

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION
CODE OF THE PHILIPPINES**

1. For the Fiscal Year ended **December 31, 2023**
2. SEC Identification No. **427-A** 3. BIR Tax Identification No. **000-707-286**
4. Exact Name as specified in its charter: **ATOK-BIG WEDGE CO., INC.**
5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**
6. (SEC use only) Industry Classification Code
7. Address of principal office: **Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City**
8. Postal Code **1209**
9. Registrant's telephone number, including area code: **(632) 5310-7100; (632) 5337-2031**
10. Former name, former address, and fiscal year, if changed since last report: **N.A.**
11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Class	Number of Shares	Number of Shares of Common Stock Outstanding Par value
Common	2,545,000,000	₱2,545,000,000.00

Total Liabilities as of 31 December 2023: **₱1,358,470**

12. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [] No. []

13. Check whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder, or Section 11 of the Revised Securities Act and RSA rule 11-(a)-1 thereunder, and sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes [] No. []

(b) Has been subject of such filing requirements for the past 90 days:

Yes [] No. []

14. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

	Non-Affiliates No. of Shares	Market Value As of 03.31.24	Total Market Value
Common	358,833,390	Php4.60	1,650,633,594.00

PART I - BUSINESS AND GENERAL INFORMATION

Item 1: Description of Business

Atok-Big Wedge Co. Inc. (the "Company"), formerly Atok-Big Wedge Mining Co., Inc., was incorporated and registered with the Securities and Exchange Commission (the "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 Company are listed in the Philippine Stock Exchange, Inc. (the "PSE"; ticker symbol: AB).

Since its incorporation, the 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 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 Company has two (2) 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.

On the other hand, Tidemark is a holding company registered and domiciled in Hongkong SAR, which the Company bought on 3 October 2011. Tidemark used to own 9,646,757 ordinary shares of Forum Energy plc, now 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 just 6,666,667 new shares of Forum, together with the subscription simultaneously made by the other shareholder of Forum which subscribed to the bulk of the subscription offer. This new subscription resulted in Tidemark's shareholdings in Forum being reduced to 20%. In March 2020, in response to a capital call made by Forum, Tidemark subscribed to another 1,666,666 new shares of Forum to maintain its shareholdings in Forum at 20%. Forum then issued 6,145,293 shares of stock to Tidemark to offset shareholder advances as of December 2023. Tidemark's shareholdings in Forum remain at 20% following this latest transaction.

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 No. 72 (SC72) where Forum holds 70% equity. SC72 is situated offshore West of Palawan Island and is host to the Sampaguita offshore gas/condensate discovery. Drilling plans for SC72 have been placed on hold by the Philippine government pending the resolution of territorial sovereignty disputes involving claimant countries surrounding West Philippine Sea.

The 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 Company has established a strong foundation in the Philippine mining industry.

Pursuant to its goal of seeking out projects to put into operation, the 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 greenfield 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 Company has not made any publicly-announced new products or services nor it or any of its security holders acquired securities of another person, aside from the previously stated acquisition by Tidemark of additional shares of Forum. The Company has no plans of purchase or selling any significant equipment.

Participation in Bankruptcy, Receivership or Similar Proceedings

There were no bankruptcy, receivership, or similar proceedings involving the Company.

Business Indicators

The Company is exploring the possibility of entering into a business venture with local and foreign entities to maximize the potential of its mineral properties and to enhance its earnings in the very near future. It will abide by the principle of sustainable and socially acceptable mineral resources development.

Patents, Franchise/Government Approvals

The Company has complied with government rules and regulations and has paid all the necessary taxes and fees. It regularly coordinates with the Department of Energy (DOE) and Department of Environment and Natural Resources (DENR) with regard to new rules and regulations that may be promulgated.

Employees

As of end of 2023, the Company has two (2) regular employees while ABSTC, the Company's subsidiary, has only one (1) regular employee, which employees are not subject to Collective Bargaining Agreement. The Company has no plans of adding additional employees for the ensuing twelve (12) months. However, if the level of activities increases parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees. The principal duties and responsibilities of the employees of the Company and its subsidiaries are to conduct technical evaluation of potential mining projects, maintain the validity and existence of the subsidiary's mining rights, conduct exploration and development works, set and run a pilot gold processing plant, and secure all other properties of the subsidiary, including the plant, equipment, records, maps and other valuable information at the mine site.

Customers

The Company and its subsidiaries are not dependent on any single customer or on a few customers.

Transactions with and/or Dependence on Related Parties

The following table summarizes the Group's transactions with related parties (entities with common directors) for the years ended December 31, 2023 and 2022 and the related outstanding balances as at December 31, 2023 and 2022:

	Nature of Transaction	Amount of Transactions		Outstanding Balance	
		2023	2022	2023	2022
Receivable from related parties					
<i>Entities under common management:</i>					
Alphaland Corporation (ALPHA)	Service fee	₱180,000	₱180,000	-	-
	Reimbursements	-	-	₱3,715	₱3,715
Alphaland Heavy Equipment Corporation	Allocated costs	-	-	579,305	579,305
The City Club at Alphaland Makati Place, Inc.	Service fee	180,000	180,000	-	-
Alphaland Balesin Island Club, Inc.	Service fee	180,000	180,000	-	-
	Reimbursements	-	16,800	32,500	32,500
Alphaland Aviation Inc.	Reimbursements	-	-	796	796
				₱616,316	₱616,316
Rental and security deposits					
<i>Entity under common management -</i>					
Alphaland Southgate Tower, Inc. (ASTI)	Deposits in relation to lease agreement	₱-	₱-	₱1,349,090	₱1,349,090
Alphaland Makati Place, Inc. (AMPI)	Deposits in relation to lease agreement	-	-	33,482	33,482
	Rent Expense	258,180	258,180	-	-
				₱1,382,572	₱1,382,572
Payable to related parties					
<i>Entities under common management:</i>					
AMPI	Lease of office space	₱159,090	₱159,090	₱7,736	₱7,736
ASTI	Reimbursements	-	-	33,774	33,774
				₱41,510	₱41,510

Aside from the foregoing, there are no transactions (or series of similar transactions) during the last two (2) years, with or involving the Company or its subsidiaries, in which a director, executive officer, or stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

Patents, Trademarks, Copyrights, Licenses, Concessions and Royalty Agreements

The company does not own any registered patent, trademark or copyright. Neither is it a recipient of any license or concession nor a party to any royalty agreement.

Effect of Existing or Probable Governmental Regulations

In 2012, Forum encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. However, the permit has not yet been issued by the relevant Government body. The latest resource assessment supported the case to proceed with the drilling and Forum has been granted an extension up to August 2015 to complete its obligations under the service contract. Forum expects to proceed with its commitment as soon as it is able to obtain the necessary authorization from the Government. The DOE has granted a force majeure on SC72 because this contract area falls within the territorial disputed area of the West Philippine Sea.

On July 3, 2018, the DENR issued Administrative Order No. 2018-13 lifting the moratorium on the acceptance, processing and/or approval of applications for Exploration Permit under DENR Memorandum Order No. 2016-01. With the lifting of the moratorium on exploration permit processing, the DENR can proceed with the evaluation of the Company's existing exploration

permit application in Agusan del Norte which the company filed on October 29, 2013. The company had previously complied with the orders of the Mines and Geosciences Bureau (MGB) relative to its EPA by filing two 2 revisions as well as paying the filing fee assessed by MGB. The MGB was in the process of evaluating the company's EPA when the DENR issued Memorandum Order 2016-01 ordering a moratorium on new mining applications. With the lifting of the said moratorium, the MGB is set to endorse the application to its Regional Office in Agusan del Norte which will then require the company to submit additional requirements before approving the same.

On 20 November 2018, during the state visit of Chinese President Xi Jinping to the Philippines, the Philippines and China exchanged a Memorandum of Understanding (MOU) on oil and gas development in the West Philippine Sea. In the said MOU, both countries agreed to establish an Inter-Governmental Joint Steering Committee which will be responsible for negotiating and agreeing the cooperation arrangements and the maritime areas to which they will apply. Both countries endeavored to agree on the cooperation arrangements within 12 months from the execution of the Memorandum of Understanding. The signing of the MOU gives hope that the territorial dispute between the Philippines and China in the West Philippine Sea will be resolved and Forum can obtain the necessary authorization from the Philippine Government to perform its drilling programs within the territory covered by SC72.

On October 16, 2020, FEL was notified by the DOE that the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the Force Majeure to complete the Sub-Phase 2 work commitment.

However, on April 6, 2022, the DOE issued a directive to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJPCC).

On October 11, 2022, the DOE formally declared Force Majeure in SC72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension nullified all work done since the lifting of the Force Majeure in October 2020. Hence, SC72 was entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were suspended by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the Force Majeure was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to SC72. Thus, once the Force Majeure is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub-Phase 2 of SC72 prior to October 14, 2020.

As of date, the declaration of Force Majeure in SC72 has not been lifted.

Research and Development Activities

The Company does not allocate specific amounts or fixed percentages for research and development. The allocation for such activities may vary depending on the nature of the project.

Total cost incurred, including exploration and development works, during calendar years 2013 to 2023 amounted to P5.2 million broken down as follows:

Period	Revenue	Exploration Development and Environmental Cost	Percentage on Revenue
CY 2013	-	165,450	nil
CY 2014	-	2,456,558	nil
CY 2015	-	1,593,983	nil

CY 2016	-	976,428	nil
CY 2017 to 2023	-	-	-
Total	-	5,192,419	

The above-mentioned expenses were incurred pursuant to the mandatory requirement to conduct annual assessment works, i.e. reconnaissance and semi-detailed exploration works such as geological mapping, sampling, opening up of assessment tunnels, ore reserve development and assaying of samples, etc., to prove mineable ore reserve, as provided under the Philippine Bill of 1902, Presidential Decree No. 463, the New Mining Code, and applicable laws, rules and regulations. On 8 July 2016, the DENR issued Memorandum Order 2016-01 ordering a moratorium on the approval of new mining projects which effectively halted all exploration works of the company. The said moratorium was lifted only on July 3, 2018. There were still no exploration works after the moratorium was lifted in 2018 because the company is still awaiting the official endorsement of the EPA by the Mines and Geosciences Bureau to its Regional Office in Agusan Del Norte.

Compliance with Environmental Laws

The Company is currently not operating a mine or oil project. In the event that it does, all necessary pollution control and environmental protection measures will be set in place.

Competition

The Company is currently not operating a mine or oil project.

Risk Factors

The Company's profitability is dependent on the performance of its subsidiary ABSTC and affiliate Forum.

Financial Risk Management

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

- Credit Risk
- Liquidity Risk
- Market Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the results. The Company, 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 Company's Board of Directors reviews and institutes policies for managing each of the risks.

Credit Risk

Credit risk represents the risk of loss the Company would incur if credit customers and counterparties fail to perform their contractual obligations. The Company's credit risk arises principally from the Company's cash in banks and cash equivalents, trade receivables and refundable deposits.

Receivables which are neither past due nor impaired are of good quality. These are from clients that pay on time or even before maturity date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company 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 Company'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 Company'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 Company is subject to transaction and translation exposures resulting from currency exchange fluctuations. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the changes in current exchange rates.

Capital Management

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

The Company monitors capital on the basis of debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt comprises of accounts payable and accrued expenses, other current liabilities and due to related parties. Total equity comprises all components of equity.

Mining Claims

The Company does not have any existing mining claim.

Item 2: Description of Properties

Other than its shareholdings in ABSTC and in Forum (through Tidemark), the Company does not own any other significant property.

Item 3: Legal Proceedings

The Company is not involved in any legal proceeding.

Item 4: Submission of Matters to a Vote of Security Holders

During the 2023 Annual Meeting of Stockholders, the security holders present and represented (representing more than 2/3 of the Company's outstanding capital stock) approved the appointment of Reyes, Tacandong & Co. as the Company's external auditor.

The following were elected as members of the Company's Board of Directors for 2023-2024 during the Annual Meeting of the Stockholders of the Company held on December 5, 2023:

Eric O. Recto
Rodolfo Ma. A. Ponferrada
Walter W. Brown
Charles Edward M. Cheng
Jose Raymund L. Apostol
John Peter Chick B. Castelo
Paul Francis B. Juat
Anna Bettina Ongpin
Mario A. Oreta
Margarito B. Teves – Independent Director
Dennis A. Uy – Independent Director

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5: Market for Issuer's Common Equity and Related Stockholder Matters

A. Market Information

1. Principal Market – PSE

The Company's common shares are traded in the PSE. As of last trading date for March 31, 2024 the closing price of the shares of the Company is Php 4.60. The high and low sale prices of the shares for each quarter within the last three (3) years are:

Quarter Ended	High	Low
03.31.24 – 1 st Quarter	6.00	2.51
12.31.23 - 4 th Quarter	6.93	4.40
09.30.23 – 3 rd Quarter	7.40	4.61
06.30.23 – 2 nd Quarter	7.18	4.50
03.31.23 – 1 st Quarter	7.57	6.23
12.31.22 - 4 th Quarter	8.38	7.15
09.30.22 – 3 rd Quarter	8.60	6.52
06.30.22 – 2 nd Quarter	8.15	5.50
03.31.22 – 1 st Quarter	6.72	5.52
12.31.21 - 4 th Quarter	17.00	5.11
09.30.21 – 3 rd Quarter	8.90	5.89
06.30.21 – 2 nd Quarter	10.92	7.90

Quarter Ended	High	Low
03.31.21 – 1 st Quarter	10.30	5.10

[Data taken from the Philippine Stock Exchange, Inc.(edge.pse.com.ph)]

B. Holders

Approximate Number of Shareholders of Each Class of Common Security as of December 31, 2023:

The Company has 4,180 stockholders as of December 31, 2023.

