doc No. 346 ;
Page No. 71 ;
Book No. I ;
Series of 2024.



SECOND PRIVATE PLACEMENT AGREEMENT

KNOW ALL PERSONS BY THESE PRESENTS:

This Agreement is made and entered into this 05 November 2024, at Makati City, Philippines by and between:

BENGUET CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 7th Floor Universal – Re Building No. 106 Paseo de Roxas, Makati City, duly represented by its President, ATTY. LINA G. FERNANDEZ, hereinafter referred to as the "Corporation";

-and-

RED EARTH MINERAL RESOURCES CORPORATION, a domestic corporation duly organized and existing under the laws of the Philippines, with principal office address at 16th Floor BDO Towers Valero (formerly Citibank Towers) Paseo de Roxas, Bel-Air, Makati City, duly represented herein by its President and Chairman, ATTY. EDGAR DENNIS A. PADERNAL, hereinafter referred to as the "Subscriber".

(Each is referred to as the "Party" and collectively as the "Parties")

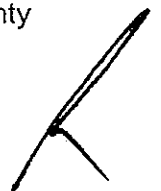
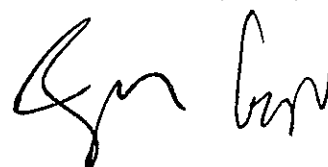
WITNESSETH: *That –*

WHEREAS, the Corporation has an authorized capital stock of Seven Hundred Seventeen Million Three Hundred Thousand Pesos (PHP717,300,000.00), with Ninety Three Million Seven Hundred Sixty Seven Thousand Eight Hundred Two (93,767,802) available and unissued shares with par value of PHP1.00 per share. The Corporation intends to apply with the Securities and Exchange Commission (the "SEC") for an increase of its authorized capital stock of up to Three Billion One Hundred Seventeen Million Three Hundred Thousand Pesos (PHP3,117,300,000.00) to allow issuance of additional shares of up to Two Billion Four Hundred Million (2,400,000,000);

WHEREAS, the Subscriber intends to subscribe to additional Twenty Million (20,000,000) Common shares of the Corporation (the "Subject Shares") consisting of Thirteen Million (13,000,000) Class "A" Common shares and Seven Million (7,000,000) Class "B" Common shares at Four Pesos (PHP4.00) per share or a total subscription price of Eighty Million Pesos (PHP80,000,000.00) to be issued out of the Corporation's increase of authorized capital stock, and the Corporation has accepted the Subscriber's offer;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Subscriber and the Corporation agree as follows:

1. **Subscribed Shares.** The Subscriber shall subscribe by way of private placement to Twenty Million (20,000,000) Common shares of the Corporation consisting of Thirteen Million (13,000,000) Class "A" Common shares and Seven Million (7,000,000) Class "B" Common shares, which shall be issued from the increase of authorized capital stock.
2. **Subscription Price and Manner of Payment.** The Subject Shares shall be subscribed at the subscription price of Four Pesos (PHP4.00) per share or a total subscription price of Eighty



Million Pesos (PHP80,000,000.00), which shall be paid as follows: (a) partial payment of PHP20,000,000.00 on November 5, 2024 as deposit for future subscription, and (b) full payment of subscription price in the amount of PHP60,000,000.00 upon securing the SEC approval of the application for Amendment of the Corporation's Article of Incorporation and By-Laws to increase its Authorized Capital Stock.

3. Obligations of the Corporation. The Corporation hereby undertakes and covenants to the Subscriber to perform the following:

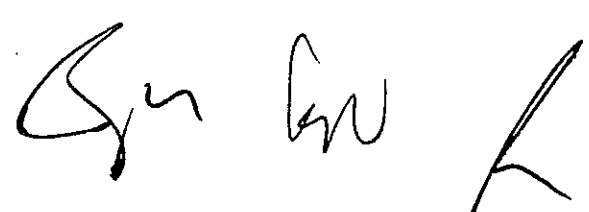
- 3.1. Issue the Subscribed Shares as soon as full payment of total Subscription Price is received and the Corporation's increase in capital stock is approved by the SEC
- 3.2. Pay the Documentary Stamp Tax due on the issuance of the Subscribed Shares on or before the statutory deadline;
- 3.3. Secure the approval of the shareholders to the private placement as well as the listing thereof in the scheduled Annual Stockholders Meeting on December 20, 2024.
- 3.4. Pay and apply for listing of the Subscribed Shares with the Philippine Stock Exchange (the "PSE").

4. Warranties and Representations

4.1. Each Party to this Agreement represents and warrants in favor of the other Party that as of the date of execution of this Agreement that:

- a. It is duly organized and existing under the laws of the country of its creation or its incorporation and has the corporate power and authority, including the financial capacity, to enter into and perform its obligations under this Agreement.
- b. It has taken all necessary corporate legal action and approvals to authorize the execution, delivery and performance of this Agreement.
- c. This Agreement constitutes its legal, valid, direct and binding obligation, enforceable against it in accordance with its terms.
- d. The execution, delivery and performance of this Agreement will not violate and shall abide all applicable law, contract or agreement to which it is a party or which is binding upon it.
- e. Any information provided by it to the other Party relative this Agreement and the project is, to the best of its knowledge, true and accurate in all material aspects.
- f. It shall do or cause to be done all things necessary or reasonably desirable to give full effect to this Agreement and the transactions contemplated herein.

Each of the representations and warranties made by the Parties herein shall be construed as a separate and independent warranty and shall not be limited or restricted by reference to or interference from the terms of any other warranty or any other term of this Agreement.

Handwritten signatures in black ink, including a large stylized signature on the left and a smaller signature on the right.

5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, provided that no transfer of rights under this Agreement shall be effective without the consent of the Parties.
6. Waiver. The failure or delay of any Party to require performance by the other Party of any provision of this Agreement shall not affect its right to require performance of such provision unless and until such performance has been waived in writing by the other Party.
7. Severability. If any one or more of the provisions of this Agreement is declared by final judgment invalid, illegal, or unenforceable in any respect under any applicable law, such invalidity, illegality, or unenforceability shall not affect the other provision of this Agreement. In such event, the Parties shall consult each other as to the manner in which their original intention can be fulfilled as closely as possible, and they will amend this Agreement accordingly.
8. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations, discussions, and agreements.
9. Amendment. This Agreement may not be amended except in writing signed by the duly authorized representative of all Parties hereto.
10. Counterparts. This Agreement may be executed in more than one counterpart and each such counterpart when executed in identical form shall be construed as one integral document.
11. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Republic of the Philippines.
12. Effectivity. This Agreement shall take effect on the date of signing hereof.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and at the place above written.

