

4 2 7 - A

SEC Registration Number

A T O K - B I G W E D G E , C O . I N C .

(Company's Full Name)

A L P H A L A N D M A K A T I P L A C E  
7 2 3 2 A Y A L A A V E . , M A L U G A Y S T .  
M A K A T I C I T Y

(Business Address: No. Street City/Town/Province)

Jonamel G. Israel-Orbe

(Contact Person)

310-7100

(Company Telephone Number)

1 2 3 1  
Month Day  
(Fiscal Year)

1 7 - 3 Q  
(Form Type)

0 5 1 0  
Month Day  
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

4,200

Total No. of Stockholders

nil

Domestic

Not Applicable

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE

1. For the fiscal year ended 30 September 2020

2. SEC Identification No. 427A 3. BIR Tax Identification No 000-707-286

4. Exact Name of Issuer as specified in its charter ATOK-BIG WEDGE CO., INC.

Metro Manila  6. SEC Use Only  
Industry Classification Code

5. Province, Country or other jurisdiction of  
Incorporation or Organization

Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City 1209

7. Address of Principal Office Postal Code

(632) 337-2031

8. Issuer's telephone number, including area code

NA

9. Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt/ Liabilities Outstanding
Common Shares	2,545,000,000	₱8,702,514

11. Are any of the securities listed on the Philippine Stock Exchange?

Yes ☒ No ☐

12. Check whether the issuer has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 there under or Section 11 of the RSA and RSA Rule 11(a)-1 there under, and Sections 26 and 141 of the Corporate Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ No ☐

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

Yes ☒ No ☐





## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements

Attached herein as Exhibit 1 are the Unaudited Consolidated Financial Statements of Atok-Big Wedge Co., Inc. ("Parent Company") and its Subsidiaries, AB Stock Transfers Corporation ("ABSTC") and Tidemark Holdings Limited ("Tidemark") (the "Group") for the Third Quarter ended September 30, 2020.

The interim consolidated financial statements of the Group and Notes thereto, which form part of this report should be read in conjunction with the audited financial statements of the Group as at and for the year ended December 31, 2019. Such financial statements and notes thereto have been prepared in compliance with accounting principles generally accepted in the Philippines ("GAAP") as set forth in Philippine Financial Reporting Standards ("PFRS"). The Group's financial statements are presented in the functional currency of Philippine pesos, except when otherwise indicated.

Other than those items disclosed in the notes to financial statements and in this report, the Group is not aware of any event, change, contingency or transaction which would have a material effect on the Company's operation or financial performance; nor of any material off-balance sheet transactions, arrangements, obligations, or any other relationship of the Group created during the reporting period.

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

#### Description of Business

Atok-Big Wedge Co. Inc., formerly Atok-Big Wedge Mining Co., Inc. (the "Parent Company"), was incorporated and registered with the Securities and Exchange Commission ("SEC") on September 4, 1931. Its corporate life was extended on September 25, 1981 for another fifty (50) years to expire on September 25, 2031. The common shares of the Parent Company are listed in the Philippine Stock Exchange ("PSE") under the ticker symbol: AB.

Since its incorporation, the Parent Company engaged in mining as its primary purpose, producing gold as its major product and silver as a by-product. Its production was all sold to the Central Bank of the Philippines at a price subsidized by the Philippine Government, and later on at the prevailing world market price. Gold bullions are used by the Philippine Government as one of the components in the monetary reserve.

Although the Parent Company changed its primary purpose in 1996 from mining to general investment, it reverted to its original purpose of engaging in exploration and development of mining, oil, gas, and other natural resources when it amended its Articles of Incorporation, which was approved by the SEC on May 24, 2010.

The Parent Company has two wholly-owned subsidiaries, AB Stock Transfers Corporation ("ABSTC") and Tidemark Holdings Limited ("Tidemark").

ABSTC was incorporated on June 24, 2010, with the purpose of establishing, operating, and acting as a transfer agent and/or registrar of corporations.