The Top 20 Registered Stockholders of the Company as of December 31, 2023 are:

The list of the top twenty (20) registered shareholders is as follows:

	No. of Shares	%
1. Boestar Corporation	1,775,218,804	69.75%
2. North Kitanglad Agricultural Co., Inc. (NKACI)	309,000,000	12.14%
3. PCD Nominee Corporation	216,974,560	8.53%
4. Strong Gain Enterprises Limited	119,500,000	4.70%
5. Progressive Development Corporation	93,963,474	3.69%
6. Power Merchant International Limited	26,000,000	1.02%
Carroll, Charles F.,Trustee Carroll Family Trust FBO		
7. Charles F. Carroll	593,200	0.02%
8. Braasch, Herbert	84,884	0.00%
9. Baron, Rose A. & William J. Baron, Jtwros	81,197	0.00%
10. Araneta, Jorge L.	73,535	0.00%
11. McLarney, Jane Mary & Timothy P. McLarney	70,875	0.00%
12. Silbert, Solomon S. & Claire B. Silbert, Jten etc.	56,567	0.00%
13. Cohen, Sy R. & Barbara Cohen, Jtwros	43,195	0.00%
14. Steiner, Norma	38,656	0.00%
15. Loo Ngo Kue	36,020	0.00%
16. Pua, Luis	35,542	0.00%
Cunningham, Edmund F. & Pauline F. Cunningham,		
17. Jtwros	33,275	0.00%
18. Fores, Maria Lourdes A.	29,840	0.00%
19. Roxas, Judy A.	29,840	0.00%
20. Anulis, Evelyn	26,753	0.00%

Total issued and outstanding shares is 2,545,000,000

NOTE: NKACI has 1,748,100 shares lodged with PCD Nominee Corporation. In all, NKACI owns 310,748,100 shares representing 12.21% of the total outstanding shares of the Company.

C. Beneficial Owner of More than 5% of Any Class of the Registrant's Common Equity

(1) TITLE OF CLASS	(2) NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	(3) NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	(4) CITIZENSHIP	(5) NUMBER OF SHARES	(6) PERCENT TO TOTAL OUTSTANDING
Common	Boerstar Corporation* 6766 Ayala Avenue corner Paseo de Roxas, Makati City (Stockholder)	Estate of Roberto V. Ongpin – Beneficial Owners	Filipino	1,485,685,983*	58.38%
Common	Boerstar Corporation* 6766 Ayala Avenue corner Paseo De Roxas, Makati City (Stockholder)	Eric O. Recto – Beneficial Owner	Filipino	289,532,821*	11.38%
Common	North Kitanglad Agricultural Co., Inc. KalugmananManoloFortich, Bukidnon (Stockholder)	Walter W. Brown – controlling shareholder	Filipino	310,748,,100	12.21%
Common	PCD Nominee Corporation (Stockholder)	Public Shareholders – beneficial owner	Filipino	216,971,068	8.53%

* All shares subscribed by Boerstar Corporation, both fully paid-up and unpaid. The total fully paid-up shares amount to 584,241,964.

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as at Record Date, is indirectly or directly the beneficial owner of more than 5% of the Company's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than five percent of the outstanding shares of common stock. As of December 31, 2023, there are no persons holding more than 5% of the Company's common stocks that are under a voting trust or similar agreement.

D. Dividends

The Company has not declared any dividends during the last three (3) years.

The Company's Amended By-Laws provides that its Board of Directors may declare dividends only from surplus profits arising from the business of the Company, in accordance with the preferences constituted in favor of preferred stock when and if such preferred stock be issued and outstanding. Restrictions under the Corporation Code of the Philippines also limit the Company's power to declare dividends.

Item 6: Management's Discussion and Analysis of Financial Condition and Results of Operations for the Last Three Years

Financial Condition

a) 2023 Financial Condition

As of December 31, 2023, the Company's consolidated assets amounted to ₱909.7 million as compared to ₱936.9 million as of December 31, 2022. On the other hand, there is no significant movement in the Company's liabilities as of December 31, 2023 from December 31, 2022.

Cash and cash equivalents totaling ₱19.7 million as of December 31, 2023 showed a decrease of ₱16 million from ₱35.7 million as of December 31, 2022, mainly due to Tidemark's additional capital infusion to Forum Energy Limited. Said decrease was partially offset by the collection of long outstanding receivables of AB Stock Transfer Corporation.

Receivables decreased from ₱2.7 million as of December 31, 2022 to ₱1.7 million as of December 31, 2023. As mentioned above, AB Stock Transfer Corporation, collected its long outstanding receivables.

Advances to stockholder decreased from ₱194.9 million as of December 31, 2022 to ₱174.9million as of December 31, 2023 due to receipt of payment from the stockholder.

Investment in associate showed a net increase of ₱9.2 million from ₱691.1 million as of December 31, 2022 to ₱701.1 million as of December 31, 2023. The net increase is due to Tidemark's additional capital infusion to Forum Energy Limited (FEL), foreign exchange translation of Tidemark's financial statements and its share in FEL's net operating loss.

Decrease of ₱12,654 in property and equipment is the depreciation expense for the year

Payables and other current liabilities have minimal movement during the year due to settlement of accounts in the normal course of business.

Stockholders' Equity decreased from ₱935.7 million at the end of 2022 to ₱908.4 million at the end of 2023 primarily due to foreign exchange translation of Tidemark's financial statements and its share in FEL's net operating loss.

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

	December 31, 2023 (Audited)	December 31, 2022 (Audited)	Increase/(Decrease) Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	19,669,001	35,685,197	(16,016,196)	-45%
Receivables	1,705,647	2,724,824	(1,019,177)	-37%
Advances to Stockholders	174,865,252	194,865,252	(20,000,000)	100%
Other current assets	11,673,381	11,008,727	664,654	6%
Total Current Assets	207,913,281	244,284,000	(36,370,719)	-15%
Noncurrent Assets				
Investment in an associate	700,301,942	691,063,887	9,238,055	1%
Property and equipment	-	12,654	(12,654)	-100%
Advances to mining right holders	1,525,000	1,525,000	-	0%
Total Noncurrent Assets	701,826,942	692,601,541	9,225,401	1%
	909,740,223	936,885,540	(27,145,317)	-3%
LIABILITIES AND EQUITY				
Current Liabilities				
Payables and other current liabilities	1,357,215	1,170,941	186,275	16%
Income Tax Payable	1,255	825	430	52%
Total Current Liabilities	1,358,470	1,171,766	186,705	16%
Noncurrent Liabilities				
Deferred Tax Liability	-	20,968	(20,968)	100%
Total Liabilities	1,358,470	1,192,734	165,737	14%
Equity				
Capital stock	1,354,023,160	1,354,023,160	-	0%
Deficit	(653,657,942)	(633,789,103)	(19,868,839)	3%
Cumulative translation adjustment	208,016,535	215,458,749	(7,442,214)	-3%
Total Equity	908,381,753	935,692,806	(27,311,053)	-3%
	909,740,223	936,885,540	(27,145,317)	-3%

b) 2022 Financial Condition

As of December 31, 2022, the Company's consolidated assets amounted to ₱936.9 million as compared to ₱843.9 million as of December 31, 2021. On the other hand, the Company's liabilities as of December 31, 2022 slightly increased to ₱1.2 million from ₱1.1 million as of December 31, 2021.

Cash and cash equivalents amounting to ₱35.7 million as of December 31, 2022 showed a decrease of ₱58.2 million from ₱93.8 million as of December 31, 2021 mainly due to capital infusion to Tidemark.

Receivables increased from ₱1.7 million as of December 31, 2021 to ₱2.7 million as of December 31, 2022 is mainly due to AB Stock's receivable with DITO Telecommunity as its Receiving Agent for its Stock Rights Offering.

Investment in associate showed an increase of ₱150.1 million from ₱541 million as of December 31, 2021 to ₱691.1 million as of December 31, 2022 due to the additional capital infusion to Tidemark and foreign exchange differences on translation of the financial statements of Tidemark

Property and equipment decreased by ₱15,181 due to the depreciation expense of the additional computer set for used in operations.

Stockholders' Equity increased from ₱843.9 million at the end of 2021 to ₱935.6 million as of December 31, 2022 primarily due to the increase in foreign exchange difference on translation of the financial statements of Tidemark.

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

	As of December 31		Increase (Decrease)	
	2022 (Audited)	2021 (Audited)	Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents	35,685,197	93,846,057	(58,160,860)	-61.97%
Receivables	2,724,824	1,745,021	979,803	56.15%
Advances to Stockholders	194,865,252	194,865,252	-	100.00%
Other current assets	11,008,727	10,839,256	169,472	1.56%
Total Current Assets	244,284,000	301,295,586	(57,011,585)	-18.92%
Noncurrent Assets				
Investment in an associate	691,063,887	541,013,887	150,050,000	27.73%
Property and equipment	12,654	27,836	(15,181)	-54.54%
Advances to mining right holders	1,525,000	1,525,000	-	0.00%
Total Noncurrent Assets	692,601,541	542,566,722	150,034,819	27.65%
	936,885,541	843,862,308	93,023,233	11.02%
LIABILITIES AND EQUITY				
Current Liabilities				
Payables and other current liabilities	1,232,717	1,087,791	144,926	13.32%
Income Tax Payable	825	3,270	(2,445)	-74.77%
Total Current Liabilities	1,233,542	1,091,061	142,481	13.06%
Noncurrent Liabilities				
Deferred Tax Liability	20,968	41,588	(20,620)	100.00%
Total Liabilities	1,254,510	1,132,649	121,861	10.76%
Equity				
Capital stock	1,354,023,160	1,354,023,160	-	0.00%
Deficit	(633,789,102)	(634,816,028)	1,026,926	-0.16%
Cumulative translation adjustment	215,396,973	123,522,527	91,874,446	74.38%
Total Equity	935,631,031	842,729,659	92,901,372	11.02%
	936,885,541	843,862,308	93,023,233	11.02%

Operational Results

a) 2023 Operational Results

2023 operations resulted to ₱26.5 million total comprehensive loss compared to ₱92.9 million total comprehensive income in 2022. The total difference of ₱119.4 million was brought about by the following:

- ₱19.6 million decrease in share in the net operating loss of an associate (Tidemark),
- ₱0.6 million decrease in service income.
- ₱1.1 million increase in the interest income.
- ₱99.4 million decrease in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).

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

	December 31, 2023	December 31, 2023	Increase (Decrease)	
	(Audited)	(Audited)	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	6,254,211	4,468,170	1,786,041	40%
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	(16,731,452)	2,861,936	(19,593,388)	-685%
Service fees	1,467,320	2,115,700	(648,380)	-31%
Interest income	1,695,698	616,803	1,078,895	175%
Others	9,568	86,538	(76,970)	89%
	(13,558,866)	5,680,977	(19,239,843)	-339%
LOSS BEFORE INCOME TAX	(19,813,077)	1,212,807	(21,025,884)	1734%
PROVISION FOR INCOME TAX	(55,706)	185,882	(241,588)	-130%
NET INCOME/(LOSS)	(19,868,783)	1,026,925	(20,895,708)	2035%
OTHER COMPREHENSIVE INCOME / (LOSS)				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	(7,442,272)	91,936,222	(99,378,494)	108%
TOTAL COMPREHENSIVE INCOME / (LOSS)	(27,311,055)	92,963,147	(120,274,202)	129%
BASIC AND DILUTED LOSS PER SHARE	(0.0078)	0.0004	(0.0082)	2035%

b) 2022 Operational Results

2022 operations resulted to ₱92.9 million total comprehensive income compared to ₱27.7 million total comprehensive loss in 2021. The total difference of ₱65.2 million was brought about by the following:

- ₱29.5 million; decrease in share in the net operating loss of an associate (Tidemark),
- ₱0.5 million; increase in the interest income.
- ₱34.3 million; increase in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).

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

	For the Years Ended December 31		Increase (Decrease)	
	2022 (Audited)	2021 (Audited)	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	4,468,170	5,338,223	(870,053)	-16.30%
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	2,861,936	(26,647,883)	29,509,819	-110.74%
Service fees	2,115,700	1,583,620	532,080	33.60%
Interest income	616,803	132,423	484,379	-365.78%
Others	86,538	494,975	(408,437)	82.52%
	5,680,976	(24,436,864)	30,117,840	-123.25%
LOSS BEFORE INCOME TAX	1,212,807	(29,775,087)	30,987,893	104.07%
PROVISION FOR INCOME TAX	185,882	107,704	78,178	72.59%
NET INCOME/(LOSS)	1,026,926	(29,882,791)	30,909,717	103.44%
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of an associate	91,874,446	57,589,571	34,284,875	-59.53%
<i>Item that will be reclassified subsequently to profit or loss -</i>				
TOTAL COMPREHENSIVE INCOME	92,901,372	27,706,780	65,194,592	-235.30%
BASIC AND DILUTED LOSS PER SHARE	0.0004	(0.0117)	0.0121	103.44%

c) 2021 Operational Results

2021 operations resulted to ₱27.7 million total comprehensive income compared to ₱63.1 million total comprehensive loss in 2020. The total difference of ₱90.8 million was brought about by the following:

- ₱19.5 million; increase in share in the net operating loss of an associate (Tidemark),
- ₱0.3 million; decrease in the interest income.
- ₱108.1 million; increase in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).
- ₱2.2 million; fair value gain on the remeasurement of equity instrument designated as FVOCI.

