Century Peak Metals Holdings Corporation
and Subsidiaries

Interim Consolidated Financial Statements
As at June 30, 2017 (Unaudited) and December 31, 2016
(Audited)
and for the Six months Ended June 30, 2017 and 2016
(Unaudited)

COVER SHEET

SEC Registration Number

CS200324966

COMPANY NAME

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/ Province)*

14F EQUITABLE TOWER, 8751 PASEO DE ROXAS, SALCEDO VILLAGE, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
-	**+632-856-0999**	-

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
227	**June 30**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Jessie Josuah Hilario	-	-	-

CONTACT PERSON'S ADDRESS

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

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

SECURITIES AND EXCHANGE COMMISSION

AUG 15 2017

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER

1. For the quarterly period ended **30 June 2017**

2. Commission identification number **CS200324966**

3. BIR Tax Identification No **228-423-401-000**

4. **CENTURY PEAK METALS HOLDINGS CORPORATION**
   Exact name of issuer as specified in its charter

5. Province, country or other jurisdiction of incorporation or organization **Manila, Philippines**

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

7. **14F Equitable Bank Tower, 8751 Paseo De Roxas, Salcedo Village, Makati City** **1226**
   Address of issuer's principal office Postal Code

8. Issuer's telephone number, including area code: **+632-856-0999**

9. **Not Applicable**
   Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**2,820,330,450**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [✓] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange (PSE)	**Common Stock**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [✓] No [ ] **Report: 17-Q**

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The interim consolidated financial statements as at June 30, 2017 (Unaudited) and December 31, 2016 (Audited) and for the six months ended June 30, 2017 and 2016 and the related notes to consolidated financial statements of Century Peak Metals Holdings Corporation and Subsidiaries (collectively referred to as "the Group") are filed as part of this Form 17-Q on pages 2 to 30.

For purposes of segment reporting, the Group has no other reportable segment other than mining and conversion of mineral resources.

There are no other material events subsequent to the end of this interim period that had not been reflected in the unaudited consolidated financial statements filed as part of this report.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	**June 30, 2017 (Unaudited)**	December 31, 2016 (Audited)
ASSETS			
Current Assets			
Cash		**P17,356,589**	P48,955,032
Accounts receivable	*16*	**20,895,064**	–
Inventories	*4*	**34,242,916**	63,685,163
Other current assets	*5*	**29,927,698**	50,066,949
Total Current Assets		**102,422,267**	162,707,144
Noncurrent Assets			
Investment properties	*6*	**21,385,768**	21,385,768
Property and equipment – net	*7*	**953,802,529**	952,521,555
Explored mineral resources – net	*8*	**1,720,463,670**	1,737,031,899
Deferred exploration cost	*9*	**94,232,908**	62,329,678
Deferred tax assets		**7,857,124**	3,785,949
Other noncurrent assets	*10*	**98,934,580**	90,079,831
Total Noncurrent Assets		**2,896,676,579**	2,867,134,680
		P2,999,098,846	P3,029,841,824
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	*11*	**P79,329,603**	P92,138,870
Due to related parties	*13*	**182,955,047**	127,198,096
Income tax payable		**524,221**	8,592,605
Total Current Liabilities		**262,808,871**	227,929,571
Noncurrent Liability			
Provision for site rehabilitation costs	*12*	**13,077,890**	12,452,415
Total Liabilities		**275,886,761**	240,381,986
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	*14*	**2,820,330,450**	2,820,330,450
Additional paid-in capital		**1,931,550**	1,931,550
Deficit		**(91,579,745)**	(25,258,181)
		2,730,682,255	2,797,003,819
Noncontrolling interest		**(7,470,170)**	(7,543,981)
Total Equity		**2,723,212,085**	2,789,459,838
		P2,999,098,846	P3,029,841,824

See accompanying Notes to Interim Consolidated Financial Statements.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	**April 1 to June 30, 2017**	**January 1 to June 30, 2017**	April 1 to June 30, 2016	January 1 to June 30, 2016	December 31, 2016
		Unaudited				**Audited**
SALES		**P130,929,505**	**P130,929,505**	P85,653,949	P85,653,949	P419,226,495
COST AND EXPENSES						
Cost of sales	*4*	**(119,400,953)**	**(119,400,953)**	(83,189,503)	(83,189,503)	(333,585,448)
Operating expenses		**(34,375,588)**	**(64,421,568)**	(8,027,471)	(13,373,789)	(63,806,834)
Depletion of explored mineral resources		**(16,568,229)**	**(16,568,229)**	(16,944,842)	(16,944,842)	(67,348,965)
LOSS BEFORE OTHER INCOME (CHARGES)		**(39,415,265)**	**(69,461,245)**	(22,507,867)	(27,854,185)	(45,524,752)
OTHER CHARGES - net						
Foreign exchange gain (loss)		**347,019**	**298,413**	4,833	242,719	(162,448)
Interest income		**8,270**	**16,330**	3,317	4,025	10,539
Interest expense		**(639,113)**	**(648,205)**	(16,228)	(24,248)	(1,160,871)
LOSS BEFORE INCOME TAX		**(39,699,089)**	**(69,794,707)**	(22,515,945)	(27,631,689)	(46,837,532)
INCOME TAX EXPENSE (BENEFIT)		**(3,546,954)**	**(3,546,954)**	-	-	8,040,787
NET LOSS/TOTAL COMPREHENSIVE LOSS		**(P36,152,135)**	**(P66,247,753)**	(P22,515,945)	(P27,631,689)	(P54,878,319)
NET LOSS/TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:						
Equity holders of the parent company	*14*	**(P36,540,202)**	**(P66,321,564)**	(P22,405,809)	(P27,496,529)	(P55,801,493)
Non-controlling interest		**388,067**	**73,811**	(110,136)	(135,160)	923,174
		(P36,152,135)	**(P66,247,753)**	(P22,515,945)	(P27,631,689)	(P54,878,319)
Loss Per Share						
Basic/diluted	*15*	**(P0.0130)**	**(P0.0235)**	(P0.0079)	(P0.0097)	(P0.0198)
Basic/diluted (Trailing 12 months)		**-**	**(0.0331)**	-	(0.0229)	-