Tidemark is a holding company registered and domiciled in Hong Kong SAR, which the Parent Company bought on 3 October 2011. As at December 31, 2016, Tidemark owned 9,646,757 ordinary shares of Forum Energy Limited ("Forum"), a company registered and domiciled in the United Kingdom



representing approximately 27.14% of Forum's outstanding capital. In March 2017, Tidemark subscribed to 6,666,667 new shares of Forum, which together with the original subscription resulted in Tidemark owning 20% of Forum. Tidemark expects the absolute value of its 20% stake in Forum to exceed the value of its then 27.14% stake. Forum is a gas & oil exploration and production company with a portfolio of projects in the Philippines. Among these projects is the Service Contract (SC) 72 where Forum holds 70% equity. SC-72 is situated offshore West of Palawan Island and is host to the Sampaguita offshore gas/condensate discovery. Drilling plans for SC-72 have been placed on hold by the Philippine government pending the resolution of territorial sovereignty disputes involving claimant countries surrounding West Philippine Sea.

The Parent Company is a regular member and signatory of the Chamber of Mines. It has adopted the spirit and substance of the Chamber of Mines' Code of Conduct which calls for sustainable mineral resources development, environmental responsibility and a social commitment to the general welfare and economic development of the people in the localities in which it operates.

Over the past seven decades, the Parent Company has established a strong foundation in the Philippine mining industry.

Pursuant to its goal of seeking out projects to put into operation, the Parent Company made a continued careful and diligent evaluation of multiple metallic and non-metallic prospects for possible investment. While it looked into investment possibilities in Laos, it recently decided to re-focus its efforts in the Philippines with priority on projects in the advanced stage, but not disregarding green field exploration prospects with potential. Discussions also continued for mines with confirmed potential and previously operated but closed down during the period with low metal prices. However, the Parent Company has not made any publicly-announced new products or services not it or any of its security holders of another person, aside from the previously stated acquisition by Tidemark of additional shares of Forum. The Parent Company has no plans of purchasing or selling any significant equipment.

### **Management Plan of Operations**

The Parent Company is hoping to get the government approval for its application for an Exploration Permit over an area of 3,375 Hectares in CADT134, Agusan Del Norte. While in the process, it will continue to conduct series of field inspection to understand the mineralization occurrence in preparation for more detailed exploration activities. Concurrent to the field activities in CADT134, exploration works continues in Mt. Daraga (587 Hectares), Mendez (486 Hectares) and Aboloc (567 Hectares) areas also in Agusan Del Norte, all under Memoranda of Agreement. "Sweet" areas (HIGH GRADE areas for Gold mineralization) within Mt. Daraga and Mendez have been identified for more detailed subsurface. Plans involving oil and gas exploration have been shelved in relation to low oil prices and uncertainty in the supply and demand situation. SC-72 (Recto Bank) is still kept on hold depending on the outcome of Philippines Government initiatives involving West Philippine Sea. The Philippine Department of Energy has granted a force majeure on SC-72 because this contract area falls within the territorial disputed area of the West Philippine Sea, which is the subject of a United Nations arbitration process between the Republic of the Philippines and the People's Republic of China. From November 2013 to September 2020, the mining exploration cost of the Group amounted to ₱5,299,494.

The Group will continue to fund its operations in the next year or two depending on the activities that will materialize using its cash and its money market investments.

The vision of the Group remains and that is to have a substantial involvement in the exploration and judicious development of various natural resources that will contribute to the economic development of the Philippines. The Group's mission is to be the leader in chosen fields by creating value through





change, utilizing the group's knowledge capital and adopting leading technologies, to enhance shareholders' value and profit through growth in earnings and in intrinsic worth, to be committed to a culture of excellence, loyalty and pride, and to be a socially responsible and environmentally conscious corporate citizen, adhering to the highest ethical standards and respecting the communities to which it belongs.

Currently, the Group has no plan of increasing its number of employees during the next twelve (12) months, however, if the level of activities increase parallel to a more supporting regulatory position on exploration and mining, the Group is expected to increase the number of its employees.