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

	For the Years Ended December 31		Increase (Decrease)	
	2021 (Audited)	2020 (Audited)	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	5,338,223	5,076,924	261,299	5.15%
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	(26,647,883)	(7,118,698)	(19,529,185)	274.34%
Service fees	1,583,620	1,454,020	129,600	8.91%
Interest income	132,423	428,882	(296,459)	69.12%
Others	494,975	(1,424)	496,399	34859.49%
	(24,436,865)	(5,237,220)	(19,199,645)	366.60%
LOSS BEFORE INCOME TAX	(29,775,087)	(10,314,144)	(19,460,943)	-188.68%
PROVISION FOR INCOME TAX	107,704	100,808	6,896	6.84%
NET LOSS	(29,882,792)	(10,414,952)	(19,467,840)	-186.92%
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of an associate	57,589,571	(50,491,466)	108,081,037	214.06%
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Fair value remeasurement on equity instrument designated as fair value through other comprehensive income	-	(2,152,285)	2,152,285	-100.00%
TOTAL COMPREHENSIVE INCOME (LOSS)	27,706,779	(63,058,703)	90,765,482	143.94%
BASIC AND DILUTED LOSS PER SHARE	(0.0117)	(0.0041)	(0.0076)	-186.92%

Key Performance Indicators

The Company's key performance indicators and their manner of computation are as follows:

	Manner of Calculation	As of		
		December 31, 2023	December 31, 2022	December 31, 2021
CURRENT/LIQUIDITY RATIO		153.05	198.03:1	276.15
Current assets	Current assets divided by current liabilities	207,913,281	244,284,000	244,284,000
Current liabilities		1,358,470	1,171,766	1,171,766
SOLVENCY RATIO		(14.62):1	0.85:1	(26.37):1
Net Income/(Loss) after tax less depreciation and impairment losses	The sum of net loss after tax less depreciation and impairment losses divided by total liabilities	(19,868,783)	1,026,925	1,026,925
Total liabilities		12,653	15,183	19,995
		1,358,470	1,192,734	1,192,734
DEBT TO EQUITY RATIO		0.001:1	0.001:1	0.001:1
Total liabilities	Total liabilities divided by total equity	1,358,470	1,192,734	1,192,734
Total equity		908,381,753	935,692,806	935,692,806
ASSET TO EQUITY RATIO		1.00:1	1.00:1	1.00:1
Total assets	Total assets divided by total equity	909,740,223	936,885,540	936,885,540
Total equity		908,381,753	935,692,806	935,692,806
INTEREST RATE COVERAGE RATIO		-	-	-
Income/(Loss) before interest and	Income before taxes and interest divided by interest expense	(19,813,077)	1,212,807	1,212,807
Interest expense		-	-	-
PROFITABILITY RATIO		(0.022):1	0.001:1	(0.03):1
Net loss after tax	Net income/(loss) after tax divided by total equity	(19,868,783)	1,026,926	(29,882,792)
Total equity		908,381,753	935,692,806	935,692,806

Current/liquidity ratio – The ratio decreased from 198.03 to 153.05 due to major decrease in Cash and Cash Equivalents by 45% and increase in current liabilities by only 16%.

Solvency ratio –The ratio moved from 0.85 to (14.62) due to net loss in 2023 as compared to 2022, from ₱1 million net income in 2022 to ₱19.9 million net loss in 2023.

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

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

Profitability ratio – The ratio moved from 0.001 to (0.022) due to resulting net loss in 2023 from ₱1 million net income in 2022 to ₱19.9 million net loss in 2022.

Plan of Operation for the Next Twelve (12) Months

The Company is hoping to get the government approval for its application for 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 activities. From November 2013 to 31 December 2023, the mining exploration cost of the Company is Php 5,192,419.00.

Plans involving oil and gas exploration have been shelved in relation the uncertainty in supply and demand situation. SC72 (Recto Bank) is still kept on hold depending on the outcome of Philippine Government initiatives involving West Philippine Sea. The DOE has granted a force majeure on SC72 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.

The Company 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 Company 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 Company's mission 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 remains.

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

Item 7. Financial Statements

Please see the attached Company's Audited Financial Report as of 31 December 2023 and its supplementary schedules, as well as the Company's audited Statement of Income and Cash Flows for each of the three (3) preceding years.

There are no changes in, or disagreements with, the accountants on accounting and financial disclosure.

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

A. Audit and Audit Related Fees

The Company's independent certified public accountant ("ICPA") for 2023 and 2022 is Reyes Tacandong & Co. and the engagement partner is Mr. Emmanuel V. Clarino

The aggregate External Audit Fees (MC No. 14, Series of 2004) billed for each of the last three (3) years, for the audit of the annual financial statements and services that are normally provided by the External Auditor, are as follows:

<u>Year</u>	<u>Amount</u>
2021	300,000
2022	300,000
2023	320,000

The above-mentioned audit fees are inclusive of: (a) other assurance and related services by the External Auditor that are reasonably related to the performance of the audit; and (b) review of the Company's financial statements, exclusive of tax fees and/or representation fees for legal matters.

The Audit Committee makes recommendations to the Board of Directors concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit.

The auditor of the Company conducted its audit in accordance with auditing standards generally accepted in the Philippines with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole, conforms to accounting principles generally accepted in the Philippines. They performed tests of the accounting records and such other procedures, as they considered necessary in the circumstances to provide a reasonable basis for an opinion on the financial statements. They also assessed the accounting principles used and significant estimates made by management and evaluated overall financial statements presentation.

The auditor also considered the Company's internal control in order to determine the nature, timing and extent of the audit procedures for the purpose of expressing an opinion on the financial statements. There were no audit fees related to this.

There were no products and services provided by the external auditor other than the services reported under the above items.

There were no disagreements between the auditor and the Company with respect to the accounting/auditing issues raised during the year.

B. Audit Committee Policies and Procedure – External Audit Services and Fees Policies:

1. An external auditor is selected and appointed by the stockholders upon recommendation of the Audit Committee through the Board of Directors.
2. All proposed professional fees from the external auditor for professional services are to be approved by the Board of Directors through the Audit Committee.
3. The Audit Committee is to pre-approve the scope of proposed professional services and/or audit plans of the external auditor.

Procedure:

1. A proposal for the appointment of an external auditor is submitted by the external auditor.

2. The stockholders, during their annual stockholders' meeting, shall appoint the external auditor upon recommendation of the Audit Committee through the Board of Directors.
3. All proposed professional fees shall be submitted to the Audit Committee, outlining the scope of work, deadlines and other pertinent information.
4. The Audit Committee reviews and decides on the proposal.
5. The acceptance of the proposal is forwarded to the Board of Directors and formally communicated to the external auditor.
6. After the external auditor renders its services, the Audit Committee evaluates and reviews its final reports to ensure compliance with the service agreement.
7. The Audit Committee submits to the Board of Directors all significant items and findings in the external auditor's report.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors, Executive Officers, Promoters and Control Persons

The names of the Directors and Executive Officers of the Corporation as of December 31, 2023 and their respective ages, positions held, and periods of service are as follows:

Name	Age	Position	Period During Which the Individual has Serves as Such
Eric O. Recto	60	Chairman of the Board, Chief Executive Officer Vice Chairman and Director, President and Director	02 March 2023 to present 10 December 2009 to present; 01 September 2016 to present 12 November 2009 to present;
Dennis A. Uy	50	Vice Chairman and Independent Director	31 May 2018 to present
Rodolfo Ma. A. Ponferrada	47	President and Director	02 March 2023 to present
Walter W. Brown	84	Executive Vice President and Director	31 May 2018 to present; 10 December 2009 to present
Charles Edward M. Cheng	43	Corporate Information Officer and Compliance Officer Corporate Secretary	30 June 2021 to present
Jose Raymund L. Apostol	59	Director	02 August 2023 to present
John Peter Chick B. Castelo	57	Director	28 August 2014 to Present
Paul Francis B. Juat	31	Director	31 May 2018 to present
Anna Bettina Ongpin	59	Director	16 August 2013 to present
Mario A. Oreta	77	Director	12 November 2009 to present
Margarito B. Teves	80	Independent Director	26 May 2011 to present
Josephine A. Manalo	81	Treasurer	11 August 2015 to present

Cristina B. Zapanta*	60	Senior Vice President for Finance	31 May 2016 to 29 January 2024
Jeric P. Posio	34	Compliance Officer-anti Money Laundering Manual and Vice President for Finance	6 May 2022 to present
Philip Louie H. Estember**	39	Corporate Information Officer, Deputy Compliance Officer and Assistant Corporate Secretary	05 December 2023 to 20 March 2024

*As previously disclosed, Ms. Cristina B. Zapanta retired from group service and resigned as SVP for Finance of the Company effective 29 January 2024.

**As previously disclosed, Atty. Philip Louie H. Estember resigned as Corporate Information Officer, Deputy Compliance Officer and Assistant Corporate Secretary effective 20 March 2024. Atty. Joyce Ann Marie V. Almazora was elected as Assistant Corporate Secretary to serve for the remainder of Atty. Estember's term.

Following are information on the educational attainment, business experience for the last five years and other directorships held in other companies' credentials of each of the above-named Directors and Officers, and present nominees for membership in the Board of Directors of the Corporation:

ERIC O. RECTO, *Chairman of the Board, Chief Executive Officer and Director*

Mr. Recto, Filipino, 60 years old, was elected Director on 12 November 2009 and appointed as Director on 10 December 2009. He is presently the Chairman of the Board and Chief Executive Officer of Atok-Big Wedge Co., Inc., the Chairman of the Philippine Bank of Communications in 2012. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and President of Optimum Dev't. Holdings Phils., Inc.; Independent Director of Aboitiz Power Corporation and PH Resorts Group Holdings, Inc.; Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation); and a Member of the Board of Supervisors of Acentic GmbH. Mr. Recto served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005, in charge of handling both the International Finance Group and the Privatization Office. Before his stint with the government, he was Chief Finance Officer of Alaska Milk Corporation and Belle Corporation. Mr. Recto has a degree in Industrial Engineering from the University of the Philippines as well as an MBA from the Johnson School, Cornell University.

DENNIS A. UY, *Vice Chairman and Independent Director*

Mr. Uy, Filipino, 50 years old, was elected Independent Director and appointed as Vice Chairman of the Board of Directors on 31 May 2018. Mr. Uy is also the Founder, Chairman and CEO of UDENNA Corporation and Dito Telecommunity Corporation; Chairman of Dito CME Holdings Corp.; Chairman of Phoenix Petroleum Philippines, Inc. (PNX), Chelsea Logistics Holdings Corporation, Chairman of UDENNA Land, Inc., PH Resorts Group Holdings Corp.; Chairman and President of UDENNA Infrastructure Corp.; Chairman of Phoenix Philippines Foundation, UDENNA Foundation, Silad Atleta Pilipinas Sports Foundation and LIFE Fund. He was appointed Presidential Adviser on Sports in 2016, and has been an Honorary Consul of Kazakhstan to the Philippines since 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

RODOLFO MA. A. PONFERRADA, *President and Director*

Atty. Ponferrada, Filipino, 47 years old, was elected Director and appointed as President of the Company on 02 March 2023. Atty. Ponferrada is the founding partner of Ponferrada San Juan & Fernandez Law Offices. He was the General Counsel of the RVO Group of Companies from 2006 to 2016. He was also the Corporate Secretary of Atok-Big Wedge Co., Inc. from 2009 to 2016. Currently, he is Director and President of Alphaland Corporation. He also served in

government as Technical Assistant to the Executive Secretary under President Macapagal-Arroyo and as Assistant Chief of Staff to Vice President De Castro. He started his law practice as an associate at SyCip Salazar Hernandez & Gatmaitan Law Office. Mr. Ponferrada graduated with a degree in Bachelor of Laws cum laude from the University of the Philippines and a degree of Bachelor of Science in Management (Honors Program) magna cum laude with a Minor in Japanese Studies from the Ateneo de Manila University. He placed number 1 in the 2001 Philippine Bar Examinations.

WALTER W. BROWN, *Executive Vice-President and Director*

Dr. Brown, 84 years old, Filipino, was elected Director on 10 December 2009. He is presently the Executive Vice-President of Atok-Big Wedge Co., Inc. He is also the President and CEO of Apex Mining Co., Inc.; the Chairman of A Brown Company, Inc.; Palm Thermal Consolidated Holdings Corporation; International Cleanenvironment Systems, Inc.; North Kitanglad Agricultural Company, Inc.; PhiGold; and A Brown Energy & Resources Dev't. Inc.; President of Monte Oro Resources and Energy Inc.; and PBJ Corporation. He received two undergraduate degrees: B.S. Physical Science (1959) and B.S. Geology (1960), both from the University of the Philippines, and post graduate degrees from Stanford University: M.S. Economic Geology (1963), and Ph.D in Geology, and Major in Geochemistry (1965). He was a candidate in master of Business Economics (1980) from the University of Asia & the Pacific (formerly Center for Research & Communications). He is currently the Chairman and Director of Family Farm School (PPAI), Chairman and President of Studium Theologiae Foundation, Vice Chairman of the Board of Trustees of Xavier University, and the Geological Society of the Philippines.

CHARLES EDWARD M. CHENG, *Corporate Information Officer, Compliance Officer, Corporate Secretary*

Atty. Cheng, Filipino, 43 years old, was appointed as Corporate Information Officer, Compliance Officer and Corporate Secretary on 30 June 2021. He is also connected with Alphaland Corporation as Assistant to the Chairman. Immediately prior to joining the Company, he served as Legal Counsel for Royal Dutch Shell PLC subsidiaries, including, among others, Shell Philippines Exploration B.V., Pilipinas Shell Petroleum Corporation and Shell Global Solutions International B.V. Before joining Shell, he was a Senior Associate in the Corporate and Special Projects Department of Villaraza Cruz Marcelo and Angangco (Carpio Villaraza Cruz). He finished his Bachelor of Science Degree in Management minor in Finance, Honorable Mention, from the Ateneo de Manila University and completed his L.I.B from the University of the Philippines College of Law in 2007, graduating with honors.

JOSE RAYMUND L. APOSTOL, *Director*

Mr. Apostol, Filipino, 59 years old, was elected Director on 2 August 2022. He was previously a Director and President of the Company from 01 June 2013 to 30 September 2016. He is currently the Senior Executive Vice President of Monte Oro Resources and Energy, Inc. He was a Director and the President of Forum Energy Philippines Corp. from 2007 to 2013 and President and Technical Director of PhiGold Metallic Ore Inc. from 2008 to 2013. He was also a Non-exclusive consultant of Forum Exploration Inc., Non-Exclusive Adviser to the Chairman & CEO of Philex Petroleum Corporation, and Country Manager for Philippine Operations of Sterling Energy (plc), U.K., among others. He is a Geologist by profession. He is a Director of Petroleum Association of the Philippines. He is also a member of Southeast Asian Petroleum Exploration Society, American Association of Petroleum Geologists and Geological Society of the Philippines. He graduated with a degree of Bachelor of Science in Geology from the University of the Philippines.

JOHN PETER CHICK B. CASTELO, *Director*

Mr. Castelo, Filipino, 57 years old, was elected Director on 28 August 2014. He is presently the Senior Vice President for Business Development of Araneta Center Inc. and sits in the board of its various subsidiaries and affiliates. He had 27 years of experience in real estate and finance industries. He earned his Masters in Business Administration and Degree in Bachelor of Science in Electrical Engineering from the University of the Philippines in Diliman.

PAUL FRANCIS B. JUAT, *Director*

Mr. Juat, Filipino, 31 years old, was elected Director on 31 May 2018. He is a director of Brownfield Holdings Corporation, North Kitanglad Agricultural Company, Inc., PBJ Corporation, and Pacific Bougainville Holdings Corporation. He also currently serves as Assistant to the President of Apex Mining Co., Inc. He holds a Bachelor's Degree in Industrial Engineering from the University of the Philippines, Diliman.