BENGUET CORPORATION

RED EARTH MINERAL RESOURCES CORPORATION

By:



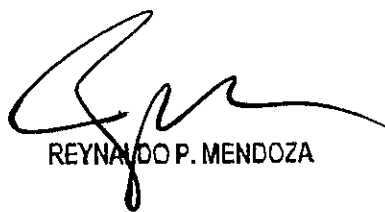
ATTY. LINA G. FERNANDEZ
President

By:



ATTY. EDGAR DENNIS A. PADERNAL
President




REYNALDO P. MENDOZA



WITNESSES :


RIC A. MACABADING

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

ACKNOWLEDGMENT


BEFORE ME, a Notary Public in and for the City of MAKATI CITY, Philippines,
this NOV 05 2024, the following persons appeared:

Name	Competent Evidence of Identity	Date and Place of Issue/Validity
BENGUET CORPORATION By: ATTY. LINA G. FERNANDEZ		
RED EARTH MINERAL RESOURCES CORPORATION By: ATTY. EDGAR DENNIS A. PADERNAL		7.4.2019 OSCA CITY OF MANILA

All known to me to be the same persons who executed the foregoing Subscription Agreement, composed of four (4) pages, including this page on which this acknowledgment is written and signed by the Parties on each and every page hereof, and they acknowledge to me that the same is their free and voluntary acts and deeds and that of the entities/corporations they represent.

WITNESS MY HAND AND SEAL on the date and place above written.

Doc No. 247 ;
Page No. 71 ;
Book No. 1 ;
Series of 2024.


SHEILA C. CENIT-BELGICA
Commission No. M-234
Notary Public for Makati City
Until December 31, 2025
7F Universal Re Building
106 Paseo de Roxas, Makati City
Roll No. 53476
IBP Life Member No. 014470 / 02.18.16
TR No. MKT10078179 dated January 4, 2024





ANNEX "C"

Date BC	Closing Price	Volume ('000)	Volume Weighted	
17-Sep			-	1
18-Sep	3.50	87	305	2
19-Sep	3.50	39	137	3
20-Sep	3.52	48	169	4
23-Sep	3.69	84	310	5
24-Sep	3.69	6	22	6
25-Sep	3.67	56	206	7
26-Sep	3.53	36	127	8
27-Sep	3.66	17	62	9
30-Sep	3.69	51	188	10
1-Oct	3.60	32	115	11
2-Oct	3.57	159	568	12
3-Oct	3.68	5	18	13
4-Oct	3.65	13	47	14
7-Oct	3.61	2	7	15
8-Oct	3.60	34	122	16
9-Oct	3.60	30	108	17
10-Oct	3.54	183	648	18
11-Oct	3.54	54	191	19
14-Oct	3.57	30	107	20
15-Oct	3.81	117	446	21
16-Oct	3.80	2	8	22
17-Oct	3.77	2	8	23
18-Oct	3.70	10	37	24
21-Oct	3.90	150	585	25
22-Oct	3.91	86	336	26
23-Oct	4.02	152	611	27
24-Oct	4.05	91	369	28
25-Oct	4.05	40	162	29
28-Oct	3.95	26	103	30

30-trading days 1,642 6,121
 Volume weighted average closing price 3.7277

<https://www.tradinghours.com/markets/pse#holidays-2024>

<https://my.firstmetrosec.com.ph/#/main/stocks/chart>

Subscription price	Premium over Closing VWAP
3.90	4.6%
4.00	7.3%
4.25	14.0%
4.50	20.7%

Date BCB	Closing Price	Volume ('000)	Volume Weighted	
17-Sep	3.41	103	351	
18-Sep			-	
19-Sep	3.40	9	31	
20-Sep	3.42	25	86	
23-Sep	3.51	13	46	
24-Sep	3.51	1	4	
25-Sep	3.50	27	95	
26-Sep	3.50	20	70	
27-Sep	3.70	15	56	
30-Sep			-	
1-Oct			-	
2-Oct	3.56	20	71	
3-Oct			-	
4-Oct			-	
7-Oct			-	
8-Oct			-	
9-Oct			-	
10-Oct	3.51	25	88	
11-Oct	3.48	25	87	
14-Oct	3.48	16	56	
15-Oct	3.51	22	77	
16-Oct				
17-Oct	3.54	140	496	
18-Oct	3.72	84	312	
21-Oct	3.80	36	137	
22-Oct				
23-Oct	3.74	128	479	
24-Oct	4.05	48	194	
25-Oct	4.05	12	49	
28-Oct	4.00	32	128	

30-trading days 801 2,910
 Volume weighted average closing price 3.6329

Subscription price	Premium over Closing VWAP
3.90	7.4%
4.00	10.1%
4.25	17.0%
4.50	23.9%

RED EARTH MINERAL RESOURCES CORP.

Financial Statements

December 31, 2023 and 2022



TORIO & ASSOCIATES CPAs

Working through challenges

RED EARTH MINERAL RESOURCES CORP.

Financial Statements

December 31, 2023 and 2022



TORIO & ASSOCIATES CPAS

Working Together

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **RED EARTH MINERAL RESOURCES CORP.** is responsible for all information and representations contained in the Annual Income Tax Return for the years ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of **RED EARTH MINERAL RESOURCES CORP.** is complete and correct in all material respects. Management likewise affirms that:


(a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue:

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) the **RED EARTH MINERAL RESOURCES CORP.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed under oath by the following:

Signature _____
(Name of the President/CEO): **EDGAR DENNIS A. PADERNAL**

Signature  _____
(Name of the Chief Financial Officer): **IMELDA C. CABADING**

Signed this 15th day of April 2024

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **Red Earth Mineral Resources Corp.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the year(s) ended **December 31, 2023 and 2022** in accordance with the prescribed financial reporting framework indicated therein and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

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

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

Torio & Associates CPA's, the independent auditors, appointed by the stockholders has audited the financial statements of the company in accordance to the Philippine Standards on Auditing and in its report to the stockholders or members has expressed its opinion on the fairness of presentation upon completion of such audit.

EDGAR DENNIS A. PADERNAL
President



IMELDA C. CABADING
Treasurer

Signed this _ day of _____.



TORIO & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

55 UE TECH AVE., UNIVERSITY HILLS SUBD., CALOOCAN CITY

TEL.: 362-29-65, 361-58-70

FAX: (632) 361-51-35 EMAIL ADDRESS: torio.associates.cpas@gmail.com

To The Board of Directors and Shareholders
RED EARTH MINERAL RESOURCES CORPORATION
16TH Floor Citi Bank Tower, 8741 Paseo De Roxas,
Bel-Air Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **RED EARTH MINERAL RESOURCES CORPORATION** which comprise the financial position as of December 31, 2023 and 2022, and statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended, notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **RED EARTH MINERAL CORPORATION** as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with the Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with the Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. We are Independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professionals Accountants (PESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippine (Philippine Code of Ethics), and We have fulfilled our other ethical responsibilities in accordance with these requirements and the PESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material Uncertainty Related to Going-Concern

Having regard to the future period to which those charged with governance have paid particular attention in assessing going concern, We have planned and performed procedures specifically designed to identify any material matters which could indicate concern about the entity's ability to continue as a going concern. Use of going concern basis of accounting is appropriate and no material uncertainty has been identified.