#### Financial Condition-Consolidated

##### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)	Increase (Decrease)	
			Amount	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	15,043,527	35,988,974	(20,945,447)	-58.20%
Receivables	2,076,070	1,729,405	346,665	20.05%
Other current assets	10,558,649	10,016,887	541,762	5.41%
<b>Total Current Assets</b>	<b>27,678,246</b>	<b>47,735,266</b>	<b>(20,057,020)</b>	<b>-42.02%</b>
<b>Noncurrent Assets</b>				
Investment in an associate	516,516,823	533,636,747	(17,119,924)	-3.21%
Equity investment designated as fair value through other comprehensive income (FVOCI)	2,152,285	2,152,285	-	0.00%
Property and equipment	6,017	14,131	(8,114)	-57.42%
Advances to mining right holders	1,525,000	1,525,000	-	0.00%
<b>Total Noncurrent Assets</b>	<b>520,200,125</b>	<b>537,328,163</b>	<b>(17,128,038)</b>	<b>-3.19%</b>
	<b>547,878,371</b>	<b>585,063,429</b>	<b>(37,185,058)</b>	<b>-6.36%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Payables and other current liabilities	8,870,918	1,005,006	7,865,912	782.67%
<b>Equity</b>				
Capital stock	1,060,000,000	1,060,000,000	-	0.00%
Deficit	(597,044,329)	(594,518,284)	(2,526,045)	0.42%
Cumulative translation adjustment	76,051,782	118,576,707	(42,524,925)	-35.86%
<b>Total Equity</b>	<b>539,007,453</b>	<b>584,058,423</b>	<b>(45,050,970)</b>	<b>-7.71%</b>
	<b>547,878,371</b>	<b>585,063,429</b>	<b>(37,185,058)</b>	<b>-6.36%</b>

#### September 30, 2020 vs. December 31, 2019

##### Cash and cash equivalents

Cash and cash equivalents totalling ₱15.0 million as of September 30, 2020 showed a decrease of ₱21.0 million from ₱36.0 million as of December 31, 2019, mainly due to the full payment of the Group's additional subscription in shares of FEL, through Tidemark, resulting to 20% ownership. The payment amounted to ₱25.4 million, which was funded internally by the Parent Company (P17.8m) and partly by shareholders' advances (P7.6m).



### Receivables

Receivables increased from ₱1.7 million as of December 31, 2019 to ₱2.1 million as of September 30, 2020 mainly due to billed services of ABSTC to its clients from March to September 2020, which were not immediately collected due to the COVID-19 pandemic.

### Other current assets

Other current assets increased by ₱1.0 million primarily due to increase in input tax and prepayment of the PSE annual listing fee.

### Investment in associate

Investment in associate showed a decrease of ₱17.1 million from ₱533.6 million as of December 31, 2019 to ₱516.5 million as of September 30, 2020 inspite of the increase in investment of ₱25.4 million because of the foreign exchange differences on translation of the financial statements of Tidemark amounting to ₱42.5 million.

### Property and equipment

Property and equipment decreased by ₱8,114 due to depreciation expense for the nine months ended 2020.

### Payables and other current liabilities

Payables and other current liabilities increased by ₱7.9 million due to advances made by certain shareholders in April 2020 to fund the additional investment of the Group, through Tidemark, in FEL and its related interest.

### Equity

Equity decreased from ₱584.1 million as of December 31, 2019 to ₱539.0 million as of September 30, 2020 primarily due to the net loss for the period and the decrease in foreign exchange difference on translation of the financial statements of an associate.

## Results of Operations

### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended				For the Nine Months Ended			
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	Increase (Decrease)		September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	Increase (Decrease)	
			Amount	%			Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	1,802,757	467,069	1,335,688	286.0%	3,794,605	4,069,496	(274,891)	-6.8%
OTHER INCOME (EXPENSES)								
Share in the net results of operations of an associate	-	-	-	0.0%	-	-	-	0.0%
Service fees	363,520	362,630	890	0.2%	1,089,500	1,108,320	(18,820)	-1.7%
Interest income	55,732	507,665	(451,932)	-89.0%	392,928	790,545	(397,617)	-50.3%
Interest expense	(168,404)	-	(168,404)	0.0%	(168,404)	-	(168,404)	0.0%
Others	(728)	322	(1,049)	-326.3%	(1,166)	(486)	(681)	140.2%
	250,121	870,616	(620,495)	-71.3%	1,312,857	1,898,379	(585,522)	-30.8%
INCOME (LOSS) BEFORE INCOME TAX	(1,552,637)	403,547	(1,956,184)	-484.7%	(2,481,748)	(2,171,117)	(310,631)	14.3%
PROVISION FOR INCOME TAX	-	-	-	0.0%	44,297	-	44,297	0.0%
NET INCOME (LOSS)	(1,552,637)	403,547	(1,956,184)	-484.7%	(2,526,045)	(2,171,117)	(354,928)	16.3%
OTHER COMPREHENSIVE INCOME (LOSS)								
Item that will be reclassified subsequently to profit or loss -								
Foreign exchange differences on translation of the financial statements of an associate	(26,473,819)	11,405,040	(37,878,859)	-332.1%	(42,524,924)	(14,497,933)	(28,026,991)	193.3%
Item that will be reclassified subsequently to profit or loss -								
Fair value remeasurement on equity instrument designated as fair value through other comprehensive income	-	-	-	0.0%	-	-	-	0.0%
TOTAL COMPREHENSIVE INCOME (LOSS)	(28,026,456)	11,808,587	(39,835,043)	-337.3%	(45,050,969)	(16,669,050)	(28,381,919)	170.3%
BASIC AND DILUTED INCOME (LOSS) PER SHARE	(0.0006)	0.0002	(0.0008)	-484.7%	(0.0010)	(0.0009)	(0.0001)	16.3%