ANNA BETTINA ONGPIN, *Director*

Ms. Ongpin, Filipino, 59 years old, was elected Director on 16 August 2013. She is also currently the Vice-Chairman, Assistant to the Chairman and Director of Alphaland Corporation. She too is the Chairman of Alphaland Balesin Island Club, Inc.; Chairman and President of The City Club at Alphaland Makati Place, Inc.; and Chairman of The Alpha Suites. Ms. Ongpin has more than thirty years of communications, marketing, project management, and operations experience in the management consulting and media fields. She holds a Bachelor's Degree in Political Science from Wellesley College.

MARIO A. ORETA, *Director*

Mr. Oreta, Filipino, 77 years old, was elected Director on 12 November 2009. He is also a Director of Alphaland Corporation and The City Club at Alphaland Makati Place, Inc. He served as President of Alphaland Corporation from 2007 to 2016. He graduated with honors from the Ateneo De Manila University with a degree in Bachelor of Laws and immediately joined the law firm of Siguion Reyna, Montecillo and Ongsiako after graduating from law school. He is the managing partner of The Law Firm of Mario A. Oreta and Partners.

MARGARITO B. TEVES, *Independent Director*

Mr. Teves, Filipino, 80 years old, was elected Independent Director on 26 May 2011. He is also an Independent Director of Alphaland Corporation, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc. He is currently the the Independent Director of Petron, Atlantic Aurum Investments Philippines Corporation and San Miguel Corporation. He was formerly Secretary of the Department of Finance, Landbank President and CEO, and a Member of the House of Representatives (representing the 3rd District of Negros Oriental). He obtained a Higher National Diploma (HND) in Business Studies, equivalent to a BSC in Business Economics, from the City of London College, and a Master of Arts (MA) in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA. He was conferred an Honorary Degree, Doctor of Laws, by Williams College, and named Senior Adviser to the China-Asean Economic and Culture Research Center and Visiting Professor at the Guilin University of Electronic Technology in China.

JOSEPHINE A. MANALO, *Treasurer*

Ms. Manalo, Filipino, 81 years old, was appointed Treasurer on 11 August 2015. She is connected with Alphaland Corporation as Executive Assistant to the Chairman. She is also works in various

capacities for Mr. Roberto V. Ongpin's Group of Companies. She has a Bachelor of Science in Business Administration degree from St. Theresa's College, Manila.

CRISTINA B. ZAPANTA, *Senior Vice President for Finance **

Ms. Zapanta, Filipino, 60 years old, was appointed Vice President for Finance and Compliance Officer for Anti-Money Laundering Manual on 31 May 2016. She is presently the Company's Senior Vice President for Finance. She is also the Senior Vice President for Finance of Alphaland Corporation; Alphaland Balesin Island Resort Corporation; Alphaland Balesin Island Club, Inc.; Alphaland Makati Place, Inc. and Alphaland Southgate Tower, Inc. Prior to joining the Company, she was the Finance and Administration Head of Connectivity Unlimited Resources Enterprise, Inc. (2006-2008) and Accounting Head of Belle Corporation (1997-2006). She has more than 30 years solid experience in Finance, of which over half is in the real estate industry. She is a Certified Public Accountant.

JERIC PAUL P. POSIO, *Vice President for Finance and Compliance Officer for Anti-Money Laundering Manual*

Mr. Posio, Filipino, 34 years old, was appointed as Vice President for Finance on May 26, 2022. He is also the Senior Vice President for Finance of Alphaland Corporation and its subsidiaries and affiliates.

PHILIP LOUIE H. ESTEMBER, *Corporate Information Officer, Deputy Compliance Officer, Assistant Corporate Secretary*

Atty. Estember, Filipino, 39 years old, was appointed as Corporate Information Officer, Deputy Compliance Officer and Assistant Corporate Secretary on 05 December 2023. He is also connected with Alphaland Corporation as Assistant Corporate Secretary. He obtained his Legal Management degree and Law degree from the University of Santo Tomas and San Beda College – Manila, respectively, and was admitted to the Philippine Bar in 2014.

B. Term of Office

Under Article II, Section 1 of the Corporation's Amended By-Laws, the directors chosen by the stockholders of the Corporation entitled to vote at the annual meeting shall hold office for one (1) year until their successors are elected and shall have qualified.

C. Directorships in Other Reporting Companies

Mr. Eric O. Recto also serves as Chairman of the Board of Alphaland Corporation. He is also a director of Dito CME Holdings Corp. (DITO). He is also an Independent Director of Aboitiz Power Corporation and Philippine H2O.

Dr. Walter W. Brown is also the Chairman of A Brown Company, Inc. and a Director of Philippine Realty & Holdings Corporation.

Ms. Anna Bettina Ongpin is a director and the Vice Chairman of Alphaland Corporation. She is also the Chairman and President of The City Club at Alphaland Makati Place, Inc. and a director and Chairman of Alphaland Balesin Island Club, Inc.

Mr. Margarito B. Teves is also an Independent Director of Alphaland Corporation, Philweb Corporation, The City Club at Alphaland Makati Place, Inc., and Alphaland Balesin Island Club, Inc.

Mr. Dennis A. Uy is the Chairman of Phoenix Petroleum Philippines, Inc. (PNX), Chairman, of DITO CME Holdings Corp. (DITO, formerly ISM Communications) and the Chairman of PH Resorts Group Holdings, Inc. and Chelsea Logistics Holdings Corp. (CLC). He is also a director of Alphaland Corporation.

Shares of DITO, PBC, PNX, and CLC are all listed in the Philippine Stock Exchange, Inc. Shares of Alphaland Corporation, The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc. are covered by Registration Statements filed with the SEC.

D. Significant Employees

The Company considers its subsidiaries' entire workforce as significant employees. Everyone is expected to work together as a team to achieve the Company's goals.

E. Family Relationships

Mr. Recto and Ms. Ongpin are first cousins. Mr. Paul Francis B. Juat is the grandson of Mr. Walter W. Brown. Other than the foregoing, the persons nominated or chosen by the Company to become directors or executive officers are not related to each other up to the fourth civil degree either by consanguinity or affinity.

F. Involvement in Certain Legal Proceedings

1. *People of the Philippines vs. Dennis Ang Uy, John Does and/or Jane Does* - Regional Trial Court-Branch 14, Davao City, Criminal Case Nos. 75, 834-13 to 75, 845-13 and 76, 076-13. On August 27, 2013, The Department of Justice (DOJ) filed twelve (12) Informations before the Regional Trial Court of Davao against Mr. Dennis A. Uy and several John Does and/or Jane Does for alleged violations of Section 3602, in relation to Sections 3601, 2530 (I)(1), (3), (4), and (5), Sections 1801, 1802 of the Tariff and Customs Code of the Philippines. These provisions all pertain to unlawful importation of goods allegedly committed by Mr. Uy for the importation of petroleum products in the Philippines.

On September 5, 2013, Mr. Uy's Counsel filed an Omnibus Motion, which prayed, among others, for the dismissal of criminal case for lack of probable cause.

Additional ten (10) criminal informations were filed by the DOJ on September 11, 2013, pertaining to additional instances of the same violations under the TCCP. These additional informations all pertain to the alleged unlawful importation of goods for the importation of petroleum products. Hence, Mr. Uy's counsel filed a supplemental motion on September 19, 2013 for the dismissal of the 10 additional informations.

On October 4, 2013, the RTC issued an Order dismissing all the case against Mr. Uy. The trial court held that there was no probable cause based on evidence for Mr. Uy to be held on trial.

Subsequently, however, the plaintiff, People of the Philippines, filed a Motion for Reconsideration to reverse the dismissal of all criminal cases. On August 18, 2014, the RTC denied the motion for Reconsideration.

Thereafter, the plaintiff People of the Philippines filed a Petition for Certiorari with the Court of Appeals for the reversal of the dismissal Orders issued on October 4, 2013 and August 18, 2014. Please see case 6 below for status on the Petition for Certiorari.

2. *People of the Philippines vs. Hon. George E. Omello, in his capacity as Presiding Judge of the Davao City Regional Trial Court-Branch 14, Hon. Loida S. Posadas-Kahugan, in her capacity as Acting Presiding Judge of the Davao City RTC-Branch 14, Dennis Ang Uy, John Does and/or Jane Does, CA-G.R. SP No. 06500-MIN, Court of Appeals, Cagayan de Oro City, 23rd Division* – On October 27, 2014, the petitioner People of the Philippines filed a Petition for Certiorari seeking the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court dismissing the criminal cases filed against Dennis Uy (under case 5) for having been issued with grave abuse of discretion amounting to lack or excess of jurisdiction, such that the issued orders were capricious, whimsical, or arbitrary.

Mr. Uy's counsel filed his Comment/Opposition to the said Petition for Certiorari, and the parties subsequently filed their respective Memoranda.

On October 12, 2016, the Court of Appeals issued a resolution denying the Petition for Certiorari filed by the People of the Philippines. The Court of Appeals ruled that "there is no showing that the error was capricious, whimsical or arbitrary. Further, the voluminous records evidence that the RTC's challenged Orders took careful account of the respective claims and defenses of the parties, as well as the evidence submitted. Such studious and studied consideration negates whimsically and arbitrariness.

Thus, on November 7, 2016, the People of the Philippines filed a Motion for Reconsideration of the Decision dated October 12, 2016, but said MR was denied on January 25, 2017.

3. *Dennis A. Uy vs. Hon. Secretary of the Department of Justice Leila M. De Lima and the Bureau of Customs, CA-G.R. SP No. 131702, Court of Appeals, Manila, Special Former Special Tenth Division* – In connection to the resolution of the DOJ to file criminal cases against Dennis Uy, Mr. Uy sought remedy to question the resolutions of the DOJ which found probable cause against him for the alleged violations of the TCCP.

Dennis A. Uy filed a Petition for Certiorari with the Court of Appeals on September 4, 2013 for the reversal of these resolutions.

On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari of Mr. Uy and declaring the Resolutions of the DOJ dated April 24, 2013 and August 13, 2013 nullified and set aside and directing that the Information filed against Dennis Uy withdrawn and/or dismissed for lack of probable cause.

Thereafter, a Motion for Reconsideration of the Court of Appeals Decision was filed by the DOJ and the Bureau of Customs. On July 23, 2015, the Court of Appeals issued its Resolution denying the Motion for Reconsideration of the DOJ and the Bureau of Customs.

Subsequently, the DOJ filed a Motion for Extension to file Petition for Review on Certiorari with the Supreme Court.

4. *Secretary of the Department of Justice Leila M. De Lima and Bureau of Customs vs. Dennis A. Uy, G.R. No. 219295-219296, Supreme Court, 2nd Division* – On October 8, 2015, respondent Dennis A. Uy received a copy of the Petition for Review on Certiorari dated September 8, 2015 filed by petitioners SOJ and Bureau of Customs seeking to set aside the Court of Appeals' Decision dated July 25, 2014 and July 23, 2015. The Supreme Court required the parties to file their respective Memoranda, which the parties complied with. On December 12, 2016, the Supreme Court issued its Notice of Resolution dated November 16, 2016 noting the parties Memoranda. As of the date, the Supreme Court has not yet issued any decision.

Other than the foregoing, the Corporation knows of no legal proceeding including without limitation any (a) bankruptcy petition, (b) conviction by final judgment, (c) order, judgment or decree, or (d) violation of a securities or commodities law, during the last five (5) years up to

the date of the filing of this Statement, to which any of its Directors and Executive Officers is a party and which is material to an evaluation of their ability or integrity to act as such.

Neither have they been convicted by final judgment in any criminal proceeding or have been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

Item 10. Executive Compensation

In the years 2016-2023 the Company gave directors per diem in the total amount of Php40,000.00 each, net of withholding taxes. Further, the directors and officers did not receive any compensation from the Corporation in the form of bonus, warrants, options, or participation in any profit-sharing plan in the years 2018-2023

There are no material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, directly or indirectly, for any services rendered as director.

There is no employment contract between the Company and a named executive officer.

There is no compensatory plan or arrangement between the Company and any executive officer in case of resignation, retirement or any other termination of the executive officer's employment with the Company, or from a change in the management control of the Corporation, or a change in the named executive officer's responsibilities following a change in the management control.

The aggregate salaries of the CEO and the four highest compensated officers are as follows:

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Comp
1. Eric O. Recto Chairman/CEO				
2. Rodolfo Ma. A. Ponferrada President				
3. Merilyn G. De Guzman General Administration and Support Manager				
4. Haydee D. Gallarde Officer-in-Charge - ABSTC				

Aggregate Compensation of the Five Most Highly-Paid Executives including the CEO:

2019	978,572.25
2020	996,891.99
2021	1,148,386.09
2022	1,124,500.00
2023	1,170,000.00
2024 (projected)	1,170,000.00

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Common	Eric O. Recto	1 (direct) 289,532,821 (indirect)	Filipino	11.38%
Common	Dennis A. Uy	1,000 (direct) 100,000,000 (indirect)	Filipino	3.93%
Common	Rodolfo Ma. A. Ponferrada	100 (direct)	Filipino	Nil
Common	Walter W. Brown	1 (direct) 310,748,100 (indirect)	Filipino	12.21%
Common	Charles Edward M. Cheng	100 (direct)	Filipino	Nil
Common	Jose Raymund L. Apostol	100 (direct)	Filipino	Nil
Common	John Peter Chick B. Castelo	102 (direct)	Filipino	Nil
Common	Paul Francis B. Juat	100 (direct)	Filipino	Nil
Common	Anna Bettina Ongpin	100 (direct)	Filipino	Nil
Common	Mario A. Oreta	1 (direct)	Filipino	Nil
Common	Margarito B. Teves	100 (direct)	Filipino	Nil
Common	Jeric P. Posio	198,000 (direct)	Filipino	0.01%
Common	Estate of Roberto V. Ongpin	1 (direct) 1,485,685,983 (indirect)	Filipino	58.38%
TOTAL		2,186,166,610		85.90%
Total Issued & Outstanding Shares		2,545,000,000		100.00%

The Estate of Mr. Roberto V. Ongpin beneficially owns and controls Boerstar Corporation ("Boerstar"), which is the registered owner of approximately 58.38% of the Company. However, Mr. Eric O. Recto is also the beneficial owner of 289,532,821 common shares registered in the name of Boerstar, corresponding to approximately 11.38% of the Company as indicated above.