See Notes to Interim Consolidated Financial Statements.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent Company				Non-Controlling Interest	Total Equity
	Capital Stock	**Additional Paid-in Capital**	**Deficit**	**Total**		
Balance at January 1, 2017	**P2,820,330,450**	**P1,931,550**	**(P25,258,181)**	**P2,797,003,819**	**(P7,543,981)**	**P2,789,459,838**
Loss for the period	–	-	**(66,321,564)**	**(66,321,564)**	**73,811**	**(68,757,181)**
Balance at June 30, 2017 (Unaudited)	**P2,820,330,450**	**P1,931,550**	**(P91,579,745)**	**P2,730,682,255**	**(P7,470,170)**	**P2,723,212,085**
Balance at January 1, 2016	P2,820,330,450	P1,931,550	P29,816,583	P2,852,078,583	(P7,740,426)	P2,844,338,157
Loss for the period	–	-	(24,496,529)	(24,496,529)	(135,160)	(27,631,689)
Balance at June 30, 2016 (Unaudited)	P2,820,330,450	P1,931,550	P2,320,054	P2,824,582,054	(7,875,586)	2,816,706,468
Balance at January 1, 2016	P2,820,330,450	P1,931,550	P30,543,312	P2,852,805,312	(P8,467,155)	P2,844,338,157
Loss for the year	-	-	(55,801,493)	(55,801,493)	923,174	(54,878,319)
Balance at December 31, 2016 (Audited)	P2,820,330,450	P1,931,550	(P25,258,181)	P2,797,003,819	(P7,543,981)	P2,789,459,838

See accompanying Notes to Interim Consolidated Financial Statements.

CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Unaudited		Audited
		January 1 to June 30, 2017	January 1 to June 30, 2016	December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(P69,794,707)**	(P27,631,689)	(P46,837,532)
Adjustments for:				
Depreciation, amortization and depletion		**55,511,836**	55,748,342	108,924,383
Provision for impairment of other current assets		**14,432,252**	-	-
Loss on impairment of inventory		**2,336,269**	-	-
Interest expense		**648,205**	24,248	1,160,871
Unrealized foreign exchange loss (gain)		**(298,413)**	(242,719)	162,448
Interest income		**(16,330)**	(4,025)	(10,539)
Operating income (loss) before working capital changes		**(2,819,112)**	27,894,157	63,399,631
Decrease (increase) in:				
Trade receivables		**(20,895,064)**	60,984,845	63,776,444
Inventories		**18,629,468**	(9,065,080)	120,960,256
Other current assets		**5,706,999**	(6,054,978)	(32,336,139)
Increase (decrease) in accounts payable and other current liabilities		**(9,891,333)**	4,587,290	(29,503,419)
Net cash generated from (used in) operations		**(3,630,818)**	78,346,234	186,296,773
Income taxes paid		**(8,592,605)**	(46,931)	(46,931)
Interest paid		**(22,730)**	(24,248)	(24,375)
Interest received		**16,330**	4,025	10,539
Net cash provided by (used in) operating activities		**(12,229,823)**	78,279,080	186,236,006
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property and equipment	*7*	**(13,250,475)**	(30,000)	(54,995)
Increase in:				
Deferred exploration costs		**(53,318,760)**	(27,173,887)	(30,710,826)
Other noncurrent assets		**(8,854,749)**	(1,647,199)	(29,050,147)
Net cash used in investing activities		**(75,423,984)**	(28,851,086)	(59,815,968)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from (payments to) stockholders		**55,756,951**	(55,468,433)	(87,648,788)
EFFECT OF EXCHANGE RATE CHANGES IN CASH		**298,413**	242,719	(162,448)
NET INCREASE (DECREASE) IN CASH		**(31,598,443)**	(5,797,720)	38,608,802
CASH AT BEGINNING OF YEAR		**48,955,032**	10,346,230	10,346,230
CASH AT END OF YEAR		**P17,356,589**	P4,548,510	P48,955,032

See Notes to Interim Consolidated Financial Statements.