Emphasis of Matter

We draw attention to Note 1 to the financial statements which describe the policy adopted by the company of when an entity should adjust its financial statements for events after reporting period and the disclosures that an entity should give the date when the financial statements were authorized for the issue and about events after the reporting period.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

In Our opinion on the financial statements does not cover the information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to send other information and in doing so identified above when it becomes available and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and those charged with governance for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an Audit in accordance with PSA, We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainly exist related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainly exists, We are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair representation.

We communicate with those charged with governance regarding, among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

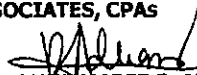
From the matters communicated with those charged with governance, We determined those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in my auditor's report unless law regulation precludes public disclosures about the matter or when, in extremely rare circumstances, We determine that a matter should not be communicated in our report because the advance consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on Other Legal and Regulatory Requirements

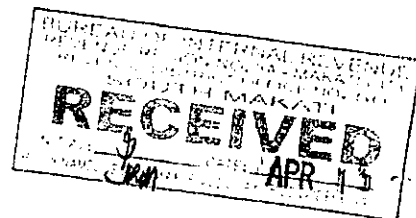
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fee in notes to the financial statements is presented for purpose of filing with the Bureau of Internal revenue and is not required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

TORIO & ASSOCIATES, CPAs

By:


ROSE ANNE MARIE S. ADRIANO
TIN 432-634-307-000
PRC ID No. 150625 Valid until April 02, 2025
BOA Accreditation No. 8026 Valid until April 30, 2025
BIR Accreditation No 05-007119-001-2023 valid until November 10, 2026
PTR No. : 1859409 dated : January 03, 2024
Issued at : Caloocan, Philippines

March 15, 2024





TORIO & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
55 UE TECH AVE., UNIVERSITY HILLS SUBD, CALOOCAN CITY
TEL.: 362-29-65, 361-58-70
FAX: (632) 361-51-35 EMAIL ADDRESS: torio.associates.cpas@gmail.com

Supplemental Statement of Independent Auditor


To The Board of Directors and Shareholders
RED EARTH MINERAL RESOURCES CORPORATION
16TH Floor Citi Bank Tower, 8741 Paseo De Roxas,
Bel- Air Makati City

We have examined the financial statements **RED EARTH MINERAL RESOURCES CORPORATION** for the year ended December 31, 2023 and 2022, on which we have rendered the attached report dated March 15, 2024

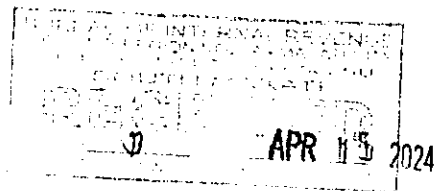
In compliance with SRC Rule 68, we have performed audit procedures to determine the total number of stockholders of the Company owning 100 or more shares each. We were able to obtain a certification from the Company's Corporate Secretary indicating that the Company has a total number of 3 stockholders owning 100 or more shares each as of December 31, 2023.

TORIO & ASSOCIATES, CPAs

By:


ROSE ANNE MARIE S. ADRIANO
TIN 432-634-307-000
PRC ID No. 150625 Valid until April 02, 2025
BOA Accreditation No. 8026 Valid until April 30, 2025
BIR Accreditation No 05-007119-001-2023 valid until November 10, 2026
PTR No. : 1859409 dated : January 03, 2024
Issued at : Caloocan, Philippines

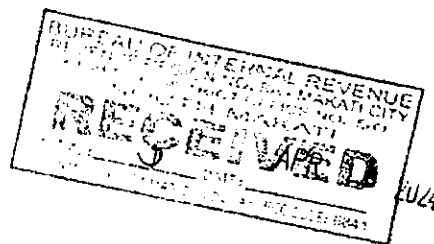
March 15, 2024



RED EARTH MINERAL RESOURCES CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash (Note 4)	P6,280,133	P6,280,133
Trading securities (Note 5)	132,738,078	-
Due from related parties (Note 7)	456,046,667	-
Input VAT	46,846	-
	622,134,091	6,280,133
Noncurrent Asset		
Investment in an associate (Note 6)	112,198,135	-
	P734,332,226	P6,280,133
LIABILITIES AND EQUITY		
Current Liabilities		
Income tax payable	P19,288	P-
Due to related parties (Note 7)	721,130,309	464,481
	P721,149,597	P464,481
Equity		
Capital stock	6,250,000	6,250,000
Retained earnings (deficit)	6,932,629	(434,348)
	13,182,629	5,815,652
	P734,332,226	P6,280,133

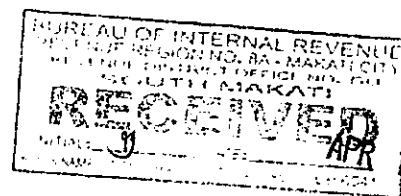
See accompanying Notes to Financial Statements.



RED EARTH MINERAL RESOURCES CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2023	2022
UNREALIZED TRADING GAINS – NET (Note 5)	₱8,572,949	₱–
GENERAL AND ADMINISTRATIVE EXPENSES (Note 8)	(2,679,997)	(33,614)
REALIZED TRADING GAINS – NET (Note 5)	1,285,874	–
SHARE IN NET INCOME OF AN ASSOCIATE (Note 6)	198,135	–
INTEREST INCOME (Note 4)	9,304	–
INCOME (LOSS) BEFORE INCOME TAX	7,386,265	(33,614)
PROVISION FOR INCOME TAX (Note 9)	19,288	–
TOTAL COMPREHENSIVE INCOME (LOSS)	₱7,366,977	(₱33,614)

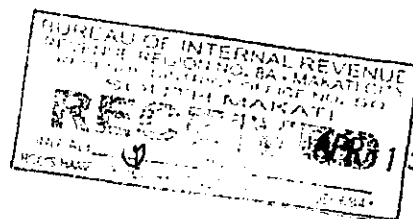
See accompanying Notes to Financial Statements.



RED EARTH MINERAL RESOURCES CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2023	2022
CAPITAL STOCK - ₱1 par value		
Authorized – 100,000,000 shares		
Subscribed – 25,000,000 shares (net of subscription receivable of ₱18,750,000)	₱6,250,000	₱6,250,000
DEFICIT		
Balance at beginning of year	(434,348)	(400,734)
Net income (loss)	7,366,977	(33,614)
Balance at end of year	6,932,629	(434,348)
	₱13,182,629	₱5,815,652

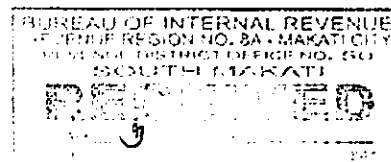
See accompanying Notes to Financial Statements.