To the extent known to the Corporation, there is no person holding more than five percent (5%) of the Corporation's voting stock under a voting trust or similar agreement.

Changes in Control

The Corporation is not aware of any change in control or arrangement that may result in a change in control of the Corporation during the period covered by this Statement.

Item 12. Certain Relationships and Related Transactions

There are no transactions (or series of similar transactions) during the last two (2) years, with or involving the Company or its subsidiaries, in which a director, executive officer, or stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

PART IV - CORPORATE GOVERNANCE

The Integrated Annual Corporate Governance Report (I-ACGR) will be submitted by the Company pursuant to SEC Memorandum Circular No. 15, Series of 2017.

PART V - EXHIBITS AND SCHEDULES

List of Items Reported under SEC Form 17-C, as amended (During the Last 6 Months)

March 20, 2024

Resignation of Atty. Philip Louie H. Estember as Corporate Information Officer, Deputy Compliance Officer and Assistant Corporate Secretary effective 20 March 2024 and the appointment of Atty. Joyce Ann Marie V. Almazora as Assistant Corporate Secretary to serve for the remainder of Atty. Estember's term.

January 29, 2024

Retirement of Ms. Cristina B. Zapanta retired from group service and resignation as SVP for Finance of the Company effective 29 January 2024.

SIGNATORIES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in the City of Makati on _____.



Rodolfo Ma. A. Ponferrada
President



Jeric Paul P. Posio
Vice President - Finance



Charles Edward M. Cheng
Corporate Secretary

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

APR 26 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____ in Makati City by the affiants, personally known to me, who are the same persons who personally signed before me the foregoing Annual Report and acknowledged that they executed the same. Affiants, whose identities are personally known to me, exhibited to me their competent evidence of identity as follows:

Name	Competent Evidence of Identity
Rodolfo Ma. A. Ponferrada	TIN 215-793-472
Jeric P. Posio	TIN 403-217-742
Charles Edward M. Cheng	TIN 225-721-029

Doc. No. 14 ;
Page No. 4 ;
Book No. XYU
Series of 2024.

ATTY. JOHN EDUARDO TRINIDAD ANG
Notary Public for City of Manila Until Dec. 31, 2024
Bureau Registration No. 2023-091
2nd Floor, 2000 Alibon St., Ermita, Manila
Phone No. 922-1111, 922-1111
Email: jtrinidad@notary.com.ph
Bureau Registration Compliance No. VII-0011575-04/14/2025

Your BIR AFS eSubmission uploads were received

afs@bir.gov.ph <eafs@bir.gov.ph>
o: ATOK_ACCOUNTINGBIR@alphaland.com.ph
c: ATOK_ACCOUNTINGBIR@alphaland.com.ph

Tue, Apr 30, 2024 at 1:34 PM

Hi ATOK BIG WEDGE COMPANY INC.,

Valid files

- EAFS000707286RPTY122023.pdf
- EAFS000707286ITRTY122023.pdf
- EAFS000707286AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-N3RVTMQV0N2XPVTTMQNQ33QQT0QNX4MT4T**
Submission Date/Time: **Apr 30, 2024 01:34 PM**
Company TIN: **000-707-286**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

ATOK-BIG WEDGE CO., INC.

ALPHALAND MAKATI PLACE 7232 AYALA AVENUE CORNER MALUGAY ST.,
MAKATI CITY 1209 PHILIPPINES
April 26, 2024

TEL. NO. (632) 5337-2031 LOCAL 189
FAX NO. (632) 5310-7100

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR SEPARATE FINANCIAL STATEMENTS"

The management of **Atok Big Wedge Co. Inc.**, (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



ERIC O. RECTO
Chairman & CEO



RODOLFO MA. A. PONFERRADA
President



JERIC PAUL P. POSIO
Vice President for Finance

SUBSCRIBED AND SWORN to before me this 18 APR 2024 at Makati City, affiants exhibiting to me their respective identification documents, and personally known to me, follows:

NAME
Eric O. Recto
Rodolfo Ma. A. Ponferrada
Jeric Paul P. Posio

COMPETENT EVIDENCE OF IDENTITY

TIN NO. 108-730-891
TIN NO. 215-793-472
TIN NO. 403-217-742

CHARLES EDWARD MACK CHENG

Notary Public for and in Makati City
5F, Alphaland Makati Place, 7232 Ayala Avenue Ext. cor
Malungay St., Brgy Bel-Air, Makati City 1209
Roll No. 55255

IBP No. 011511 - Makati Chapter - Lifetime

Appointment No. M-310 / December 31, 2025

PTR No. MKT 10075160 / Makati City / January 02, 2024

MCLB Compliance No. VII - 0021108 / April 14, 2025

Doc. No. 452
Page No. 42
Book No. I
Series of 2024

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

Opinion

We have audited the accompanying separate financial statements of Atok-Big Wedge Co., Inc., (the Company) which comprise the separate statements of financial position as at December 31, 2023 and 2022, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to separate financial statements, including a summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2023 and 2022, and its separate financial performance and its separate cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Notes 1 and 7 to the separate financial statements concerning the delay in one of the planned drilling programs of Forum Energy Ltd., an associate of a subsidiary, because of the suspension of the exploration activities in the West Philippine Sea on April 6, 2022. Our opinion is not modified with respect to this matter.

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

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



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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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



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

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

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

BOA Accreditation No. 4782/P-024; Valid until June 6, 2026

BIR Accreditation No. 08-005144-018-2022

Valid until January 24, 2025

PTR No. 10072426

Issued January 2, 2024, Makati City

April 26, 2024

Makati City, Metro Manila

ATOK-BIG WEDGE CO., INC.
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash	4	P17,455,135	P32,452,684
Receivables	5	1,499,953	1,559,789
Advances to a stockholder	12	174,865,252	194,865,252
Other current assets	6	10,658,024	10,416,206
Total Current Assets		204,478,364	239,293,931
Noncurrent Assets			
Investments in and advances to subsidiaries	7	768,717,459	735,279,875
Advances to mining right holders	1	1,525,000	1,525,000
Total Noncurrent Assets		770,242,459	736,804,875
		P974,720,823	P976,098,806
LIABILITIES AND EQUITY			
Current Liabilities			
Payables and other current liabilities	11	P1,061,339	P935,116
Income tax payable		1,255	825
Total Current Liabilities		1,062,594	935,941
Noncurrent Liability			
Deferred tax liability	17	-	20,968
Total Liabilities		1,062,594	956,909
Equity			
Capital stock	13	1,354,023,160	1,354,023,160
Deficit		(378,364,981)	(376,881,313)
Cumulative unrealized fair value loss on equity investment	8	(1,999,950)	(1,999,950)
Total Equity		973,658,229	975,141,897
		P974,720,823	P976,098,806

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31		
		2023	2022	2021
GENERAL AND ADMINISTRATIVE EXPENSES	14	(P5,154,208)	(P3,378,191)	(P4,151,219)
DIVIDEND INCOME	7	2,000,000	-	-
INTEREST INCOME	4	1,651,036	543,105	117,925
FOREIGN EXCHANGE GAIN (LOSS)		(209)	83,872	493,353
LOSS BEFORE INCOME TAX		(1,503,381)	(2,751,214)	(3,539,941)
PROVISION FOR (BENEFIT FROM) INCOME TAX	17			
Current		1,255	825	3,270
Deferred		(20,968)	(20,620)	41,588
		(19,713)	(19,795)	44,858
NET LOSS		(1,483,668)	(2,731,419)	(3,584,799)
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE LOSS		(P1,483,668)	(P2,731,419)	(P3,584,799)
BASIC AND DILUTED LOSS PER SHARE	15	(P0.0006)	(P0.0011)	(P0.0014)

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2023	2022	2021
CAPITAL STOCK - P1 par value				
Balance at beginning of year	13	P1,354,023,160	P1,354,023,160	P1,060,000,000
Collection of subscription receivable		-	-	294,023,160
Balance at end of year		1,354,023,160	1,354,023,160	1,354,023,160
DEFICIT				
Balance at beginning of year		(376,881,313)	(374,149,894)	(370,565,095)
Net loss		(1,483,668)	(2,731,419)	(3,584,799)
Balance at end of year		(378,364,981)	(376,881,313)	(374,149,894)
CUMULATIVE UNREALIZED FAIR VALUE LOSS ON EQUITY INVESTMENT				
Balances at beginning and end of year	8	(1,999,950)	(1,999,950)	(1,999,950)
		P973,658,229	P975,141,897	P977,873,316

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.
SEPARATE STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31		
		2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(P1,503,381)	(P2,751,214)	(P3,539,941)
Adjustments for:				
Interest income	4	(1,651,036)	(543,105)	(117,925)
Unrealized foreign exchange loss(gain)		209	(83,872)	(166,353)
Depreciation	10	-	-	4,813
Operating loss before working capital changes		(3,154,208)	(3,378,191)	(3,819,406)
Decrease (increase) in:				
Receivables		59,836	(232,336)	(8,710,412)
Other current assets		(241,818)	(204,685)	(264,119)
Increase (decrease) in payables and other current liabilities		126,223	7,725	(116,788)
Net cash used for operations		(3,209,967)	(3,807,487)	(12,910,725)
Interest received		1,651,036	543,105	117,925
Income taxes paid		(825)	(3,270)	-
Net cash used in operating activities		(1,559,756)	(3,267,652)	(12,792,800)
CASH FLOW FROM INVESTING ACTIVITIES				
Advances to subsidiaries	12	(33,437,584)	(55,309,782)	-
Collections of advances to a stockholder		20,000,000	-	15,134,748
Advances to a stockholder		-	-	(210,000,000)
Net cash used in investing activities		(13,437,584)	(55,309,782)	(194,865,252)
CASH FLOWS FROM FINANCING ACTIVITIES				
Collection of subscription receivable		-	-	294,023,160
Payment of advances from stockholders		-	-	(7,621,500)
Net cash provided by financing activities		-	-	286,401,660
NET INCREASE (DECREASE) IN CASH		(14,997,340)	(58,577,434)	78,743,608
EFFECT OF FOREIGN EXCHANGE GAIN (LOSS) ON CASH		(209)	83,872	166,353
CASH AT BEGINNING OF YEAR		32,452,684	90,946,246	12,036,285
CASH AT END OF YEAR	4	P17,455,135	P32,452,684	P90,946,246

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.
NOTES TO SEPARATE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022
AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. Corporate Matters

Corporate Information

Atok-Big Wedge Co., Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 3, 1931. The Company's primary purpose is to engage in the business of exploration and development of mining, oil, gas and other natural resources.

On August 2, 2022, the Board of Directors (BOD) approved the amendment of the Company's primary purpose as stated in the Articles of Incorporation (AOI) to allow the Company's expansion into renewable energy. This was ratified by the stockholders on November 11, 2022. As at December 31, 2023, the Company is completing the documentary requirements in order to file the amendment of the AOI with the SEC.

The Company listed its shares in the Philippine Stock Exchange (PSE) on January 8, 1948. As at December 31, 2023 and 2022, 953,963,474 common shares of the Company are listed in the PSE (see Note 13).

As at December 31, 2023 and 2022, the Company is 69.8% owned by Boerstar Corporation, a holding company incorporated in the Philippines. The ultimate parent of the Company is Compact Holdings, Inc., a Philippine entity engaged in holding and investing activities.

As at December 31, 2023 and 2022, the Company, through its wholly-owned subsidiary, Tidemark Holdings Limited (Tidemark), has 20.0% interest in Forum Energy Ltd. (FEL), a private limited company organized in the United Kingdom.

FEL has interests in various service contracts as follows:

<u>Service Contract</u>	<u>Interest</u>
Service contract 40 (North Cebu)*	100.0%
Service contract 72 (Reed Bank)	70.0%
Service contract 14B-1 (North Matinloc)**	19.5%
Service contract 14B (Matinloc)**	12.4%
Service contract 14A (Nido)**	8.5%
Service contract 14C-1 (Galoc)	3.2%
Other service contracts	5.0% - 9.1%

**Service contract 40 was plugged and abandoned in 2017*

*** Service contracts 14-B-1, 14B, and 14A were plugged and abandoned from 2019 to 2020*

The Company's registered address and principal place of business is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, Metro Manila.

Status of the Significant Exploration Projects of FEL (Associate Entity)

Service Contract 72 (Reed Bank). FEL's principal asset is a 70.0% interest in Service Contract (SC) 72 which covers an area of 8,800 square kilometers in the West Philippine Sea. SC 72 is currently under Sub-Phase 2 of its exploration. The Department of Energy (DOE) granted *Force Majeure* to SC 72 work commitments suspending all exploration activities in the block due to the territorial dispute in the West Philippine Sea.

On July 12, 2016, the Permanent Court of Arbitration in The Hague issued a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that the Reed Bank, where SC 72 is located, falls within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

On October 14, 2020, the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the *Force Majeure* to complete the Sub-Phase 2 work commitment.

On April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJGCC).

On October 11, 2022, the DOE again formally declared *Force Majeure* in SC 72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension has nullified all work done since the lifting of the *Force Majeure* in October 2020. Hence, SC 72 shall be entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were temporarily halted by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the *Force Majeure* was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to SC 72. Thus, once the *Force Majeure* is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub-Phase 2 of SC 72 prior to October 14, 2020.

On October 25, 2023, the work program and budget for 2024 was submitted to the DOE which includes the drilling of two wells, the implementation of which is contingent upon the lifting of the *Force Majeure* on SC 72 and the issuance by the DOE, in coordination with other concerned Philippine Government agencies, of clearance to resume exploration activities.

Service Contract 14C-1 (Galoc). The Galoc Field produced a total of 502,624 and 565,084 barrels of oil in 2023 and 2022, respectively. Cumulative production starting October 2008 up to reporting date is 24.49 million barrels of oil. The participating interest of FEL in SC 14-1 increased from 2.3% to 3.2% in 2021.

Other Service Contracts. FEL has participating interests in other service contracts including SC6A (Octon), SC6B (Bonita Block) and SC14C-2 (West Linapacan), among others, which are currently under exploration phase.