1. Corporate Information

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

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

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

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

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

[a] *Based on the Parent Company's interest in the issued and outstanding shares of the subsidiaries.*
[b] *CPMDC and CPCMC were incorporated in 2015 and have not yet started commercial operations.*
[c] *CSSI and CHGSI have not yet started commercial operations.*
[d] *Owned by the Parent Company through CPC.*

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

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

CPC and CHGSI	Invest in and engage in the business of operating and mining of any mineral resources in the Philippines such as iron, ore, copper, gold, silver, lead, manganese, chromite, nickel, etc.
CSSI	Invest in and engage in the business of operating and mining of any mineral resources in the Philippines and to engage in the business of managing, administering solid waste disposal system.
CPMDC	Engaged in the business of operating and mining mineral resources in the Philippines, such as limestone, lime, silica, iron ore, copper, gold, silver, lead, manganese, chromite, nickel, among other minerals, both metallic and non-metallic; prospecting, exploring, milling, concentrating, converting, smelting, treating, refining, manufacturing, and preparing for market, whether export or domestic, such mineral resources and producing and dealing in all its products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced.
CPCMC	Engaged in the business of manufacture, production and merchandising, whether export or domestic, of cement, cement products and by-products, including its derivatives and any and all kinds of minerals and building materials.
CSCI	Engaged in the business of operating barges, steamships, motorboats and other kinds of water crafts for the transportation of cargoes and passengers.

Mineral Rights of CPC

The table below summarizes CPC's mineral rights:

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

MPSA-010-92-X or the "Casiguran Nickel Project," was acquired by CPC from Casiguran Mining Corporation by virtue of a deed of assignment on May 29, 2006, which was approved by the Department of Environment and Natural Resources (DENR) on December 11, 2006. In addition, MPSA-283-2009-XIII-SMR or the "Rapid City Parcel II Prospect" ("Rapid City") was approved by the DENR on June 19, 2009.

The Acoje Property is covered by APSA-086-XIII and Environmental Compliance Certificate (ECC) No. 008-345-301C. APSA-086-XIII is still under final evaluation with the Mines and Geosciences Bureau (MGB) Central Office as at June 30, 2017.

Extension of MPSA 010-92-X (Casiguran Nickel Project)

On May 18, 2016, CPC applied for the renewal of MPSA 010-92-X with the Mines and Geosciences Bureau Region XIII. The Certificate of Environmental Management and Community Relations Record (RXIII CEMCRR-2017-05-01) already been issued last July 13, 2017 and has been received by CPC.

<u>The Smelting Plant Project</u>

CHGSI

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

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

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

CSSI

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

<u>Mining Operations</u>

CPC was issued their ISO 14001 Certification last November 2016. The Certifying Agency is DQS/IQ Net based in Germany.

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

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

As at June 30, 2017, a total of five (5) shipments have already been made, and another three (3) shipments are expected to be delivered for the month of July. This is in line with the shipment projections for 2017.

Registration of CPC with the Board of Investments (BOI)

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

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

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

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

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

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

<u>The Cement and Limestone Project</u>

CPCMC and CPMDC

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

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

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

CSCI

On December 8, 2011, CSCI was registered with the Maritime Industry Authority with Certificate No. DSO-2006-003-086 (2014) under Marina Circular 2006-003, which is valid until December 7, 2017. It has 3 LCTs, Century Summit 1, Century Summit 2 and Century Summit 3, being used in CPC's mining operations.

2. Basis of Preparation and Statement of Compliance

The unaudited interim consolidated financial statements of the Group have been prepared on the historical cost basis of accounting and are presented in Philippine Peso, the Group's functional and presentation currency. All values represent absolute amounts except when otherwise stated.

The unaudited interim consolidated financial statements do not included all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2016.

The unaudited interim consolidated financial statements of the Group for the six months ended June 30, 2017 have been prepared in accordance with PAS 34, *Interim Financial Reporting* and in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council (FRSC) and adopted by the SEC. This financial reporting framework included PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) and SEC provisions.

3. Summary of Significant Accounting Policies

<u>Adoption of Amendments to Standards</u>
The Group has adopted the following amendments to standards and new interpretation starting January 1, 2017 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these amendments to standards and interpretation did not have any significant impact on the Group's consolidated financial statements.

Effective January 1, 2017

- Amendments to PAS 7, *Statement of Cash Flows - Disclosure Initiative* – The amendments require entities to provide information that enable the users of financial statements to evaluate changes in liabilities arising from their financing activities.

- Amendments to PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses* – The amendments clarify the accounting for deferred tax assets related to unrealized losses on debt instruments measured at fair value, to address diversity in practice.

The adoption of the foregoing new and revised PFRS did not have any material effect on the unaudited interim financial statements. Additional disclosures have been included in the notes to financial statements, as applicable.