### Three months ended September 30, 2020 vs. Three months ended September 30, 2019

#### General and administrative expenses

General and administrative expenses increased by 1.3 million or 286.0% mainly due to reversal of over accrued salaries and wages for the 2nd quarter of 2019. Increase is also attributable to professional fees of a new consultant hired in 2020.

#### Interest income

Interest income decreased by ₱0.5 million or 89.0% mainly due to lower average cash and cash equivalents balance during the 3rd quarter of 2020 as compared to 3rd quarter of 2019.

#### Interest expense

This pertains to accrual of interest related to the advances made by certain stockholders to the Group with a term of 5% payable in a year.

#### Other comprehensive income (loss)

Other comprehensive income pertains to the translation adjustment of the books of Tidemark. Translation loss is due to lower US Dollar to Philippine Peso exchange rate from ₱49.83 to ₱48.495.

### Nine months ended September 30, 2020 vs. Nine months ended September 30, 2019

#### General and administrative expenses

General and administrative expenses decreased by ₱0.3 million or 6.8% mainly due to decrease in salaries and wages, professional fees and PSE listing fee.

#### Interest income

Interest income decreased by ₱0.4 million or 50.3% mainly due to lower average cash and cash equivalents balance during the nine months ended September 30, 2020 as compared to nine months ended September 30, 2019.

#### Interest expense

This pertains to accrual of interest related to the advances made by certain stockholders to the Group with a term of 5% payable in a year.

#### Other comprehensive income (loss)

Other comprehensive income pertains to the translation adjustment of the books of Tidemark. Translation loss is due to lower US Dollar to Philippine Peso exchange rate from ₱50.64 to ₱48.495.

### Discussion and Analysis of Material Events and Uncertainties

There were no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Group with unconsolidated entities or other persons during the reporting period.

The general purposes of the capital expenditures are to explore and locate additional gold ore reserves of better grade, conduct pilot tests, secure all the Group's assets, and keep the mineral rights in good standing.

The known trends, events or uncertainties that may have a material impact on sales are the price of gold in the world market, the dollar exchange rate, NGOs' anti-mining position and changes in the Department of Environment and Natural Resources' rules and regulations at midstream.



The significant elements of income or loss from continuing operations are the ounces of gold produced and the costs to produce such gold.

### Top Key Performance Indicators

The top key performance indicators of the Group are as follows:

		Manner of Calculation	As of	
			September 30, 2020	December 31, 2019
CURRENT/LIQUIDITY RATIO			3.12:1	47.50:1
Current assets	Current assets divided by current liabilities		27,678,246	47,735,266
Current liabilities			8,870,918	1,005,006
SOLVENCY RATIO			(0.28):1	(49.13):1
Net loss after tax less depreciation and impairment losses	The sum of net loss after tax less depreciation and impairment losses divided by total liabilities		(2,526,045) 8,114	(49,393,392) 13,823
Total liabilities			8,870,918	1,005,006
DEBT TO EQUITY RATIO			0.016:1	0.002:1
Total liabilities	Total liabilities divided by total equity		8,870,918	1,005,006
Total equity			539,007,453	584,058,423
ASSET TO EQUITY RATIO			1.02:1	1.00:1
Total assets	Total assets divided by total equity		547,878,371	585,063,429
Total equity			539,007,453	584,058,423
INTEREST RATE COVERAGE RATIO			(0.07):1	-
Income before interest and taxes	Income before taxes and interest divided by interest expense		(2,313,344)	(49,243,952)
Interest expense			168,404	-
PROFITABILITY RATIO			(0.00):1	(0.08):1
Net loss after tax	Net loss after tax divided by total equity		(2,526,045)	(49,393,392)
Total equity			539,007,453	584,058,423

Current/liquidity ratio – The ratio decreased from 47.50 to 3.18 due to additional investment in an associate which decreased the current asset and to advances made by stockholders which increased the current liability.