Potential Acquisition of Certain Mining Rights

The Company entered into various Memoranda of Understanding (MOU) for the potential acquisition of certain mining rights. Total advances to the mining right holders amounted to ₱1.5 million as at December 31, 2023 and 2022. In view of the prevailing regulatory environment, the Company is continuously evaluating the feasibility of this potential acquisition.

Stock Option Plan

In 2015, the BOD approved the Stock Option Plan (SOP) which provides among others the allocation of no more than 5% of the authorized capital for the SOP; each grant is for three years and will vest 1/3 for each of the succeeding years; and the strike price shall not be less than 80% of the market value at the time of grant. This was ratified by the stockholders on May 31, 2016.

As at December 31, 2023 and 2022, the Company is still completing the requirements for the SEC's approval of the exemption from its registration requirements and the PSE's approval of the listing of the shares under the SOP. To date, no grants have been made under the SOP.

Approval and Authorization for Issuance of Separate Financial Statements

The separate financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the BOD on April 26, 2024, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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

The Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS as the separate financial statements presented. In the consolidated financial statements, subsidiary undertakings have been fully consolidated. Users of these separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated statements of financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries. The consolidated financial statements are available for public use and may be obtained at the Company's registered office address and at the SEC and PSE.

Measurement Bases

The separate financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso, except otherwise indicated.

The separate financial statements of the Company have been prepared on the historical cost basis of accounting, except for equity investment designated as financial asset at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair value is included in Note 18, *Financial Risk Management Objectives and Policies*.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if these do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity’s right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments:

The adoption of the foregoing amendments to PFRS did not have any material effect on the separate financial statements.

Amendments to PFRS Issued But Not Yet Effective

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

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted.
- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

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

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

The adoption of the foregoing amendments to PFRS is not expected to have any material effect on the separate financial statements. Additional disclosures will be included in the notes to separate financial statements, as applicable.

Financial Assets and Liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss.

In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial asset largely depends on its contractual cash flow characteristics and the Company’s business model for managing them.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2023 and 2022, the Company does not have financial assets and liabilities at FVPL and debt instruments measured at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired or through the amortization process.

The Company’s cash, receivables (excluding advances to officers and employees), advances to a stockholder, advances to subsidiaries and rental and security deposits (presented under “Other current assets” account) are classified under this category.

Equity Investment Designated as Financial Asset at FVOCI. On initial recognition, an equity instrument that is not held for trading may be irrevocably designated as a financial asset to be measured at FVOCI.

Dividends from equity instrument held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Changes in the fair value of this instrument is recognized in other comprehensive income and presented in the equity section of the separate statements of financial position. The cumulative gains or losses will not be reclassified to profit or loss upon disposal of the equity investment; instead, these will be transferred to deficit.

This category includes the Company's investment in unquoted shares of stock.

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

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

The Company's payables and other current liabilities (excluding statutory payables) are classified under this category.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Equity investment that has been designated to be classified and measured at FVOCI may not be reclassified to a different category.

There were no reclassifications of financial assets in 2023 and 2022.

Impairment of Financial Assets at Amortized Cost

The Company records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company measures loss allowances at an amount equivalent to the 12-month ECL for receivables on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

The 12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

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

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

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

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

Offsetting of Financial Assets and Liabilities

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

Valued-Added Tax (VAT)

Revenue, expenses and assets, except receivables and payables, are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authority is recognized under "Other current assets" account in the separate statements of financial position.

Investments in Subsidiaries

Investments in subsidiaries are accounted for using the cost method. A subsidiary is an entity controlled by the Company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost of the investment.

An assessment of the carrying amount of the investment is performed when there is an indication that the investment has been impaired.

Advances to Mining Right Holders

Advances to mining right holders are amounts paid in advance for the potential acquisition of certain mining rights. These are carried at the amount of cash paid and are reclassified to the corresponding asset account when the mining rights for which the advances were made are ultimately acquired.

Deferred Mining Exploration Cost

Deferred mining exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Deferred mining exploration cost is no longer classified as such when the technical feasibility and commercial viability of extracting the mineral reserve are demonstrable. Deferred mining exploration cost is assessed for impairment, and any impairment loss is recognized, before reclassification to mineral reserves.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the separate statements of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Derecognition of Nonfinancial Assets

A nonfinancial asset is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of a nonfinancial asset is included in profit or loss in the period in which it is derecognized.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Unpaid subscriptions are recognized as a reduction of subscribed capital if not collectible currently.

Deficit. Deficit represents the cumulative balance of results of operations.

Other Comprehensive Loss. All resulting remeasurement differences arising from fair valuation of equity investment designated as financial asset at FVOCI are recognized in other comprehensive loss and accumulated in equity.

Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established.

Interest Income

Interest income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss upon receipt of goods, utilization of services or when the expenses are incurred.

Basic and Diluted Loss per Share

The Company presents basic and diluted loss per share. Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Company and held as treasury shares, if any. Diluted loss per share is calculated in the same manner, adjusted for the effects of all the dilutive potential common shares.

Short-term Employee Benefits

The Company provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits.

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Income Taxes

Current Tax. Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry forward benefits of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and excess MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting year and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Foreign Currency Transactions

The Company determines its own functional currency and items included in the separate financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate at the reporting date. All differences are taken to the separate statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Related Parties

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

A related party transaction is a transfer of resources, services or obligations between the Company and its related parties.

Provisions and Contingencies

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the separate financial statements but disclosed in the notes to separate financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Company's financial position at the end of reporting year adjusting events are reflected in the separate financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to separate financial statements when material.

Comparatives

When necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

3. Significant Judgment, Accounting Estimates and Assumptions

The preparation of the Company's separate financial statements requires management to exercise judgment, make estimates and use assumptions that affect the amounts reported in the separate financial statements and accompanying notes. The judgment and estimates used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgment

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the separate financial statements.

Determination of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Peso which is the currency of the primary economic environment in which the Company operates.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assessment of the ECL on Financial Assets at Amortized Cost. Significant portion of the Company's receivables, advances to a stockholder, advances to subsidiaries as well as the refundable and security deposits are from its related parties. These financial assets are noninterest-bearing and payable on demand. These exposures are considered to be in default when there is evidence that the related party is in significant financial difficulty such that it will have insufficient liquid assets to repay its obligation upon demand. This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate backstop indicator given the lack of contractual payment obligations due throughout the life of the financial asset. After taking into consideration the related parties' ability to pay depending on the sufficiency of liquid assets, credit enhancements and available forward-looking information, the risk of loss on exposures from the related parties are assessed to be minimal.

For cash in banks, the Company applies low credit risk simplification. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The resulting ECL for these financial assets is considered insignificant because the counterparty banks have no history of default and have good credit ratings.

Financial assets at amortized cost are considered as credit-impaired when the counterparty is unlikely to settle its obligation to the Company, as evidenced by the following, among others:

- Significant financial difficulty or insolvency;
- Breach of financial covenants;
- Probability that the counterparty will enter bankruptcy or other financial reorganization.

No provision for ECL was recognized by the Company in 2023, 2022 and 2021. As at December 31, 2023 and 2022, allowance for impairment loss on credit-impaired receivables amounted to P41,550 (see Note 5).

The carrying amounts of the Company's financial assets at amortized cost that were subjected to impairment testing are disclosed in Note 18.

Assessment for the Impairment of Investments in Subsidiaries. The Company assesses impairment on investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of these investments may not be recoverable. Factors that the Company considers in deciding whether to perform impairment review of investment in subsidiaries include the following, among others:

- A significant financial difficulty of the subsidiaries.
- A significant change in the technological, legal or economic environment in which the business operates.
- A significant decline in market value of the investments.
- A current-period loss combined with a history of losses or a projection of continuing losses associated with the investments.

The recoverability of the Company's investment in Tidemark is dependent on the results of operations of FEL. As discussed in Note 1, FEL encountered a delay in one of its drilling programs. In 2023, 2022 and 2021, management has assessed that no additional impairment loss should be recognized on the Company's investments in subsidiaries because the expected recoverable amount exceeds the carrying amount of the investments.

The carrying amount of investments in subsidiaries and other relevant information on the status of operations and impairment assessment are disclosed in Note 7.

Assessment for the Recoverability of Input VAT. The carrying amount of input VAT is adjusted to an extent that it is probable that sufficient taxable revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for unrecoverable portion of input VAT is maintained at a level considered adequate to provide for potentially unrecoverable portion. The level of allowance is based on past application experience, validity period and other factors that may affect realizability.

No impairment loss was recognized on input VAT in 2023, 2022 and 2021. The carrying amount of input VAT is disclosed in Note 6.

Capitalization and Impairment Assessment of Exploration and Evaluation Expenditures. The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at December 31, 2023 and 2022, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful (see Note 9).

Recognition of Deferred Tax Assets. The carrying amount of deferred tax assets at each reporting date are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenue and expenses.

The Company did not recognize deferred tax assets on deductible temporary differences as disclosed in Note 17. Management has assessed that it is not probable that future taxable profit will be available in the near future against which the deferred tax assets on these temporary differences can be utilized.

4. Cash

This account consists of:

	2023	2022
Cash on hand	₱19,726	₱19,726
Cash in banks	17,435,409	32,432,958
	₱17,455,135	₱32,452,684

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income on cash in banks amounted to ₱1,651,036, ₱543,105 and ₱117,925 and in 2023, 2022, and 2021, respectively.

5. Receivables

This account consists of:

	Note	2023	2022
Receivables from:			
Related companies	12	₱616,316	₱616,316
Third party		190,450	190,450
Advances to officers and employees		725,040	784,876
Others		9,697	9,697
		1,541,503	1,601,339
Less allowance for impairment losses		41,550	41,550
		₱1,499,953	₱1,559,789

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

Receivables are unsecured, noninterest-bearing, due and demandable and are normally settled in cash.

No provision for impairment loss was recognized in 2023, 2022 and 2021.

6. Other Current Assets

This account consists of:

	Note	2023	2022
Input VAT		₱9,254,486	₱9,045,802
Rental and security deposits	16	1,349,090	1,349,090
Others		54,448	21,314
		₱10,658,024	₱10,416,206

7. Investments in and Advances to Subsidiaries

As at December 31, 2023 and 2022, the Company has investments in the following subsidiaries:

Subsidiaries	Principal Activity	Principal Place of Business	Percentage of Ownership
Tidemark	Holding Company	Hong Kong	100.0%
AB Stock Transfer Corporation (ABSTC)	Stock Transfer Agent	Makati City	99.9%

The movements in this account are as follows:

Subsidiaries	Note	2023	2022
Acquisition cost:			
Tidemark		₱868,089,708	₱868,089,708
ABSTC		999,995	999,995
		869,089,703	869,089,703
Less allowance for impairment loss-			
Tidemark		223,495,475	223,495,475
		645,594,228	645,594,228
Advances to subsidiaries:	12		
Tidemark		123,072,951	89,640,951
ABSTC		50,280	44,696
		123,123,231	89,685,647
		₱768,717,459	₱735,279,875

Tidemark

The Company, through Tidemark, a wholly-owned subsidiary based in Hong Kong, has 20.0% interest in FEL as at December 31, 2023 and 2022.

As discussed in Note 1, FEL encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program.

The permit, however has not yet been issued by the relevant government body because of territorial dispute between the Philippines and China.

On July 12, 2016, the Permanent Court of Arbitration in The Hague issued a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that the Reed Bank, where SC 72 is located, falls within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

In November 2018, the Philippines and China entered into a MOU on Cooperation on Oil and Gas Development. Under the MOU, a Steering Committee shall be established which will create one or more inter-Entrepreneurial Working Groups that will agree on entrepreneurial, technical, and commercial aspects of cooperation in certain areas in the West Philippine Sea.

On December 21, 2018, FEL, through its subsidiary, Forum (GSEC 101) Limited, has sent a letter of request to the DOE to lift the *Force Majeure* imposed on SC 72.

On October 14, 2020, the *Force Majeure* over SC 72 was lifted. The work program and budget and annual procurement plan for 2022 and 2021 were approved by the DOE and FEL proceeded with drilling preparations and is progressing accordingly.

However, on April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the SJPC.

In its April 8, 2022 reply to the DOE, FEL's representative expressed willingness to resume activities immediately. However, if no written confirmation from the DOE is received by April 10, 2022 that FEL can resume its activities on April 11, 2022, FEL will consider the suspension of work issued by the DOE to be indefinite and a force majeure event that will entitle FEL to be excused from the performance of its respective obligations and to the extension of the exploration period under SC 72.

On October 11, 2022, the DOE granted the following: (i) the Declaration of *Force Majeure* for SC 72 from April 6, 2022 until such time as the same is lifted by the DOE, (ii) the inclusion of total expenses incurred as a result of the DOE directive to suspend activities as part of the approved recoverable costs, subject to DOE audit, and (iii) in addition to the period in item (i) above, FEL will be entitled to an extension of the exploration period under SC 72 corresponding to the number of days that the contractors spent in preparation for the activities that were temporarily halted by the DOE's suspension order on April 6, 2022.

Management has determined that there is no impairment loss to be recognized in 2023, 2022 and 2021 based on the most recent cash flow projections from FEL's service contracts.

The projections are mainly based on cash flows expected to be generated by SC 72 as approved by the management and are determined from feasibility studies and expectations on market development. Cash inflows consider the existing contracts and management's estimate of the average price per barrel of oil and revenue growth range. The cash flow projections were discounted using a rate that reflects current market assessments of time value of money and the risk specific to FEL. The status of other service contracts is also discussed in Note 1.

ABSTC

ABSTC was incorporated on June 24, 2010 and registered with the Philippine SEC to establish, operate and act as a transfer agent.

Dividend received from ABSTC amounted to ₱2.0 million in 2023 (see Note 12).

Following are the aggregate summarized financial information of the subsidiaries as at and for the years ended December 31, 2023, 2022 and 2021 (in millions):

	2023	2022	2021
Assets	₱1,197.1	₱1,171.7	₱1,023.5
Liabilities	786.3	752.8	697.4
Equity	410.8	418.9	326.1
Net income	0.5	0.8	0.3

8. Equity Investment Designated as Financial Asset at FVOCI

This account pertains to an investment acquired at a cost of ₱2.0 million with cumulative unrealized fair value loss of the same amount.

Quoted market prices are not readily available. Fair value of the investment is determined based on adjusted net asset method. The fair value of the equity investment designated as financial asset at FVOCI is classified under Level 3 of the fair value hierarchy (see Note 18).