<u>Standards Issued But Not Yet Adopted</u>
A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2018. However, the Group has not applied the following new or amended standards in preparing these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective January 1, 2018

- PFRS 9, *Financial Instruments* – This standard will replace PAS 39, *Financial Instruments: Recognition and Measurement* (and all the previous versions of PFRS 9). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

PFRS 9 requires all recognized financial assets to be subsequently measured at amortized cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

For financial liabilities, the most significant effect of PFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, PFRS 9 introduces an “expected credit loss” model based on the concept of providing for expected losses at inception of a contract; it will no longer be necessary for there to be objective evidence of impairment before a credit loss is recognized.

For hedge accounting, PFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures.

Effective January 1, 2019

- *PFRS 16 Leases* supersedes PAS 17 *Leases* and the related Philippine Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognized on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low-value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgmental thresholds that affect the identification, classification and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgments at each reporting date were introduced.

  PFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier application is not permitted until the FRSC has adopted PFRS 15. The Group is currently assessing the potential impact of PFRS 16 and plans to adopt this new standard on leases on the required effective date once adopted locally.

Under prevailing circumstances, the adoption of the foregoing new and revised 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.

4. Inventories

Inventories amounted to P34.2 million and P63.7 million as at June 30, 2017 and December 31, 2016, respectively.

During 2017, the Company recognized loss on impairment of inventory amounting to P2.3 million.

For the six months ended June 30, 2017 and 2016 and for the year ended December 31, 2016, the cost of inventories recognized in profit or loss amounted to P119.4 million, P83.2 million and P333.6 million, respectively.

5. Other Current Assets

This account consists of:

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Advances to:		
Third parties	**P37,614,107**	P35,916,071
Officers and Employees	**3,234,206**	3,126,649
Prepaid expenses	**3,511,637**	11,024,229
	44,359,950	50,066,949
Allowance for impairment of other current assets	**(14,432,252)**	–
	P29,927,698	P50,066,949

Advances to third parties include operations costs incurred in advance which will be deducted against future billings.

Prepaid expenses primarily consists of prepaid taxes, insurance, supplies and various items that are individually immaterial.

During 2017, the Company provided an allowance for impairment of other current assets amounting to P14.4 million.

6. Investment Properties

Investment properties consist of two parcels of land carried at cost amounting to P21.4 million as at June 30, 2017 and December 31, 2016. Fair values, which represent the price that would be received to sell the investment properties in an orderly transaction between market participants, amounted to P3 5.4 million. No direct cost was incurred.

The non-recurring fair values of investment properties are determined by the Group through an evaluation made by an independent property appraiser at the measurement date of February 28, 2011 using the market data approach. In this approach, the values of the parcels of land are based on sales and listings of comparable property registered within the vicinity. The comparison is premised on the factors of location, size and share of the lot, time element and others. Management assessed that the market value has not changed significantly from the last appraisal made.

7. Property and Equipment

Movements of this account are presented below:

	Land	Mine Site Development Cost	Transportation and Field Equipment	Office Space and Improvements	Office Equipment	Construction in Progress	Total
Cost							
January 1, 2016	P40,221,355	P421,154,027	P871,110,639	P37,860,004	P8,475,909	P213,406,430	P1,592,228,364
Additions	-	-	-	-	54,995	-	54,995
Reclassification	-	-	-	1,792,800	-	(1,792,800)	-
December 31, 2016	40,221,355	421,154,027	871,110,639	39,652,804	8,530,904	211,613,630	1,592,283,359
Additions	7,037,875	-	6,174,900	-	37,700	-	13,250,475
Reclassification	21,415,530	-	-	-	-	-	21,415,530
June 30, 2017	**68,674,760**	**421,154,027**	**877,285,539**	**39,652,804**	**8,568,604**	**211,613,630**	**1,626,949,364**
Accumulated Depreciation, Amortization, and Depletion							
January 1, 2016	-	27,559,928	344,043,460	8,403,622	6,736,036	-	386,743,046
Depreciation, amortization and depletion	-	9,627,173	43,279,891	2,247,844	844,095	-	55,999,003
December 31, 2016	-	37,187,101	387,323,351	10,651,466	7,580,131	-	442,742,049
Depreciation, amortization and depletion	-	3,663,005	28,083,989	1,165,685	472,352	-	33,385,031
June 30, 2017	-	**40,850,106**	**415,407,340**	**11,817,151**	**8,052,483**	-	**476,127,080**
Allowance for Impairment Loss as at December 31, 2016 and June 30, 2017	-	-	-	-	**146,932**	**196,872,823**	**197,019,755**
Carrying Amount							
December 31, 2016	40,221,355	383,966,926	483,787,288	29,001,338	803,841	14,740,807	952,521,555
June 30, 2017	**P68,674,760**	**P380,303,921**	**P461,878,199**	**P27,835,653**	**P369,189**	**P14,740,807**	**P953,802,529**

For the six months ended June 30, 2017 and for the year ended December 31, 2016, depreciation and amortization expense allocated to inventories amounted to P10.8 million and P14.4 million, respectively.

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

As at June 30, 2017 and December 31, 2016, no further impairment was assessed as the carrying amount in the books represents the scrap value of the said assets.