RED EARTH MINERAL RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	P7,366,977	(P33,614)
Adjustments for:		
Unrealized trading gains – net (Note 5)	(8,572,949)	–
Realized trading gains – net (Note 5)	(1,285,874)	–
Share in net income of an associate (Note 6)	(198,135)	–
Interest income (Note 4)	(9,304)	–
Operating loss before working capital changes	(2,699,285)	(33,614)
Increase in trading securities	(122,879,255)	–
Increase in input VAT	(46,846)	–
Net cash used for operations	(125,625,386)	(33,614)
Income tax payable (Note 9)	19,288	–
Interest received	9,304	–
Net cash used in operating activities	(125,596,794)	(33,614)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances made to related parties (Note 7)	(456,046,667)	–
Investment in an associate (Note 6)	(112,000,000)	–
Net cash used in investing activities	(568,046,667)	–
CASH FLOW FROM FINANCING ACTIVITY		
Advances from related parties (Note 7)	720,665,828	33,614
NET INCREASE IN CASH	27,022,367	–
CASH AT BEGINNING OF PERIOD	6,280,133	6,280,133
CASH AT END OF PERIOD (Note 4)	33,302,500	6,280,133

See accompanying Notes to Financial Statements.



RED EARTH MINERAL RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

General Information

Red Earth Mineral Resources Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 10, 2018 to engage in surface mining.

In February 2023, the Company's Board of Directors (BOD) approved the amendment in the Company's Articles of Incorporation to change its corporate name to Red Earth Mineral Resources Corporation and its secondary business purpose.

Consequently, the Company is now engaged in dealing with all kinds of properties, including investment in bonds and shares of capital stock, without engaging in the business of an investment company under the Investment Company Act or a finance company or a broker or dealer in securities.

The Company's principal office address is at 16th Floor Citibank Tower, 8741 Paseo de Roxas, Bel-Air, Makati City.

Investment in Strong Built (Mining) Development Corporation (SBMDC)

In 2023, the Company acquired 35,000,000 shares of SBMDC representing 34.99% equity interest for ₱112.00 million. SBMDC has the right to undertake commercial mining operations from the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) under the Mineral Production Sharing Agreement (MPSA) No. 254-2007VIII. The agreement was executed last July 28, 2007 covering a contract area of 7,411.557 hectares situated in Dulag, Mayorga, MacArthur, Javier and Abuyog, Leyte under a term of twenty five (25) years from effective date, and may be renewed thereafter for another term not exceeding twenty five (25) years. SBMDC's principal office address is at Prince Mansion Compound, J. Romualdez St. Cor. Sto. Nino St., Tacloban City.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements.

As at December 31, 2023, the Company reached the ceiling of size criteria for small entities in relation to its total assets and liabilities. Accordingly, in accordance with the Revised Securities Regulations Code (SRC) Rule 68, the Company transitioned to full PFRS from PFRS for Small Entities in the preparation of its financial statements. The change in the financial reporting framework did not result to any significant change in the reported amounts in the financial statements as at December 31, 2023 and 2022. Additional disclosures are included in the notes to financial statements, as applicable.

Measurement Bases

The financial statements are presented in Philippine Peso, which is also the Company's functional currency. All amounts represent absolute values except otherwise indicated.

The financial statements have been prepared using the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

orderly transaction between market participants at the transaction date. The Company 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.

The Company uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair value is included in Note 10, Financial Risk Management Objectives and Policies.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS:

- Amendments to PAS 1, *Presentation of Financial Statements, and PFRS Practice Statement 2, Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods

- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following:
(i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments.

The adoption of the amendments to PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amended PFRS in Issue But Not Yet Effective or Adopted

Relevant amended PFRS which are not yet effective as at December 31, 2023 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2025:

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Financial asset or liability is recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability).

Financial Assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Financial assets are derecognized when the right to receive cash flows from the asset has expired.

As at December 31, 2023 and 2022, the Company's cash and due from related parties are considered as financial assets at amortized cost.

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL.

Financial assets at FVTPL are initially measured at fair value. Subsequently, these are measured at fair value with gains or losses recognized in profit or loss as part of *Unrealized Trading Gains – Net* in the

As at December 31, 2023, the Company's trading securities is classified as financial assets at FVTPL.

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

As at December 31, 2023 and 2022, the Company's due to related parties is classified financial liabilities at amortized cost.

Investment in an Associate

Investment in an associate is recognized initially at cost and subsequently accounted for using the equity method.

An associate is an entity in which the Company has significant influence but not control, over the financial and operating policies of such entity. The Company's share of its associate's post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in reserves is recognized in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

The reporting date of the associate and that of the Company are identical and the associate's accounting policies conform to those used by the Company for like transactions and events in similar circumstances. When necessary, adjustments are made to conform the associate's accounting policies in line with those of the Company.

When the Company's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Company determines at the end of each reporting period whether there is any evidence that the investment is impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying amount of the investment and recoverable amount.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are treated as deduction from equity, net of tax.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss net of any dividend declaration.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward benefits of any unused net operating loss carryover (NOLCO), excess minimum corporate income tax (MCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

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

Related Party Transactions and Related Parties

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Company; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Company that give them significant influence over the Company and close members of the family of any such individual; and (d) members of the key management personnel of the Company.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's financial statements in compliance with PFRS requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements. The judgment, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The following are the significant judgments, accounting estimates and assumptions made by the Company:

Determining Significant Influence over an Associate. When an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed that the investor has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

The existence of significant influence by the Company is evidenced by the following:

- representation on the BOD or equivalent governing body of the investee;
- participation in the policy-making process, including participation in decisions about dividends or other distributions; or
- material transactions between the entity and the investee; interchange of managerial personnel.

Assessing the Impairment of Investment in an Associate. The Company assesses the impairment of investment in an associate whenever events or changes in circumstances indicate that the carrying amount of investment in an associate may not be recoverable. The Company considered the following as indicators of impairment, and therefore, performed an impairment review:

- The carrying amount of the net assets of the associate is more than its market capitalization; and
- The carrying amount of the investment exceeds the Company's proportionate share in the carrying amounts of the associate's net assets in the financial statements.

In determining the recoverable amount, the Company is required to make estimates and assumptions such as commodity prices, discount rates, and foreign currency exchange rates that can materially affect the financial statements. Commodity prices and foreign exchange rate are based on the current and forecast in different banks. Discount rate estimate is computed using the weighted average cost of capital.

Based on management assessment, the estimated recoverable amount of the Company's investment in an associate is higher than its carrying amount. The estimated recoverable amount was determined based on the cash flow projections of the associate using the discounted cash flow method. Accordingly, no impairment loss was recognized in 2023. The carrying amount of investment in an associate is disclosed in Note 6.

Estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Company's unrecognized deferred tax assets is disclosed in Note 9.

4. Cash in Banks

This account pertains to cash deposited in a local bank amounting to ₱33.30 million and ₱6.28 million as at December 31, 2023 and 2022, respectively.

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱9,304 and nil in 2023 and 2022, respectively.

5. Trading Securities

This account pertains to investments which are invested in equity securities amounting to P132.74 million and nil as at December 31, 2023 and 2022, respectively.

The total net realized trading gains in 2023 and 2022 amounting to P1.29 million and nil, respectively, are presented as Realized Trading Gains – Net in the statements of comprehensive income. Unrealized trading gains of P8.57 million in 2023 is presented as Unrealized Trading Gains – Net in the statement of comprehensive income.