Solvency ratio – The ratio moved from (49.13) to (0.27) due higher net loss incurred in 2019 as compared to 2020. This is caused primarily by the increase in share in the net results of operations of its associate in 2019. Increase in current liability also contributed to the movement.

Debt-to-equity ratio – Movement is due to the advances made by certain stockholders.

Asset-to-equity ratio – There is no significant movement for the Asset-to-equity ratio.



Profitability ratio – The ratio moved from (0.08) to (0.00) due to higher net loss incurred in 2019. This is caused primarily by the increase in share in the net results of operations of its associate in 2019.

## **Financial Risk Management**

The Group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The Group's Board of Directors has overall responsibility for the establishment and oversight of the 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 Company's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the results. 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.

The Group's Board of Directors reviews and institutes policies for managing each of the risks.

### *Credit Risk*

Credit risk is a risk due to uncertainty in the counterparty's ability to meet its obligations. With respect to credit risk arising from the financial assets, the Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group trades mainly with recognized, creditworthy third parties as well as with related parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

### *Liquidity Risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

### *Market Risk*

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

The Group is subject to minimal transaction and translation exposures resulting from currency exchange fluctuations. The Group regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency denominated assets and liabilities.



### Capital Management

The primary objective of the Group's capital management is to ensure its ability as a going concern and that it maintains healthy capital ratios in order to support its business operations and maximize shareholder value.

The Group monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt comprises of payable other current liabilities. Total equity comprises all components of equity.

## PART II - OTHER INFORMATION

There are no disclosures not reported under SEC Form 17-C.

### 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.

Issuer : Atok-Big Wedge Co., Inc.

Signature and Title :   
ERIC O. RECTO  
President

Principal Financial Officer :   
CRISTINA B. ZAPANTA  
SVP - Finance

Date : NOV 10 2020



**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

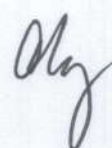
	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	15,043,527	35,988,974
Receivables	2,076,070	1,729,405
Other current assets	10,558,649	10,016,887
<b>Total Current Assets</b>	<b>27,678,246</b>	<b>47,735,266</b>
<b>Noncurrent Assets</b>		
Investment in an associate	516,516,823	533,636,747
Equity investment designated as fair value through other comprehensive income (FVOCI)	2,152,285	2,152,285
Property and equipment	6,017	14,131
Advances to mining right holders	1,525,000	1,525,000
<b>Total Noncurrent Assets</b>	<b>520,200,125</b>	<b>537,328,163</b>
	<b>547,878,371</b>	<b>585,063,429</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payables and other current liabilities	8,870,918	1,005,006
<b>Equity</b>		
Capital stock	1,060,000,000	1,060,000,000
Deficit	(597,044,329)	(594,518,284)
Cumulative translation adjustment	76,051,782	118,576,707
<b>Total Equity</b>	<b>539,007,453</b>	<b>584,058,423</b>
	<b>547,878,371</b>	<b>585,063,429</b>





ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

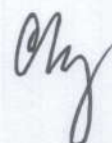
	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
GENERAL AND ADMINISTRATIVE EXPENSES	1,802,757	467,069	3,794,605	4,069,496
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	-	-	-	-
Service fees	363,520	362,630	1,089,500	1,108,320
Interest income	55,732	507,665	392,928	790,545
Interest expense	(168,404)	-	(168,404)	-
Others	(728)	322	(1,166)	(486)
	250,121	870,616	1,312,857	1,898,379
INCOME (LOSS) BEFORE INCOME TAX	(1,552,637)	403,547	(2,481,748)	(2,171,117)
PROVISION FOR INCOME TAX	-	-	44,297	-
NET INCOME (LOSS)	(1,552,637)	403,547	(2,526,045)	(2,171,117)
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements	(26,473,819)	11,405,040	(42,524,924)	(14,497,933)
Item that will be reclassified subsequently to profit or loss -				
Fair value remeasurement on equity instrument designated as fair value through other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(28,026,456)	11,808,587	(45,050,969)	(16,669,050)
BASIC AND DILUTED INCOME (LOSS) PER SHARE	(0.0006)	0.0002	(0.0010)	(0.0009)