8. Explored Mineral Resources

This account consists of:

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Cost	**P2,016,756,977**	P2,016,756,977
Allowance for accumulated depletion	**(296,293,307)**	(279,725,078)
	P1,720,463,670	P1,737,031,899

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

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

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

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

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

9. Deferred Exploration Cost

Deferred exploration costs pertains to expenditures related to exploration for economic mineral deposits. This includes, among others, costs of exploration and mining rights acquisition, geological, geochemical and geophysical surveys, drilling, labor, materials and supplies, professional fees, community relations, and environmental management expenditures attributable to the cement project.

As at June 30, 2017 and December 31, 2016, the accumulated expenditures of the Group amounted to P94.2 million and P62.3 million, respectively. Exploration activities are covered by a Joint Operating Agreement with Philippine Mining Development Corporation entered by the Group through CPC.

10. Other Noncurrent Assets

This account consists of:

	June 30, 2017 (Unaudited)	December 31,2016 (Audited)
Input VAT	**P43,867,481**	P39,753,779
Deferred input VAT	**16,992,841**	20,452,497
Allowance for impairment losses on input VAT	**(9,128,237)**	(9,128,237)
	51,732,085	51,078,039
Rehabilitation funds	**45,702,495**	37,501,792
AFS financial assets	**1,500,000**	1,500,000
	P98,934,580	P90,079,831

Deferred input VAT pertains to the unamortized input VAT from purchase of field and transportation equipment.

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

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

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

11. Accounts Payable and Other Current Liabilities

This account consists of:

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Accounts payable	**P69,658,151**	P33,608,971
Contractors' fees	**8,071,106**	8,071,106
Unearned revenue	**853,335**	50,210,141
Others	**747,011**	248,652
	P79,329,603	P92,138,870

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

12. Provision for Site Rehabilitation Costs

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

13. Related Party Transactions

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

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

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

14. Capital Stock

	Number of Shares	Amount
Authorized, P1.00 par value	3,575,000,000	P3,575,000,000
Issued and outstanding	2,820,330,450	P2,820,330,450

The Group has 227 and 229 holders of common equity securities as at June 30, 2017 and December 31, 2016, respectively.

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

15. Loss Per Share Computation

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

	June 30, 2017	June 30, 2016
Loss attributable to equity holders of the Parent Company (a)	**(P66,321,564)**	(P27,496,529)
Weighted average number of common shares outstanding (b)	**2,820,330,450**	2,820,330,450
Basic/diluted loss per share (a/b)	**(P0.0235)**	(P0.0097)

The Parent Company has no dilutive shares as at June 30, 2017.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis relate to the unaudited interim consolidated financial position and results of operations of the Group and should be read in conjunction with the accompanying interim unaudited consolidated financial statements and related notes. The Company cautions that its business and financial performance is subject to certain risks and uncertainties. In evaluating the Company’s business, investors should carefully consider all of the information contained in “Risk Factors."

2.1 OVERVIEW

The Parent Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 30, 2003 as Fil-Hispano Corporation. On February 15, 2008, the SEC approved the change in the Parent Company’s corporate name to Century Peak Metals Holdings Corporation.

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

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

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

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

[a] *Based on the Parent Company’s interest in the issued and outstanding shares of the subsidiaries.*
[b] *CPMDC and CPCMC were incorporated in 2015 and have not yet started commercial operations.*
[c] *CSSI and CHGSI have not yet started commercial operations.*
[d] *Owned by the Parent Company through CPC.*

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

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

CPC and CHGSI	Invest in and engage in the business of operating and mining of any mineral resources in the Philippines such as iron, ore, copper, gold, silver, lead, manganese, chromites, nickel, etc.
CSSI	Invest in and engage in the business of operating and mining of any mineral resources in the Philippines and to engage in the business of managing, administering solid waste disposal system.
CPMDC	Engaged in the business of operating and mining any mineral resources in the Philippines, such as limestone, lime, silica, iron ore, copper, gold, silver, lead, manganese, chromites, nickel, among other minerals, both metallic and non-metallic; prospecting, exploring, milling, concentrating, converting, smelting, treating, refining, manufacturing, and preparing for market, whether export or domestic, such mineral resources and producing and dealing in all its products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced.
CPCMC	Engaged in the business of manufacture, production and merchandising, whether export or domestic, of cement, cement products and by-products, including its derivatives and any and all kinds of minerals and building materials.
CSCI	Engaged in the business of operating barges, steamships, motorboats and other kinds of water crafts for the transportation of cargoes and passengers.

Mineral Rights of CPC

The table below summarizes CPC's mineral rights:

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

MPSA-010-92-X or the "Casiguran Nickel Project," was acquired by CPC from Casiguran Mining Corporation by virtue of a deed of assignment on May 29, 2006, which was approved by the Department of Environment and Natural Resources (DENR) on December 11, 2006. In addition, MPSA-283-2009-XIII-SMR or the "Rapid City Parcel II Prospect" ("Rapid City") was approved by the DENR on June 19, 2009.

The Acoje Property is covered by APSA-086-XIII and Environmental Compliance Certificate (ECC) No. 008-345-301C. APSA-086-XIII is still under final evaluation with the Mines and Geosciences Bureau (MGB) Central Office as at June 30, 2017.