9. Deferred Mining Exploration Cost

The realizability of deferred mining exploration cost is dependent upon the success of future exploration and development activities in proving the mining property's viability to produce minerals in commercial quantities. As at December 31, 2023 and 2022, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful.

10. Property and Equipment

Property and equipment with the following acquisition cost were fully depreciated but are still in use as at December 31, 2023 and 2022.

Leasehold improvements	P4,442,518
Transportation equipment	1,665,548
Furniture and fixtures	1,316,738
Office equipment	1,190,716
Exploration equipment	56,236
	<u>P8,671,756</u>

Depreciation expense recognized in 2021 amounting to P4,813 pertains to the exploration equipment (see Note 14).

11. Payables and Other Current Liabilities

This account consists of:

	Note	2023	2022
Payables to related companies	12	P33,474	P33,474
Accruals:			
Professional fees		363,000	295,845
Salaries and employee benefits		38,212	47,000
Utilities and other office expenses		47,000	31,129
Advances from officers and employees		368,924	368,924
Retention payable		95,000	95,000
Statutory payables		76,338	24,353
Others		39,391	39,391
		<u>P1,061,339</u>	<u>P935,116</u>

Payable to related companies, advances from officers and employees, retention and other payables are noninterest-bearing, due and demandable, and are payable in cash.

Accrued expenses are normally settled within the following month.

Statutory payables which mainly consist of withholding taxes are expected to be paid within the next financial year.

12. Related Party Transactions

The Company, in its regular conduct of business, has transactions with its related parties. The outstanding balances and amount of transactions with related parties are as follows:

	Note	Nature of Transaction	Transactions During the Year		Outstanding Balances		Terms and Conditions
			2023	2022	2023	2022	
Receivable from related companies							
Entities under common management:							
Alphaland Heavy Equipment Corporation							
		Allocated costs	P-	-	P579,305	P579,305	Unsecured and noninterest-bearing, due on demand
		Reimbursements	-	-	32,500	32,500	
		Reimbursements	-	-	3,715	3,715	
		Reimbursements	-	-	796	796	
					P616,316	P616,316	
Advances to a stockholder							
Stockholder							
		Cash advances	P-	P-	P174,865,252	P194,865,252	Secured and noninterest-bearing, due on demand
Advances to subsidiaries							
Wholly-owned subsidiaries:							
Tidemark							
		Cash advances for investing and working capital requirements	P33,432,000	P55,301,641	P123,072,951	P89,640,951	Unsecured and noninterest-bearing, due on demand
		Allocated rent, salaries, utilities and other shared costs	5,584	8,141	50,280	44,696	
					P123,123,231	P89,685,647	
Rental and security deposits							
Entities under common management:							
Alphaland Makati Place, Inc. (AMPI)							
		Rent expense	P99,090	P99,090	P-	P-	Unsecured and noninterest-bearing.
		Deposits in relation to a lease agreement	-	-	1,349,090	1,349,090	
Payables to related companies							
Wholly-owned subsidiary -							
ABSTC							
		Stock transfer services	P180,000	P180,000	P-	P-	Unsecured and noninterest-bearing, due on demand
		Reimbursements	-	-	33,474	33,474	
					P33,474	P33,474	
Dividend income							
Wholly-owned subsidiary -							
ABSTC							
		Dividend received	P2,000,000	P-	P-	P-	

In 2023, 2022, and 2021 the Company has not made any provision for impairment losses relating to the amounts owed by related parties.

On May 9, 2023, the Company entered into an amended agreement with the stockholder to extend the payment of the advances until May 9, 2024.

Compensation of Key Management Personnel

The compensation of the key management personnel is handled by AMPI at no cost to the Company.

13. Capital Stock

The composition of the Company's capital stock consisting of all common shares as at December 31, 2023 and 2022 is as follows:

	Number of Shares	Amount
Authorized - P1.0 par value	10,000,000,000	P10,000,000,000
Subscribed and issued	2,545,000,000	P2,545,000,000
Subscription receivable	-	(1,190,976,840)
Outstanding	2,545,000,000	P1,354,023,160

The Company listed its shares in the PSE on January 8, 1948. As at December 31, 2023 and 2022, 953,963,474 of the Company's shares are listed in the PSE (see Note 1).

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. As at December 31, 2023 and 2022, public ownership over the Company is 14.10%.

As at December 31, 2023 and 2022, the Company has 4,180 stockholders of record.

14. General and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Professional fees		P2,535,278	P1,471,568	P1,710,527
PSE listing maintenance fee		713,565	577,148	765,217
Salaries and wages		678,706	647,860	927,042
Transportation and travel		331,762	96,685	55,563
Representation		252,478	45,463	174,166
Rent	16	187,511	187,511	187,511
Utilities, dues and subscriptions		109,937	55,488	44,082
Communications		108,967	42,000	73,592
Supplies		38,923	120,745	94,382
Taxes and licenses		13,016	18,814	38,225
Depreciation	10	-	-	4,813
Others		184,065	114,909	76,099
		P5,154,208	P3,378,191	P4,151,219

15. Basic and Diluted Loss Per Share

Basic and diluted loss per share is computed as follows:

	2023	2022	2021
Net loss (a)	(P1,483,668)	(P2,731,419)	(P3,584,799)
Weighted average number of outstanding shares (b)	2,545,000,000	2,545,000,000	2,545,000,000
Basic and diluted loss per share (a/b)	(P0.0006)	(P0.0011)	(P0.0014)

The Company has no dilutive potential common shares outstanding, therefore basic loss per share is the same as diluted loss per share.

16. Lease Agreements

The Company is being charged an annual rent for a leased storage facility located in Agusan Del Norte. The contract is one year lease, renewed annually upon mutual agreement of the parties.

The Company also recognizes an expense for its share in the office rental payments from ABSTC.

Total rent expense recognized by the Company amounted to P187,511 in 2023, 2022 and 2021 (see Note 14).

As at December 31, 2023 and 2022, the Company has a rental and security deposit from ASTI amounting to P1.3 million, in relation to an office lease agreement which was terminated in 2016 (see Note 12).

17. Income Taxes

The provision for current income tax in 2023, 2022 and 2021 amounting to P1,255, P825 and P3,270, respectively, represents MCIT.

Deferred tax liability amounting to P20,968 as at December 31, 2022 arises from unrealized foreign exchange gain.

The following deferred tax assets on deductible temporary differences were not recognized because management has assessed that it is not probable that there will be sufficient taxable profit against which the benefits of the deferred tax assets can be utilized.

	2023	2022
NOLCO	P3,917,479	P2,712,962
Accumulated impairment losses on:		
Deferred mining exploration cost	653,485	653,485
Receivables	10,387	10,387
MCIT	5,350	4,095
	P4,586,701	P3,380,929

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

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2023	P-	P4,818,068	P-	P4,818,068	2026
2022	3,250,247	-	-	3,250,247	2025
2021	3,650,053	-	-	3,650,053	2026
2020	3,951,546	-	-	3,951,546	2025
	P10,851,846	P4,818,068	P-	P15,669,914	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at December 31, 2023, excess of MCIT over RCIT which can be claimed as deduction against tax due are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2023	P-	P1,255	P-	P1,255	2026
2022	825	-	-	825	2025
2021	3,270	-	-	3,270	2024
	P4,095	P1,255	P-	P5,350	

The reconciliation between the benefit from income tax computed at statutory income tax rate and provision for (benefit from) income tax at effective income tax rate is as follows:

	2023	2022	2021
Benefit from income tax computed at statutory income tax rate	(P375,845)	(P687,804)	(P884,985)
Changes in unrecognized deferred tax assets	1,205,772	(277,235)	(110,332)
Add (deduct) tax effects of:			
Dividend income exempt from income tax	(500,000)	-	-
Interest income already subjected to final tax	(412,759)	(135,776)	(29,481)
Nondeductible expenses	63,119	11,366	43,542
Expired NOLCO	-	1,090,622	1,026,114
Others	-	(20,968)	-
Provision for (benefit from) income tax at effective tax rate	(P19,713)	(P19,795)	P44,858

In 2023, the current income tax rates used in preparing the separate financial statements is 25% RCIT and 1.5% MCIT. In 2022 and 2021, the current income tax rates used in preparing the separate financial statements is 25% RCIT and 1% MCIT.

18. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash, receivables (excluding advances to officers and employees), advances to a stockholder, advances to subsidiaries, rental and security deposits (presented under "Other current assets" account), equity investment designated as financial asset at FVOCI and payables and other current liabilities (excluding statutory payables).

The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and detriment forecasted results. The Company, 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 main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The BOD reviews and institutes policies for managing each of the risks and these are summarized below.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and other market prices will adversely affect the Company'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 Company is subject to minimal transaction and translation exposures resulting from currency exchange fluctuations in relation to its financial instruments.

The Company 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.

Credit Risk

Credit risk is a risk wherein a counterparty fails to meet its obligations. When the counterparty defaults, the maximum exposure is generally equal to the carrying amount of the related financial asset. The Company's credit risk arises principally from cash, receivables (excluding advances to officers and employees), advances to a stockholder, advances to subsidiaries and rental and security deposits (presented under "Other current assets" account).

The Company trades only with recognized and credit-worthy third parties as well as with related parties. In addition, the Company only deals with financial institutions duly evaluated and approved by the BOD.

The table below shows the credit quality per class of financial assets as at December 31, 2023 and 2022.

	2023					Total
	Neither Past Due nor Impaired			Past Due but not impaired	Credit-impaired	
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	₱17,435,409	₱-	₱-	₱-	₱-	₱17,435,409
Receivables*	774,913	-	-	-	41,550	816,463
Advances to a stockholder	-	174,865,252	-	-	-	174,865,252
Rental and security deposits**	1,349,090	-	-	-	-	1,349,090
Advances to subsidiaries	123,123,231	-	-	-	-	123,123,231
	₱142,682,643	₱174,865,252	₱-	₱-	₱41,550	₱317,589,445

*Excluding advances to officers and employees.

**Presented under "Other current assets" account.

	2022					Total
	Neither Past Due nor Impaired			Past Due but not impaired	Credit-impaired	
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	₱32,432,958	₱-	₱-	₱-	₱-	₱32,432,958
Receivables*	774,913	-	-	-	41,550	816,463
Advances to a stockholder	-	-	-	194,865,252	-	194,865,252
Rental and security deposits**	1,349,090	-	-	-	-	1,349,090
Advances to subsidiaries	89,685,647	-	-	-	-	89,685,647
	₱124,242,608	₱-	₱-	₱194,865,252	₱41,550	₱319,149,410

*Excluding advances to officers and employees.

**Presented under "Other current assets" account.

The credit quality of the financial assets is managed by the Company using internal credit quality ratings.

High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties with sufficient liquid assets to settle its obligation upon demand of the Company. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that require persistent effort from the Company to collect are considered substandard grade accounts.

Cash in banks are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Company considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Receivables, advances to subsidiaries and rental and security deposits are mainly exposures to related parties and are considered as high grade because the related parties are part of a group with sufficient liquid assets to repay the receivables upon demand by the Company. Advances to a stockholder are secured and therefore assessed to be collectible.

Except for past due financial assets which are subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not based on the foregoing discussions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company 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 Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The Company's payable to related companies and advances from officers and employees amounting to ₱402,398 as at December 31, 2023 and 2022 are due and demandable. The remaining balance of payables and other current liabilities (excluding statutory payables) amounting to ₱582,603 and ₱508,365 as at December 31, 2023 and 2022, respectively, have a maturity of less than three months.

Fair Value Measurement

The table below presents the financial assets and liabilities of the Company whose carrying amounts approximate its fair values primarily due to the short-term and demandable nature of the financial instruments:

	2023	2022
Financial Assets at Amortized Cost		
Cash	₱17,455,135	₱32,452,684
Receivables*	774,913	774,913
Advances to a stockholder	174,865,252	194,865,252
Rental and security deposits**	1,349,090	1,349,090
Advances to subsidiaries	123,123,231	89,685,647
	₱317,567,621	₱319,127,586
Financial Liability at Amortized Cost		
Payables and other current liabilities***	₱985,001	₱910,763

* Excluding advances to officers and employees.

** Presented under "Other current assets" account.

*** Excluding statutory payables.

Equity Investment Designated as Financial Asset at FVOCI. Fair value of equity investment designated as financial asset at FVOCI is determined using the adjusted net asset method. Adjusted net asset method focuses on an entity's net asset value or the fair market value of its total assets minus total liabilities to determine what it would cost to recreate the business. This fair value measurement approach is categorized under Level 3 of the fair value hierarchy (significant unobservable inputs). Increase (decrease) in the investee's net assets will result to a higher (lower) fair value. There were no changes in fair value hierarchy.

Capital Management Policy

The primary objective of the Company'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 Company considers equity amounting to ₱973.7 and ₱975.1 million as at December 31, 2023 and 2022, respectively, as capital employed.

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

The debt-to-equity ratios as at December 31 are as follows:

	2023	2022
Total debt	₱1,062,594	₱956,909
Total equity	973,658,229	975,141,897
	0.001:1	0.001:1

The Company manages its capital structure and makes adjustments to it when there are changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust its borrowings or raise capital. No changes were made in the objectives, policies or processes in 2023 and 2022.



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of Atok-Big Wedge Co., Inc. (the Company) as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated April 26, 2024. Our audits were made for the purpose of forming an opinion on the separate financial statements taken as a whole. The accompanying supplementary schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

This supplementary schedule is presented for purposes of complying with the Revised SRC Rule 68, and is not part of the separate financial statements. The supplementary information have been subjected to the auditing procedures applied in the audit of the separate financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the separate financial statements or to the separate financial statements themselves. In our opinion, the supplementary information is fairly stated in all material respect in relation to the separate financial statements taken as a whole.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

BOA Accreditation No. 4782/P-024; Valid until June 6, 2026

BIR Accreditation No. 08-005144-018-2022

Valid until January 24, 2025

PTR No. 10072426

Issued January 2, 2024, Makati City

April 26, 2024
Makati City, Metro Manila

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023**

ATOK-BIG WEDGE CO., INC.
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

	<u>Amount</u>
Deficit, beginning of reporting period	(₱376,881,313)
Add: Net loss for the current year	(1,483,668)
Deficit, end of the reporting period	(₱378,364,981)

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE
OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of Atok-Big Wedge Co., Inc. (the Company) as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated April 26, 2024. Our audits were made for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, is the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic separate financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's separate financial statements as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021 and no material exceptions were noted.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

BOA Accreditation No. 4782/P-024; Valid until June 6, 2026

BIR Accreditation No. 08-005144-018-2022

Valid until January 24, 2025

PTR No. 10072426

Issued January 2, 2024, Makati City

April 26, 2024
Makati City, Metro Manila

ATOK-BIG WEDGE CO., INC.