**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	For the Nine Months Ended	
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
<b>CAPITAL STOCK - 1 par value</b>	<b>1,060,000,000</b>	<b>1,060,000,000</b>
<b>DEFICIT</b>		
Balance at beginning of year	(594,518,284)	(545,124,892)
Net loss	(2,526,045)	(2,574,664)
Balance at end of year	(597,044,329)	(547,699,556)
<b>ACCUMULATED OCI</b>		
<b>CUMULATIVE TRANSLATION ADJUSTMENT</b>		
Balance at beginning of year	118,424,372	156,022,343
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	(42,524,925)	(25,902,973)
Balance at end of year	75,899,447	130,119,370
<b>Cumulative Valuation Gain on Equity Investment Designated at FVOCI</b>		
Balance at beginning of year	152,335	105,294
Unrealized gain on valuation of equity investment designated at FVOCI	-	-
Balance at end of year	152,335	105,294
	<b>76,051,782</b>	<b>130,224,664</b>
	<b>539,007,453</b>	<b>642,525,108</b>





**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Nine Months Ended	
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	(2,481,748)	(2,574,664)
Adjustments for:		
Interest income	(392,928)	(282,880)
Depreciation and amortization	8,114	4,739
Operating income (loss) before working capital changes	(2,866,562)	(2,852,805)
Decrease (increase) in:		
Receivables	(346,665)	(252,703)
Short term investments	-	1,000,000
Other current assets	(541,763)	(1,109,713)
Increase (decrease) in:		
Payables and other current liabilities	7,865,912	635,454
Net cash generated from (used for) operations	4,110,922	(2,579,767)
Income tax paid	(44,297)	-
Interest received	392,928	282,880
Net cash provided by (used in) operating activities	4,459,553	(2,296,887)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment to an associate	(25,405,000)	-
Acquisition of property and equipment	-	(2,800)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(20,945,447)</b>	<b>(2,299,687)</b>
<b>EFFECT OF UNREALIZED FOREIGN EXCHANGE GAIN</b>	<b>-</b>	<b>(15,589)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>35,988,974</b>	<b>14,787,228</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>15,043,527</b>	<b>12,471,952</b>



## Schedules

**1. Cash and Cash Equivalents**

This account consists of:

	September 30, 2020	December 31, 2019
Cash on hand and in banks	<b>₱1,172,158</b>	₱13,217,126
Cash equivalents	<b>13,871,369</b>	22,771,848
	<b>₱15,043,527</b>	₱35,988,974

Cash in banks earn interest at the prevailing bank deposit rates. Cash Equivalents are made for varying periods of up to three months and earn interest at the respective short-term placement rates.

**2. Receivables**

This account consists of:

	September 30, 2020	December 31, 2019
Receivable from:		
Related companies	<b>₱852,109</b>	₱713,401
Third party	<b>210,668</b>	191,660
Accounts receivable	<b>599,182</b>	418,162
Advances to officers and employees	<b>445,964</b>	434,427
Accrued interest	-	3,608
Others	<b>9,697</b>	9,697
	<b>2,117,620</b>	1,770,955
Less allowance for impairment losses	<b>(41,550)</b>	(41,550)
	<b>₱2,076,070</b>	₱1,729,405

Receivable from related parties are noninterest-bearing, due and demandable and settlement occurs in cash.

Accounts receivables are noninterest-bearing and normally settled in cash within 30 days from date of billing.

Advances to officers and employees are unsecured, noninterest-bearing and subject to liquidation.



### 3. Other Current Assets

This account consists of:

	September 30, 2020	December 31, 2019
Input VAT	₱8,569,939	₱8,326,254
Rental and security deposits	1,382,572	1,382,572
Prepayments	327,752	103,963
CWT	268,152	184,647
Others	10,234	19,451
	<b>₱10,558,649</b>	<b>₱10,016,887</b>

### 4. Investment in an associate

Investment in an associate pertains to Tidemark's 20% ownership of Forum.

Movements of this investment are as follows:

	September 30, 2020	December 31, 2019
<b>Cost</b>		
Balance at beginning of year	₱867,920,876	₱867,920,876
Additional investment	25,405,000	-
Balance at end of year	893,325,876	867,920,876
<b>Accumulated Share in Net Results of Operation</b>		
Balance at beginning of year	(452,708,501)	(406,366,861)
Share in net results of operations	-	(46,341,640)
Balance at end of year	(452,708,501)	(452,708,501)
<b>Cumulative Translation Adjustment</b>		
Balance at beginning of year	118,424,372	156,022,343
Foreign exchange differences	(42,524,924)	(37,597,971)
Balance at end of year	75,899,448	118,424,372
<b>Carrying Amount</b>	<b>₱516,516,823</b>	<b>₱533,636,747</b>

### 5. Equity Investment Designated at FVOCI

This account pertains to the Parent Company's investment in unquoted shares of stock which is carried at cost amounting to ₱2.2 million as at September 30, 2020 and December 31, 2019.