DENR and Mining Audit

Mining Audit under the New Administration

On a letter dated October 3, 2016, the DENR notified CPC of the results, findings and recommendations of the mining audit conducted for the operations in Loreto and Libjo, Dinagat Islands pursuant to the DENR Memorandum Circular No. 2016-01 re: "Audit of All Operating Mines and Moratorium on New Mining Projects issued on July 29, 2016.

On a letter dated October 25, 2016, CPC responded by submitting a complete update on the DENR recommendations and changes implemented by CPC.

On February 2, 2017, the DENR released a list of mining firms for closure and suspension. CPC was excluded on the aforementioned list.

Extension of MPSA 010-92-X (Casiguran Nickel Project)

On May 18, 2016, CPC applied for the renewal of MPSA 010-92-X with the Mines and Geosciences Bureau Region XIII and is undergoing final evaluation from said regional office. CPC is looking forward to receiving the Certificate of Compliance and the CEMCRR within the year.

The Smelting Plant Project

CHGSI

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

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

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

CSSI

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

Mining Operations

CPC was issued their ISO 14001 Certification last November 2016. The Certifying Agency is DQS/IQ Net based in Germany.

CPC's focus is to continue fulfilling the compliances for environmental rehabilitation and implementation of social development and management programs. Recently, CPC was commended by MGB Region XIII during the EPEP conference held at Gateway Hotel in Surigao City for efficient implementations of both activities.

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

As at June 30, 2017, a total of five (5) shipments have already been made, and another three (3) shipments are expected to be delivered for the month of July. This is in line with the shipment projections for 2017.

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

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

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

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

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

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

<u>The Cement and Limestone Project</u>
CPCMC and CPMDC
Through MPSA 045-96-VII and MPSA 046-96-VII, the Group has 4,795 hectares in Pinamungahan, Cebu to mine limestone. An initial resource assessment conducted in 2012 on an 81 hectare area estimate as indicated limestone resource of 34,000,000 metric tons.

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

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

CSCI
On December 8, 2011, CSCI was registered with the Maritime Industry Authority with Certificate No. DSO-2006-003-086 (2014) under Marina Circular 2006-003, which is valid until December 7, 2017. It has 3 LCTs, Century Summit 1, Century Summit 2 and Century Summit 3, being used in CPC's mining operations.

2.3 RESULT OF OPERATION

For the six months ended June 30, 2017, the Group's operation resulted to net loss of P66.2 million.

Unaudited Interim Consolidated Statements of Comprehensive Income

	For the six months ended June 30		
In thousands, except % change data	**2017**	2016	% change
Revenue	**P130,930**	P85,634	53
Cost of Sales	**(119,401)**	(83,190)	44
Depletion of Explored Mineral Resources	**(16,568)**	(16,945)	-2
Gross Loss	**(5,039)**	(14,500)	-65
Operating Expenses	**(64,422)**	(13,374)	382
Other Income (Expenses)	**(334)**	222	-254
Net loss before tax	**(69,795)**	(27,632)	153
Net loss attributable to the equity holders of the Parent	**(P66,322)**	(P27,497)	141
Loss Per Share Basic/Diluted	**P0.0235**	P0.0097	

2.4 OPERATING RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 COMPARED WITH JUNE 30, 2016

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

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

The Group's operating expenses for the six months ended June 30, 2017 amounted to P64.4 million, 382% higher than the Group's operating expenses of P13.4 million for the same period last year. The Operating expenses for the six months ended June 30, 2017 pertain mainly to taxes and licenses, allowance for impairment of long-outstanding advances and prepayments and royalty tax, which represent 27%, 22%, and 12% of the total operating expenses, respectively. The increase in the Group's operating expenses for the six months ended June 30, 2017 compared with the period in 2016 mainly pertain to deficiency in prior years municipal business tax, occupation fee and regulatory fee aggregating P12.8 million, allowance provided to long-outstanding advances and prepayments and impairment of inventory amounting to P14.4 million and P2.3 million, respectively.

2.5 FINANCIAL CONDITION

Interim Consolidated Statements of Financial Position

In thousands, except % change data	**June 30, 2017 (Unaudited)**	December 31, 2016 (Audited)	% Change
Total Current Assets	**P102,422**	P162,707	-37%
Total Assets	**2,999,099**	3,029,842	-1%
Current Liabilities	**262,809**	227,930	15%
Total Liabilities	**275,887**	240,382	15%
Total equity attributable to equity holders of the parent	**2,730,682**	2,797,004	-2%
Equity Attributable to Minority Interests	**(7,470)**	(7,544)	-1%
Total Equity	**2,723,212**	2,789,460	-2%
Current assets/Total assets	**0.03**	0.05	
Current ratio	**0.39**	0.71	
Debt to equity ratio	**0.10**	0.09	

The decrease in current assets mainly pertains to net decrease in cash, allowance provided for the long-outstanding advances and prepayments and impairment of inventory amounting to P31.6 million, P14.4 million and P2.3 million. Also, the decrease in inventory cost due to lower extraction of ore for only 177,458 WMT ores compared with the sold ores of 273,354 WMT.