6. Investment in an Associate

Movements in this account are as follows:

	2023
Acquisition Cost	P112,000,000
Accumulated Earnings	
Share in net income	198,135
Balance at end of year	198,135
Carrying Amount	P112,198,135

The Company has 35,000,000 shares of Strong Built (Mining) Development Corporation (SBMDC) representing 34.99% equity interest as at December 31, 2023.

Summarized financial information of SBMDC follows:

	2023
Total current assets	P7,459,442
Total noncurrent assets	324,209,908
Total current liabilities	147,628,053
Net income	566,261

7. Related Party Transactions

The Company, in the normal course of business, has the following transactions with its related parties:

	Nature of Transaction	Amount of Transactions		Outstanding Balances	
		2023	2022	2023	2022
Due from related parties					
Entities under common management	Advances for working capital	P1,393,927	P-	P1,393,927	P-
Shareholders with significant influence	Advances for working capital	454,652,740	-	454,652,740	-
		P456,046,667	P-	P456,046,667	P-
Due to related parties					
Entities under common management	Advances for working capital	P160,263,088	P33,614	P160,727,569	P464,481
Shareholders with significant influence	Advances for working capital	560,402,740	-	560,402,740	-
		P720,665,828	P33,614	P721,130,309	P464,481

Due from/Due to Related Parties

These amounts represent working capital advances which are unimpaired, unsecured and collectible in cash. Working capital advances are noninterest-bearing and collectible on demand.

Compensation of Key Management Personnel

The Company has no key management personnel. The accounting and administrative functions of the Company are being handled by the affiliate companies at no cost.

8. General and Administrative Expenses

This account consists of:

	2023	2022
Donations	P2,000,000	P-
Commissions	348,796	-
Taxes and licenses	169,915	8,414
Service fees	68,613	-
Fines and penalties	42,875	-
Interest	34,328	-
Professional fees	6,300	25,200
Others	9,170	-
	P2,679,997	P33,614

9. Income Taxes

Provision for current income tax of P19,288 in 2023 pertains to MCIT, which can be claimed as deduction to income tax payable until 2026.

The Company's unrecognized deferred tax assets are as follows:

	2023	2022
NOLCO	P351,769	P13,957
Excess MCIT	19,288	-
	P371,057	P13,957

Management has assessed that there may be no sufficient future taxable profits against which the deferred tax asset can be utilized.

The reconciliation of provision for income tax at the statutory income tax to the provision for income tax shown in the statements of comprehensive income follows:

	2023	2022
Provision for income tax computed at statutory tax rate	P1,846,566	(P8,404)
Change in unrecognized deferred tax assets	357,100	(46,661)
Add (deduct) tax effects of:		
Unrealized trading gain	(2,143,237)	-
Share in net income of an associate	(49,534)	-
Nondeductible expenses	10,719	-
Interest income subjected to final tax	(2,326)	-
Expired NOLCO	-	55,065
	P19,288	P-

As at December 31, 2023, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2023	P-	P1,351,248	P-	P1,351,248	2026
2022	33,614	-	-	33,614	2025
2021	13,958	-	-	13,958	2026
2020	8,614	-	-	8,614	2025
	P56,186	P1,351,248	P-	P1,407,434	

10. Financial Risk Management Objectives and Policies

The Company has risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company's established business objectives.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash, dividends receivable, due from related parties, accrued expenses, due to related parties and note payable. The primary purpose of these financial instruments is to finance the Company's operations. The main risks arising from the use of these financial instruments are credit risk and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligation. The Company's exposure to credit risk arises primarily from cash in banks and due from related parties.

The Company's maximum exposure to credit risk on the financial assets at amortized cost is the carrying amount of those assets as at the reporting date.

Financial Assets at Amortized Cost

The Company limits its credit risk from balances with banks by depositing its cash with highly reputable and pre-approved financial institutions. For due from related parties, credit risk is low since the Company only transacts with related parties with strong capacity to meet its contractual cash flow obligations in the near term.

The Company considers credit risk in measuring ECL of financial assets at amortized cost. Since the financial assets at amortized cost of the Company are considered to have low credit risk, impairment loss is limited to 12-month ECL.

Generally, financial assets at amortized cost are written-off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No: 02-5322-7696 Email Us: www.sec.gov.ph / messages@sec.gov.ph



ANNEX D-1

The following document has been received:

Receiving: Mark Jason Orcine

Receipt Date and Time: November 30, 2023 09:21:44 AM

Company Information

SEC Registration No.: CS201817090

Company Name: RED EARTH BAUXITE RESOURCES Corporation

Industry Classification: B08990

Company Type: Stock Corporation

Document Information

Document ID: OST11130202381809796

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2022

Submission Type: Annual

Remarks: None

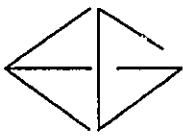
Acceptance of this document is subject to review of forms and contents

**RED EARTH BAUXITE RESOURCES
CORPORATION**

**FINANCIAL STATEMENTS
December 31, 2022 and 2021**

and

Independent Auditor's Report



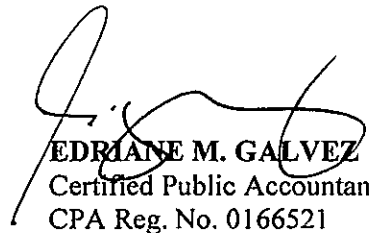
Edriane M. Galvez, CPA
39 Little Tagaytay St. Marulas, Valenzuela City

**SUPPLEMENTAL STATEMENT OF
INDEPENDENT AUDITOR**

To the Board of Directors and Shareholders
RED EARTH BAUXITE RESOURCES CORPORATION
16th Floor Citibank Tower, Paseo de Roxas
Bel-Air, City of Makati, NCR, Philippines

I have audited the financial statements of **RED EARTH BAUXITE RESOURCES CORPORATION** as at and for the year ended December 31, 2022, on which I have rendered the attached report dated March 31, 2023.

In compliance with the Revised Securities Regulation Code Rule 68, I am stating that the said Company has a total number of five (5) shareholders owning one hundred (100) or more shares each.

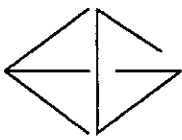


EDRIANE M. GALVEZ
Certified Public Accountant
CPA Reg. No. 0166521

TIN 324-541-026-000
PTR No. 8321807, Issued on January 24, 2023
PRC BOA Accreditation No. 9351, Issued on November 17, 2021
Valid until March 31, 2024
BIR AN 05-008021-001-2022, Issued on December 29, 2021
Valid until December 29, 2024

March 31, 2023
Valenzuela City, Metro Manila
Philippines

NOV 29 2023



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders
RED EARTH BAUXITE RESOURCES CORPORATION
16th Floor Citibank Tower, Paseo de Roxas
Bel-Air, City of Makati, NCR, Philippines

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **RED EARTH BAUXITE RESOURCES CORPORATION** (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for Small Entities).