Fair value bases for the shares (i.e., quoted market prices) are neither readily available nor is there an alternative basis of deriving a reliable valuation as at reporting date.



## 6. Property and Equipment

Movements of this account are as follows:

	September 30, 2020					
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixture	Total
<b>Cost</b>						
Balances at beginning and end of year	P56,235	P4,422,518	P1,665,548	P1,270,731	P1,374,483	P8,789,515
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	46,611	4,422,518	1,665,548	1,270,731	1,369,976	8,775,384
Depreciation and amortization	3,609	-	-	-	4,506	8,114
Balance at end of year	50,220	4,422,518	1,665,548	1,270,731	1,374,482	8,783,948
<b>Carrying Amount</b>	<b>P6,016</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P1</b>	<b>P6,017</b>

	December 31, 2019					
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
<b>Cost</b>						
Balances at beginning and end of year	P56,235	P4,422,518	P1,665,548	P1,270,731	P1,374,483	P8,789,515
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	41,799	4,422,518	1,665,548	1,270,731	1,360,965	8,761,561
Depreciation and amortization	4,812	-	-	-	9,011	13,823
Balance at end of year	46,611	4,422,518	1,665,548	1,270,731	1,369,976	8,775,384
<b>Carrying Amount</b>	<b>P9,624</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P4,507</b>	<b>P14,131</b>

## 7. Payables and Other Current Liabilities

This account consists of:

	September 30, 2020	December 31, 2019
Advances from stockholders	P7,789,904	P-
Payable to related companies	6,595	13,931
Advances from officers and employees	368,924	368,924
Accruals:		
Professional fees	253,000	288,000
Salaries and other benefits	83,954	47,113
Utilities and other office expenses	75,928	80,928
Others	292,613	206,110
	<b>P8,870,918</b>	<b>P1,005,006</b>

Payables to related parties are non-interest bearing, due and demandable and payable in cash.

Accrued expenses and other payables are settled throughout the year.

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## 8. General and Administrative Expenses

This account consists of:

	September 30, 2020	September 30, 2019
Professional fees	<b>₱1,237,178</b>	₱991,970
Salaries and wages	<b>918,882</b>	1,197,383
PSE listing fee	<b>792,408</b>	1,107,552
Rent	<b>267,319</b>	111,318
Supplies	<b>193,092</b>	397,563
Taxes and licenses	<b>101,555</b>	52,734
Medical and hospitalization	<b>81,831</b>	45,514
Utilities, dues and subscriptions	<b>77,016</b>	29,580
Communications	<b>44,209</b>	10,824
Transportation and travel	<b>28,386</b>	3,412
Depreciation and amortization	<b>8,114</b>	7,225
Representation	<b>7,115</b>	4,209
Mining exploration cost	-	-
Others	<b>37,500</b>	110,212
	<b>₱3,794,605</b>	₱4,069,496

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## 9. Aging of Accounts Receivables

September 30, 2020						
	Total	Neither Past Due nor Impaired	Past Due But Not Impaired			
			1-30 Days	31-60 Days	61-90 Days	More than 90 days
Philweb Corporation	P304,319	P16,800	P16,912	P16,800	P33,600	P220,207
Island Information and Technology, Inc.	182,397	11,200	11,200	11,200	22,400	126,397
Others	112,466	39,200	16,800	16,800	33,600	6,066
	P599,182	P67,200	P44,912	P44,800	P89,600	P352,670

December 31, 2019						
	Total	Neither Past Due nor Impaired	Past Due But Not Impaired			
			1-30 Days	31-60 Days	61-90 Days	More than 90 days
Philweb Corporation	P203,613	P16,800	P17,204	P17,248	P16,800	P135,561
Island Information and Technology, Inc.	81,279	11,200	11,200	11,430	11,200	36,249
Others	133,270	93,501	16,800	16,800	-	6,169
	P418,162	P121,501	P45,204	P45,478	P28,000	P177,979