The noncurrent assets of the Group mainly consist of explored mineral resources, property and equipment and deferred exploration cost. The increase mainly due to additional expenditure on deferred exploration cost.

The liabilities of the Group mainly consist of payables to contractors, suppliers and related parties. The payable to related parties represents advances which were used to finance the operation of the Group. The increase was mainly due to additional payable to contractors and suppliers of spare parts.

2.6 LIQUIDITY and CAPITAL RESOURCES

The table below shows the Group's consolidated cash flows for the six months ended June 30, 2017 and 2016:

Unaudited Interim Consolidated Cash Flows

	For the six months ended June 30		
In thousands, except % change data	2017	2016	% change
Net cash provided by (used in) operating activities	**(P12,230)**	P78,279	-116
Net cash used in investing activities	**(75,424)**	(28,851)	161
Net cash provided by (used in) financing activities	**55,757**	(55,468)	-201
Effect of exchange rate changes in cash	**298**	243	23
Net increase (decrease) in cash	**(31,598)**	(5,798)	445
Cash at beginning of year	**48,955**	10,346	373
Cash at end of year	**P17,357**	P4,549	282

The Group believes that it has sufficient resources to finance its working capital requirements. The Group expects to regularly undertake shipment of ore and the corresponding management and collection of accounts receivable, and temperance of accounts payable. Long-term events such as the additional purchase of property and equipment can be met by the Group via infusions of either equity or debt through the shareholders. All funding for the Group's operations for the next 12 months shall be internally generated. The majority shareholder has committed to continually provide working capital to the Group to assure its continuous operations.

Cash used in investing activities mainly pertain to addition to property and equipment and deferred exploration cost amounting to P13.3 million and P53.3 million, respectively.

2.7 FINANCIAL SOUNDNESS INDICATORS

All secondary licensees of the Commission (financing companies, broker dealer of securities and underwriters) and public companies are required to include a schedule showing financial soundness indicators in two comparative periods, as follows:

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Current Assets	**102,422,267**	162,707,144
Current Liabilities	**262,808,871**	227,929,571
Current Ratio	**0.39**	0.71
Total Liabilities	**275,886,761**	240,381,986
Total Equity	**2,723,212,085**	2,789,459,838
Debt to equity ratio	**0.10**	0.09
Loss before depreciation, amortization and depletion	**(27,304,146)**	(24,585,085)
Total Liabilities	**275,886,761**	240,381,986
Solvency ratio	**(0.10)**	(0.10)
Total Assets	**2,999,098,846**	3,029,841,824
Total Equity	**2,723,212,085**	2,789,459,838
Asset to equity ratio	**1.10**	1.09
Loss before Interest Expense and Taxes	**(69,146,502)**	(45,676,661)
Interest Expense	**24,248**	24,375
Interest rate coverage ratio	**(2,852)**	(1,874)
Net Loss	**(66,247,753)**	(54,878,319)
Total Assets	**2,999,098,846**	3,029,841,824
Return on Asset ratio	**(0.02)**	(0.02)
Net Loss	**(66,247,753)**	(54,878,319)
Total Equity	**2,723,212,085**	2,789,459,838
Return on Equity ratio	**(0.02)**	(0.02)

2.8 RISK

Overview

The Group's financial instruments consist of cash, rehabilitation funds, AFS financial assets, due to related parties and accounts payable and other current liabilities. The main purpose of these financial instruments is to finance the Group's current operations. The main risks arising from the use of these financial instruments are credit risk, liquidity risk and market risk.

Risk Management Framework

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

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. There were no changes in the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk from previous year.

Credit Risk

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

Exposure to Credit Risk

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

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Cash in banks	**P17,311,589**	P48,910,032
Rehabilitation funds	**45,702,495**	37,501,792
	P63,014,084	P86,411,824

Cash in banks are considered good quality as these pertain to deposits in reputable banks.

Cash in banks and rehabilitation funds are of high grade quality. High grade cash in banks and rehabilitation funds are invested and deposited in reputable local banks. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

The credit qualities of financial assets that were neither past due nor impaired are determined based on the credit standing or rating of the counterparty.

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

Exposure to Liquidity Risk
The following tables summarize the maturity of the Group's financial liabilities as at June 30, 2017 and December 31, 2016 based on contractual repayment arrangements:

	June 30 ,2017		
	Carrying Amount	**Contractual Cash Flows**	**Due Within One Year**
Accounts payable and other current liabilities*	**P78,582,592**	**P78,582,592**	**P78,582,592**
Due to related parties	**182,955,047**	**182,955,047**	**182,955,047**
	P261,537,639	**P261,537,639**	**P261,537,639**

**Excludes non-financial liabilities amounting to P747,011.*

	December 31, 2016		
	Carrying Amount	Contractual Cash Flows	Due Within One Year
Accounts payable and other current liabilities*	P91,890,218	P91,890,218	P91,890,218
Due to related parties	127,198,096	127,198,096	127,198,096
	P219,088,314	P219,088,314	P219,088,314

**Excludes non-financial liabilities amounting to P248,652.*

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

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

Exposures to Foreign Currency Risk
The Group's currency exposure relates to foreign currency denominated bank accounts as well as transactions comprising of receivables and payables. Since the Company exports 100% of its revenues, all its sales transactions are in foreign currency, specifically denominated in US Dollars.