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

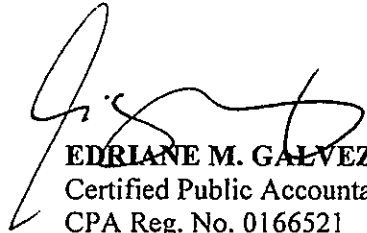
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NOV 29 2023

Report on Other Legal and Regulatory Requirements

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2022 required by the Bureau of Internal Revenue as disclosed in notes to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS for Small Entities. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



EDRIANE M. GALVEZ

Certified Public Accountant

CPA Reg. No. 0166521

TIN 324-541-026-000

PTR No. 8321807, Issued on January 24, 2023

PRC BOA Accreditation No. 9351, Issued on November 17, 2021

Valid until March 31, 2024

BIR AN 05-008021-001-2022, Issued on December 29, 2021

Valid until December 29, 2024

March 31, 2023

Valenzuela City, Metro Manila

Philippines

NOV 29 2023

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash (Note 5)	₱6,280,133	₱6,280,133
TOTAL ASSETS	₱6,280,133	₱6,280,133
LIABILITY AND EQUITY		
Current Liability		
Due to related parties (Note 6)	₱464,481	₱430,867
Equity		
Capital stock	6,250,000	6,250,000
Deficit	(434,348)	(400,734)
Total Equity	5,815,652	5,849,266
TOTAL LIABILITIES AND EQUITY	₱6,280,133	₱6,280,133

See accompanying Notes to Financial Statements.

NOV 29 2023

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2022	2021
INTEREST INCOME (Note 5)	₱-	₱-
EXPENSES		
Taxes and licenses	8,414	13,958
Professional fees	25,200	-
	33,614	13,958
LOSS BEFORE INCOME TAX	(33,614)	(13,958)
PROVISION FOR INCOME TAX	-	-
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE LOSS	(₱33,614)	(₱13,958)

See accompanying Notes to Financial Statements.

NOV 29 2023

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2022	2021
CAPITAL STOCK - ₱1 par value		
Authorized – 100,000,000 shares		
Subscribed – 25,000,000 shares (net of subscription receivable of ₱18,750,000)	₱6,250,000	₱6,250,000
 DEFICIT		
Balance at beginning of year	(400,734)	(386,776)
Net loss	(33,614)	(13,958)
Balance at end of year	(434,348)	(400,734)
	₱5,815,652	₱5,849,266

See accompanying Notes to Financial Statements.

NOV 29 2023

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(₱33,614)	(₱13,958)
Interest income	—	—
Operating loss before working capital changes	(33,614)	(13,958)
Interest received	—	—
Net cash used in operating activities	(33,614)	(13,958)
CASH FLOW FROM FINANCING ACTIVITY		
Increase in due to related parties (Note 6)	33,614	13,958
NET INCREASE IN CASH	—	—
CASH AT BEGINNING OF PERIOD	6,280,133	6,280,133
CASH AT END OF PERIOD (Note 5)	6,280,133	6,280,133

See accompanying Notes to Financial Statements.

NOV 29 2023

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Red Earth Bauxite Resources Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 10, 2018 to engage in surface mining.

The Company's registered office address is at 16th Floor Citibank Tower, 8741 Paseo de Roxas, Bel-Air, Makati City.

2. Financial Reporting Framework

Statement of Compliance

The financial statements of the Corporation have been prepared in accordance with the Philippine Financial Reporting Standard for Small Entities (PFRS for SEs) as approved by the Financial Reporting Standards Council, Board of Accountancy and Securities and Exchange Commission (SEC).

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Corporation operates. All amounts are rounded to the nearest peso, except when otherwise indicated.

3. Summary of Significant Accounting Policies

Basic Financial Instrument

The Company recognizes a financial assets and liabilities at the transaction prices unless the arrangement constitutes, in effect, a financing transaction. After initial measurement, financial assets and liabilities are measured at the undiscounted amount of cash or other consideration expected to be received or paid, less allowance for impairment, if any.

If the arrangement constitutes a financing transaction, the Company initially measure the financial assets and liabilities at the present value of the future payments discounted at a market rate of interest for a similar instrument. These are subsequently measured at amortized cost using the effective interest method.

The Company classifies its cash in bank and due to related parties as basic financial instruments.

Cash in Bank. Cash in bank earn interest at the prevailing bank deposit rates and is stated at face value.

Due to Related Parties. Due to related parties are obligation on the basis of normal credit terms and do not bear interest. These are recognized in the period in which the related goods or services are received or when a legally enforceable claim against the Company is established.

Impairment of Nonfinancial Assets

At each reporting date, nonfinancial assets are reviewed to determine whether there is any indication of impairment on nonfinancial assets. If there is an indication of possible impairment, the recoverable amount, which is the higher of fair value less costs to sell and value in use, of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statement of comprehensive income.

APR 28 2023

prior years. A reversal of impairment loss is recognized immediately in the statement of comprehensive income.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and paid

Deficit. Deficit represents the cumulative balance of net loss of the Company.

Revenue Recognition

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

Interest Income. Income is recognized as interest accrues using the effective interest method.

Expense Recognition

Expenses are recognized in profit or loss when there is a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably. Expenses compromise of costs incurred in administering the business and are recognized as incurred.

Income Taxes

The Corporation accounts for income taxes using the taxes payable method. Income tax expense and liability is recognized based on the taxable income for the year using the tax rates that have been enacted or substantively enacted at the reporting date.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Provisions

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

Contingencies

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

Events After the Reporting Date

Events after the reporting date that provide additional information about the Company's financial position at the end of financial reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are non-adjusting events are disclosed in the notes to financial statements when material.

4. Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in accordance with PFRSs for SME requires management to make estimates and assumptions that affect the reported amounts in the financial statements. The estimates used in the financial statements are based upon management's evaluation

Estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Cash in Bank

This account pertains to cash deposited in a local bank amounting to ₱6,280,133 as at December 31, 2022 and 2021.

6. Related Party Transactions

The Company, in the normal course of business, has the following transactions with its related parties:

	Nature of Transaction	Amount of Transaction		Outstanding Balances	
		2022	2021	2022	2021
Due to related parties					
Entities under common management					
Prime Media Holdings, Inc.	Advances	₱8,414	₱-	₱8,414	₱211,884
Bright Kindle Resources and Investmens, Inc.	Advances	25,200	-	25,200	-
Southern Alluvial Minerals and Alumina Resources Inc.	Advances	-	-	211,884	211,884
Marcventures Mining and Development Corp.	Advances	-	13,958	218,983	218,983
		₱33,614	₱13,958	₱464,481	₱430,867

Compensation of Key Management Personnel

Key management personnel of the Company have not received direct compensation from the Company.

7. Income Taxes

The Corporation has no taxable profit for the periods ended December 31, 2022 and 2021.

The details of the Company's NOLCO, which can be carried forward and claimed as deduction against future taxable income are as follows:

Details of net operating loss carryover incurred by the Corporation are shown below:

Year Incurred	Expiration	Additions	Expirations	Ending Balance
2022	2025	₱33,614	₱-	₱33,614
2019	2022	158,036	-	158,036
2018	2021	220,259	(220,259)	-
		₱411,909	(₱220,259)	₱191,650

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

For corporate taxpayers who are on fiscal year accounting period, taxable year 2020 and 2021 shall

Details of net operating loss carryover incurred by the Corporation are shown below:

<u>Year Incurred</u>	<u>Expiration</u>	<u>Additions</u>	<u>Expirations</u>	<u>Ending Balance</u>
2021	2026	₱13,958	-	₱13,958
2020	2025	8,614	-	8,614
		<u>₱22,572</u>	<u>₱-</u>	<u>₱22,572</u>



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Red Earth Bauxite Resources Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2022 and 2021**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Edriane M. Galvez, CPA, the independent auditor appointed by the stockholders for the years ended **December 31, 2022 and 2021**, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

EDGAR DENNIS A. PADERNAL
Chairman and President

IMELDA C. CABADING
Treasurer

Signed this ____ day of _____




SUBSCRIBED AND SWORN to before me this APR 13 2023 day of 3 2023, affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Edgar Dennis A. Padernal	150-607-013		
Imelda C. Cabading	223-556-656		

Doc. No. 86;
Page No. 19;
Book No. 4;
Series of 2023.

Notary Public


ATTY. JOEL FLORES FLORES
 NOTARY PUBLIC FOR MAKATI CITY
 UNTIL 2024 (REG. NO. 1019 (10-10-2024))
 PIA HON. ROAD, 100, APR. 03, 2019 / MAKATI CITY
 1127 D. BATAAN ST., GUADALUPE NUEVO, MAKATI CITY



SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: rls@sec.gov.ph



ANNEX D-2

The following document has been received:

Receiving: Jyrod Genova

Receipt Date and Time: January 24, 2023 01:54:51 PM

Company Information

SEC Registration No.: CS201817090

Company Name: RED EARTH BAUXITE RESOURCES Corporation

Industry Classification: B08990

Company Type: Stock Corporation

Document Information

Document ID: OST1012420238893236

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2021

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

**RED EARTH BAUXITE RESOURCES
CORPORATION**

FINANCIAL STATEMENTS
December 31, 2021 and 2020

and

Independent Auditor's Report

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **RED EARTH BAUXITE RESOURCES CORPORATION** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2021 and 2020 including the additional components attached therein in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The **Board of Directors** reviews and approves the financial statements including the schedules attached therein, and submits the same to the shareholders.

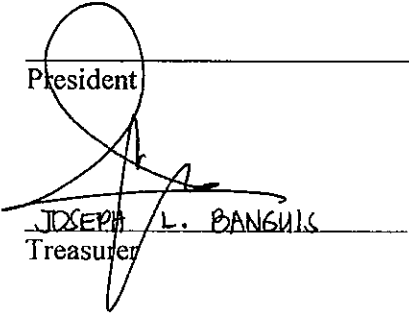
EDRIANE M. GALVEZ, CPA, the independent auditor appointed by the shareholders for the years ended December 31, 2021 and 2020, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the shareholders, have expressed its opinion on the fairness of presentation upon completion of such audit.

Signed this 19th day of December 2022



EDGAR DENNIS A. PADERNAL
Chairman

President



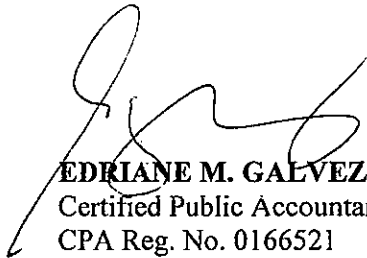
JOSEPH L. BANGULS
Treasurer

**SUPPLEMENTAL STATEMENT OF
INDEPENDENT AUDITOR**

**To the Board of Directors and Shareholders
RED EARTH BAUXITE RESOURCES CORPORATION**
16th Floor Citibank Tower, Paseo de Roxas
Bel-Air, City of Makati, NCR, Philippines

I have audited the financial statements of **RED EARTH BAUXITE RESOURCES CORPORATION** as at and for the year ended December 31, 2021, on which I have rendered the attached report dated December 19, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, I am stating that the said Company has a total number of five (5) shareholders owning one hundred (100) or more shares each.



EDRIANE M. GALVEZ

Certified Public Accountant

CPA Reg. No. 0166521

TIN 324-541-026-000

PTR No. 7728597, Issued on January 27, 2022

PRC BOA Accreditation No. 9351, Issued on November 17, 2021

Valid until March 31, 2024

BIR AN 05-008021-001-2022, Issued on December 29, 2021

Valid until December 29, 2024

December 19, 2022
Valenzuela City, Metro Manila
Philippines

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders
RED EARTH BAUXITE RESOURCES CORPORATION
16th Floor Citibank Tower, Paseo de Roxas
Bel-Air, City of Makati, NCR, Philippines

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **RED EARTH BAUXITE RESOURCES CORPORATION** (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for Small Entities).

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

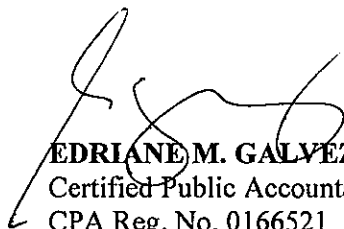
As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2021 required by the Bureau of Internal Revenue as disclosed in notes to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS for Small Entities. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



EDRIANE M. GALVEZ

Certified Public Accountant

CPA Reg. No. 0166521

TIN 324-541-026-000

PTR No. 7728597, Issued on January 27, 2022

PRC BOA Accreditation No. 9351, Issued on November 17, 2021

Valid until March 31, 2024

BIR AN 05-008021-001-2022, Issued on December 29, 2021

Valid until December 29, 2024

December 19, 2022

Valenzuela City, Metro Manila

Philippines

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash (Note 5)	₱6,280,133	₱6,280,133
TOTAL ASSETS	₱6,280,133	₱6,280,133
LIABILITY AND EQUITY		
Current Liability		
Due to related parties (Note 6)	₱430,867	₱416,909
Equity		
Capital stock	6,250,000	6,250,000
Deficit	(400,734)	(386,776)
Total Equity	5,849,266	5,863,224
TOTAL LIABILITIES AND EQUITY	₱6,280,133	₱6,280,133

See accompanying Notes to Financial Statements.

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2020	2020
INTEREST INCOME (Note 5)	₱-	₱7
EXPENSES		
Taxes and licenses	13,958	8,614
LOSS BEFORE INCOME TAX	(13,958)	(8,607)
PROVISION FOR INCOME TAX	-	-
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE LOSS	(₱13,958)	(₱8,607)

See accompanying Notes to Financial Statements.