The following table shows the Group's significant foreign currency-denominated monetary assets and liabilities in their US Dollar (USD) and Philippine Peso equivalents:

	June 30, 2017	
	U.S. Dollar	PhilippinePeso[1]
Current financial assets:		
Cash	**$142,471**	**P7,190,495**

[1]The exchange rate used to convert the U.S. dollar amounts into Philippine peso was US$1.00 to ₱50.47, the peso-dollar exchange rate as quoted in the Philippine Dealing System as at June 30, 2017.

There were no other significant foreign currency-denominated monetary assets and liabilities as at June 30, 2017.

Commodity price risk
The Group's mine product revenues are based on international commodity quotations (i.e., primarily on London Metal Exchange quotes and mainstream transaction prices) over which the Group has no significant influence or control. This exposes the Group's results of operations to commodity price volatilities that may significantly impact its cash flows.

2.9 KEY PERFORMANCE INDICATORS

The Company's management intends to analyze future results of operations through the following key performance indicators, among other measures:

Tons Extracted and Ore Grade Sold and Shipped
Tons extracted and ore grade are key determinants of sales volume. Higher tonnage and ore grade are directly proportional to revenue level.

Actual Production Cost
Production cost per ton is a key measure of operating efficiency. A lower unit production cost in ore extraction will result in the Company meeting, if not exceeding, its profitability targets.

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

2.10 DISTRIBUTION METHODS OF PRODUCTS AND SERVICES

Demand for Nickel from China
China is the world's largest producer and consumer of stainless steel. In 2010, China produces over 50% of the global production and that figure is expected to grow over the next few years. Common stainless steel contains between 2-14% Nickel.

Nickel price started to surge in 2016 and is expected to continue in 2017 because China's demand for nickel ore became strong due to the shortage in supply of nickel ore, the strong growth in China's stainless steel production and the tightening of market following years of underinvestment in new mines.

Benchmark of nickel prices shows that it could average higher in 2017 compared to last year .

As at June 30, 2017, the spot price of nickel on commodity price index is at $9,347/Tonne. The price per tonne is expected to rise in the coming months due to the rising demand in China.

Nickel Pig Iron (NPI)
Laterite Nickel ore accounts for about two-thirds of the world's nickel resources but is generally not used for producing refined pure nickel because of its low nickel content that ranges between 1 – 2%.

After a series of sintering and smelting processes, removing impurities such as phosphorus, sulphur and silicon to specification, the laterite nickel ore can be processed into nickel pig iron that contains between 4% to 13% nickel with Iron and other metals accounting for the balance.

Chinese stainless steel producers use nickel pig iron, to which they will add chromium and other materials, to produce 200 to 300 series stainless steel which accounts for more than 70% of total stainless steel production in China.

Indonesian Ore Ban
On January 12, 2014, the ban on exports of unprocessed ore in Indonesia took effect, the result of legislation that was passed five years ago. Exports of lateritic nickel ore over the last several years to China have fueled the growth of its NPI industry. China's NPI plants rely exclusively on nickel ore, primarily from Indonesia and secondarily from the Philippines.

However, on March 2, 2017, new legislation from the Indonesian government clarified that 100% of existing and planned smelter input capacity could be exported as ore up to 5.2 million of tonnes this year. Indonesian's shipments are expected to occur in second half of 2017 but still too soon to say what the partial lifting of the ban on ore exports will mean for supply.

2.11 GROUP'S STRATEGIC PLAN

The Group intends to continue exporting nickel ore in China, which is its principal market. It has received several Letters of Intent from interested buyers in China for the purchase of a minimum volume of 500,000 metric tons of Nickel Ore with an average of 0.90% nickel content with 49% iron content but would be cautious on the selling price. If the price is higher than the variable cost and provide contribution margin to lower down fixed cost, we can sign the transaction. The Group will focus on cost management as we will monitor the selling price in the market.

Transactions with and /or Dependence on Related Parties
Necessary information on related parties is already disclosed in Note 13 in the notes to condensed interim consolidated financial statements.

PART II – OTHER INFORMATION

There are no other information not previously reported in SEC Form 17-C that need to be reported in this section.

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 thereunto duly authorized.

Registrant: **CENTURY PEAK METALS HOLDINGS CORPORATION**

By:

WILFREDO D. KENG
Chairman of the Board and President

JESSIE JOSUAH HILLARIO
Chief Compliance Officer

MAKATI CITY
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SERIES OF 2017

ATTY. GERVACIO B. ORTIZ, JR.
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2018
PTR NO.5909514 / 01-03-2017 / MAKATI
IBP NO 656155 LIFETIME MEMBER
APPT. NO.M 104 / 2017 / ROLL NO. 40091
MCLE COMPLIANCE NO.V-0006934
UNIT 102 PENINSULA COURT BLDG
8735 MAKATI AVE., MAKATI CITY