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31	
	2021	2020
CAPITAL STOCK - ₱1 par value		
Authorized – 100,000,000 shares		
Subscribed – 25,000,000 shares (net of subscription receivable of ₱18,750,000)	₱6,250,000	₱6,250,000
DEFICIT		
Balance at beginning of year	(386,776)	(378,169)
Net loss	(13,958)	(8,607)
Balance at end of year	(400,734)	(386,776)
	₱5,849,266	₱5,863,224

See accompanying Notes to Financial Statements.

RED EARTH BAUXITE RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(₱13,958)	(₱8,607)
Adjustment for interest income (Note 5)	–	(7)
Operating loss before working capital changes	(13,958)	(8,614)
Interest received	–	7
Net cash used in operating activities	(13,958)	(8,607)
CASH FLOW FROM FINANCING ACTIVITY		
Increase in due to related parties (Note 5)	13,958	8,614
NET INCREASE IN CASH	–	7
CASH AT BEGINNING OF PERIOD	6,280,133	6,280,126
CASH AT END OF PERIOD (Note 4)	6,280,133	6,280,133

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Red Earth Bauxite Resources Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 10, 2018 to engage in surface mining.

The Company's registered office address is at 16th Floor Citibank Tower, 8741 Paseo de Roxas, Bel-Air, Makati City.

2. Financial Reporting Framework

Statement of Compliance

The financial statements of the Corporation have been prepared in accordance with the Philippine Financial Reporting Standard for Small Entities (PFRS for SEs) as approved by the Financial Reporting Standards Council, Board of Accountancy and Securities and Exchange Commission (SEC).

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Corporation operates. All amounts are rounded to the nearest peso, except when otherwise indicated.

3. Summary of Significant Accounting Policies

Basic Financial Instrument

The Company recognizes a financial assets and liabilities at the transaction prices unless the arrangement constitutes, in effect, a financing transaction. After initial measurement, financial assets and liabilities are measured at the undiscounted amount of cash or other consideration expected to be received or paid, less allowance for impairment, if any.

If the arrangement constitutes a financing transaction, the Company initially measure the financial assets and liabilities at the present value of the future payments discounted at a market rate of interest for a similar instrument. These are subsequently measured at amortized cost using the effective interest method.

The Company classifies its cash in bank and due to related parties as basic financial instruments.

Cash in Bank. Cash in bank earn interest at the prevailing bank deposit rates and is stated at face value.

Due to Related Parties. Due to related parties are obligation on the basis of normal credit terms and do not bear interest. These are recognized in the period in which the related goods or services are received or when a legally enforceable claim against the Company is established.

Impairment of Nonfinancial Assets

At each reporting date, nonfinancial assets are reviewed to determine whether there is any indication of impairment on nonfinancial assets. If there is an indication of possible impairment, the recoverable amount, which is the higher of fair value less costs to sell and value in use, of any affected asset (or group of related assets) is estimated and compared with

its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the nonfinancial assets is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the nonfinancial assets in prior years. A reversal of impairment loss is recognized immediately in the statement of comprehensive income.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and paid

Deficit. Deficit represents the cumulative balance of net loss of the Company.

Revenue Recognition

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

Interest Income. Income is recognized as interest accrues using the effective interest method.

Expense Recognition

Expenses are recognized in profit or loss when there is a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably. Expenses comprise of costs incurred in administering the business and are recognized as incurred.

Income Taxes

The Corporation accounts for income taxes using the taxes payable method. Income tax expense and liability is recognized based on the taxable income for the year using the tax rates that have been enacted or substantively enacted at the reporting date.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Provisions

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

Contingencies

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

Events After the Reporting Date

Events after the reporting date that provide additional information about the Company's

financial position at the end of financial reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are non-adjusting events are disclosed in the notes to financial statements when material.

4. Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in accordance with PFRSs for SME requires management to make estimates and assumptions that affect the reported amounts in the financial statements. The estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Cash in Bank

This account pertains to cash deposited in a local bank amounting to ₱6,280,133 as at December 31, 2021 and 2020.

Cash in bank earns interest at the prevailing bank deposit rates. Interest income earned amounted to nil and ₱7 in 2021 and 2020, respectively.

6. Related Party Transactions

The Company, in the normal course of business, has the following transactions with its related parties:

	Nature of Transaction	Amount of Transaction		Outstanding Balances	
		2021	2020	2021	2020
Due to related parties					
Entities under common management					
Southern Alluvial Minerals and Alumina Resources Inc.	Advances	₱-	₱8,614	₱211,884	₱211,884
Marcventures Mining and Development Corp.	Advances	13,958	-	218,983	205,025
		₱13,958	₱8,614	₱430,867	₱416,909

Compensation of Key Management Personnel

Key management personnel of the Company have not received direct compensation from the Company.

7. Income Taxes

The Corporation has no taxable profit for the periods ended December 31, 2021 and 2020.

The details of the Company's NOLCO, which can be carried forward and claimed as deduction against future taxable income are as follows:

Year Incurred	Expiration	Additions	Expirations	Ending Balance
2019	2022	₱158,036	-	₱158,036
2018	2021	220,259	-	220,259
		₱378,295	₱-	₱378,295

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

For corporate taxpayers who are on fiscal year accounting period, taxable year 2020 and 2021 shall include all those corporations with fiscal years ending on or before June 30, 2021, and June 30, 2022, respectively.

Details of net operating loss carryover incurred by the Corporation are shown below:

Year Incurred	Expiration	Additions	Expirations	Ending Balance
2021	2026	₱13,958	-	₱13,958
2020	2025	8,614	-	8,614
		₱22,572	₱-	₱22,572

Red Earth Mineral Resources Corporation Statement of Business Pursuit

Red Earth Mineral Resources Corporation ("Red Earth") is committed to leading in the mineral resource sector while broadening its reach through strategic diversification and investment. Originally established as a surface mining company, Red Earth now pursues a multi-dimensional business model that merges resource excellence with financial growth through investments across varied asset classes.

Business Pursuit Objectives:

1. **Resource Leadership and Operational Excellence:** To position Red Earth as a leading provider of mineral resources, upholding industry best practices and ensuring sustainable, efficient surface mining operations that maximize output quality and operational reliability.
2. **Strategic Diversification:** To extend Red Earth's scope beyond traditional mining by engaging in property transactions and investments in capital markets. This approach aims to strengthen the company's asset base, providing a balanced portfolio that mitigates risk and leverages diverse revenue streams.
3. **Enhanced Shareholder Value:** To prioritize financial growth and long-term stability by exploring investments in bonds and equities, creating pathways for enhanced shareholder returns and resilient capital appreciation.
4. **Market Adaptability and Growth:** To proactively adapt to evolving market demands, focusing on investments that complement core mining activities while remaining agile to seize new market opportunities.
5. **Community and Environmental Responsibility:** To integrate socially responsible and environmentally sustainable practices, maintaining Red Earth's commitment to community development and ecological preservation.

By maintaining a balanced focus on resource management and diversified investment, Red Earth is positioned for sustainable growth and continued value creation. This dual strategy allows Red Earth to navigate the complexities of the mineral industry and capitalize on broader market opportunities, anchoring the company's growth for years to come.