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT DECEMBER 31, 2023 AND 2022**

Ratio	Formula	2023	2022
Current ratio	Total Current Assets	₱204,478,364	₱239,293,931
	Divide by: Total Current Liabilities	1,062,594	935,941
		192.43:1	255.67:1
Acid test ratio	Total Current Assets	₱204,478,364	₱239,293,931
	Less: Other Current Assets	10,658,024	10,416,206
	Quick Assets	193,820,340	228,877,725
	Divide by: Total Current Liabilities	1,062,594	935,941
		182.40:1	244.54:1
Solvency ratio	Net Loss Before Depreciation and Income Tax	(₱1,503,381)	(₱2,751,214)
	Divide by: Total Liabilities	1,062,594	956,909
		(1.41):1	(2.88):1
Debt-to-equity ratio	Total Liabilities	₱1,062,594	₱956,909
	Divide by: Total Equity	973,658,229	975,141,897
		0.001:1	0.001:1
Asset-to-equity ratio	Total Assets	₱974,720,823	₱976,098,806
	Divide by: Total Equity	973,658,229	975,141,897
		1.00:1	1.00:1

ATOK-BIG WEDGE CO., INC.

ALPHALAND MAKATI PLACE 7232 AYALA AVENUE CORNER MALUGAY ST.,
MAKATI CITY 1209 PHILIPPINES

TEL. NO. (632) 5337-2031 LOCAL 169
FAX NO. (632) 5310-7100

April 26, 2024

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS"

The management of **Atok Big Wedge Co. Inc., and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



ERIC O. RECTO
Chairman & CEO



RODOLFO M.A. A. PONFERRADA
President



JERIC PAUL P. POSIO
Vice President for Finance

18 APR 2024

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me their respective identification documents, and personally known to me, follows:

NAME
Eric O. Recto
Rodolfo Ma. A. Ponferrada
Jeric Paul P. Posio

COMPETENT EVIDENCE OF IDENTITY

TIN NO. 108-730-891
TIN NO. 215-793-472
TIN NO. 403-217-742



CHARLES EDWARD MACK CHENG

Notary Public for and in Makati City
5F, Alphaland Makati Place, 7232 Ayala Avenue Ext. cor
Malungay St., Brgy Bel-Air, Makati City 1209
Roll No. 55255
IBP No. 011511 - Makati Chapter - Lifetime
Appointment No. M-310 / December 31, 2025
PTR No. MKT 10075160 / Makati City / January 02, 2024
MCLE Compliance No. VII - 0021108 / April 14, 2025

Doc. No. 452
Page No. 92
Book No. 3
Series of 2024

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W 4 2 7 - A

COMPANY NAMEA T O K - B I G W E D G E C O . , I N C . A N D S U B S I D I
A R I E S**PRINCIPAL OFFICE** (No./Street/Barangay/City/Town/Province)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 n u e c o r n e r M a l u g a y S t r e e t , M a k a t i
C i t y , M e t r o M a n i l a

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, if Applicable

N / A

COMPANY INFORMATION

Company's Email Address

cmcheng@atok.com.ph

Company's Telephone Number/s

(632) 5337-2031

Mobile Number

0917-1004805

No. of Stockholders

4,180

Annual Meeting (Month / Day)

Last Friday of May

Fiscal Year (Month / Day)

12 / 31

CONTACT PERSON INFORMATIONThe designated contact person **MUST** be an Officer of the Corporation.

Name of Contact Person

Mr. Jeric P. Posio

Email Address

jpposio@alphaland.com.ph

Telephone Number/s

(632) 5337-2031

Mobile Number

0917-5176746

CONTACT PERSON'S ADDRESS

Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, Metro Manila

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.

NOTE 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.

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

Opinion

We have audited the accompanying consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Notes 1 and 7 to the consolidated financial statements concerning the delay in one of the planned drilling programs of Forum Energy Ltd., an associate of the Group, because of the suspension of the exploration activities in the West Philippine Sea on April 6, 2022. Our opinion is not modified with respect to this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Impairment Assessment of Investment in an Associate

The Group is required to review the recoverable amount of its investment in an associate at each reporting date whenever there is any indication of impairment. The impairment assessment is significant to our audit since the carrying amount of the investment in an associate of P700.3 million is material to the consolidated financial statements as it represents 77.0% of the consolidated total assets as at December 31, 2023. Further, the impairment assessment involves management's judgment and estimate on recoverability of the investment which is significantly affected by the timing of the commencement and feasibility of the Associate's exploration projects, future market, economic conditions, and the outcome of territorial dispute in the West Philippine Sea.

Our audit procedures include, among others, the review of the assumptions used by the Group in the impairment assessment, in particular those involving the forecasted cash flows from the related service contract, commencement of exploration and the discount rate used. We also checked the adequacy of the Group's disclosures pertaining to the status of the Associate's significant exploration projects and the financial information of the Associate presented in Notes 1 and 7 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Grace M. Albunian.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

BOA Accreditation No. 4782/P-024; Valid until June 6, 2026

BIR Accreditation No. 08-005144-018-2022

Valid until January 24, 2025

PTR No. 10072426

Issued January 2, 2024, Makati City

April 26, 2024

Makati City, Metro Manila

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

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash	4	P19,669,000	P35,685,197
Receivables	5	1,705,647	2,724,824
Advances to a stockholder	12	174,865,252	194,865,252
Other current assets	6	11,673,380	11,008,727
Total Current Assets		207,913,279	244,284,000
Noncurrent Assets			
Investment in an associate	7	700,301,942	691,063,887
Advances to mining right holders	1	1,525,000	1,525,000
Property and equipment	10	-	12,653
Total Noncurrent Assets		701,826,942	692,601,540
		P909,740,221	P936,885,540
LIABILITIES AND EQUITY			
Current Liabilities			
Payables and other current liabilities	11	P1,357,215	P1,170,941
Income tax payable		1,255	825
Total Current Liabilities		1,358,470	1,171,766
Noncurrent Liability			
Deferred tax liability	17	-	20,968
Total Liabilities		1,358,470	1,192,734
Equity			
Capital stock	13	1,354,023,160	1,354,023,160
Deficit		(653,657,886)	(633,789,103)
Other comprehensive income		208,016,477	215,458,749
Total Equity		908,381,751	935,692,806
		P909,740,221	P936,885,540

See accompanying Notes to Consolidated Financial Statements.

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

	Note	Years Ended December 31		
		2023	2022	2021
GENERAL AND ADMINISTRATIVE EXPENSES	14	₱6,254,211	₱4,468,169	₱5,338,223
OTHER INCOME (CHARGES)				
Share in net results of operations of an associate	7	(16,731,452)	2,861,936	(26,647,883)
Interest income	4	1,695,698	616,802	132,423
Service fees		1,467,320	2,115,700	1,583,620
Others - net		9,568	86,538	494,975
		(13,558,866)	5,680,976	(24,436,865)
INCOME (LOSS) BEFORE INCOME TAX		(19,813,077)	1,212,807	(29,775,088)
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	17	76,674	206,502	66,116
Deferred		(20,968)	(20,620)	41,588
		55,706	185,882	107,704
NET INCOME (LOSS)		(19,868,783)	1,026,925	(29,882,792)
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited (Tidemark)	7	(7,442,272)	91,936,222	57,589,571
TOTAL COMPREHENSIVE INCOME (LOSS)		(₱27,311,055)	₱92,963,147	₱27,706,779
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE				
	15	(₱0.0078)	₱0.0004	(₱0.0117)

See accompanying Notes to Consolidated Financial Statements.

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

	Note	Years Ended December 31		
		2023	2022	2021
CAPITAL STOCK - P1 par value				
Balance at beginning of year	13	P1,354,023,160	P1,354,023,160	P1,060,000,000
Collection of subscription receivable		–	–	294,023,160
Balance at end of year		1,354,023,160	1,354,023,160	1,354,023,160
DEFICIT				
Balance at beginning of year		(633,789,103)	(634,816,028)	(604,933,236)
Net income (loss)		(19,868,783)	1,026,925	(29,882,792)
Balance at end of year		(653,657,886)	(633,789,103)	(634,816,028)
OTHER COMPREHENSIVE INCOME				
Cumulative Translation Adjustment				
Balance at beginning of year	7	217,458,699	125,522,477	67,932,906
Foreign exchange differences on translation of the financial statements of Tidemark		(7,442,272)	91,936,222	57,589,571
Balance at end of year		210,016,427	217,458,699	125,522,477
Cumulative Unrealized Fair Value Loss on Equity Investment				
Balance at beginning and end of year	8	(1,999,950)	(1,999,950)	(1,999,950)
		208,016,477	215,458,749	123,522,527
		P908,381,751	P935,692,806	P842,729,659

See accompanying Notes to Consolidated Financial Statements.

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

	Note	Years Ended December 31		
		2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		(P19,813,077)	P1,212,807	(P29,775,088)
Adjustments for:				
Share in net results of operations of an associate	7	16,731,452	(2,861,936)	26,647,883
Interest income	4	(1,695,698)	(616,802)	(132,423)
Depreciation and amortization	10	12,653	15,183	19,997
Unrealized foreign exchange loss (gain)		209	(83,872)	(200,974)
Operating loss before working capital changes		(4,764,461)	(2,334,620)	(3,440,605)
Decrease (increase) in:				
Receivables		1,019,177	(979,803)	379,573
Other current assets		(400,081)	(167,577)	(278,288)
Increase (decrease) in payables and other current liabilities		186,274	83,150	(152,573)
Net cash used for operations		(3,959,091)	(3,398,850)	(3,491,893)
Interest received		1,695,698	616,802	132,423
Income taxes paid		(340,816)	(210,841)	(255,906)
Net cash used in operating activities		(2,604,209)	(2,992,889)	(3,615,376)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to investment in an associate	7	(33,411,779)	(55,251,843)	(8,640,625)
Collections of advances to a stockholder		20,000,000	-	15,134,748
Advances to a stockholder		-	-	(210,000,000)
Net cash used in investing activities		(13,411,779)	(55,251,843)	(203,505,877)
CASH FLOWS FROM FINANCING ACTIVITIES				
Collection of subscription receivable		-	-	294,023,160
Payment of advances from stockholders		-	-	(7,621,500)
Net cash provided by financing activities		-	-	286,401,660
NET INCREASE (DECREASE) IN CASH		(16,015,988)	(58,244,732)	79,280,407
EFFECT OF FOREIGN EXCHANGE GAIN (LOSS) ON CASH		(209)	83,872	200,974
CASH AT BEGINNING OF YEAR		35,685,197	93,846,057	14,364,676
CASH AT END OF YEAR	4	P19,669,000	P35,685,197	P93,846,057

See accompanying Notes to Consolidated Financial Statements.

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022 AND
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021

1. Corporate Matters

Corporate Information

Atok-Big Wedge Co., Inc. (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 3, 1931. The Parent Company's primary purpose is to engage in the business of exploration and development of mining, oil, gas and other natural resources.

On August 2, 2022, the Board of Directors (BOD) approved the amendment of the Parent Company's primary purpose as stated in the Articles of Incorporation (AOI) to allow the Parent Company's expansion into renewable energy. This was ratified by the stockholders on November 11, 2022. As at December 31, 2023, the Parent Company is completing the documentary requirements in order to file the amendment of the AOI with the SEC.

The Parent Company listed its shares in the Philippine Stock Exchange (PSE) on January 8, 1948. As at December 31, 2023 and 2022, 953,963,474 of the Parent Company's common shares are listed in the PSE (see Note 13).

As at December 31, 2023 and 2022, the Parent Company is 69.8% owned by Boerstar Corporation, a holding company incorporated in the Philippines. The ultimate parent of the Group is Compact Holdings, Inc., a Philippine entity engaged in holding and investing activities.

As at December 31, 2023, 2022, and 2021, the Parent Company's wholly-owned subsidiaries are as follows:

<u>Subsidiary</u>	<u>Place of Incorporation</u>	<u>Nature of Business</u>
Tidemark Holdings Limited (Tidemark)	Hong Kong	Holding
AB Stock Transfers Corporation (ABSTC)	Philippines	Stock Transfer Agency

The Parent Company and its subsidiaries are collectively referred herein as "the Group."

As at December 31, 2023 and 2022, the Group, through Tidemark, has 20.0% interest in Forum Energy Ltd. (FEL), a private limited company organized in the United Kingdom. FEL is an associate of the Group.

FEL has interests in various service contracts as follows:

<u>Service Contract</u>	<u>Interest</u>
Service contract 40 (North Cebu)*	100.0%
Service contract 72 (Reed Bank)	70.0%
Service contract 14B-1 (North Matinloc)**	19.5%
Service contract 14B (Matinloc)**	12.4%
Service contract 14A (Nido)**	8.5%
Service contract 14C-1 (Galoc)	3.2%
Other service contracts	5.0% - 9.1%

*Service contract 40 was plugged and abandoned in 2017

** Service contracts 14-B-1, 14B, and 14A were plugged and abandoned from 2019 to 2020

The Parent Company's registered address and principal place of business is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, Metro Manila.

Status of the Significant Exploration Projects of FEL

Service Contract 72 (Reed Bank). FEL's principal asset is a 70.0% interest in Service Contract (SC) 72 which covers an area of 8,800 square kilometers in the West Philippine Sea. SC 72 is currently under Sub-Phase 2 of its exploration. The Department of Energy (DOE) granted *Force Majeure* to SC 72 work commitments suspending all exploration activities in the block due to the territorial dispute in the West Philippine Sea.

On July 12, 2016, the Permanent Court of Arbitration in The Hague issued a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that the Reed Bank, where SC 72 is located, falls within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

On October 14, 2020, the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the *Force Majeure* to complete the Sub-Phase 2 work commitment.

On April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJPPC).

On October 11, 2022, the DOE again formally declared *Force Majeure* in SC 72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension has nullified all work done since the lifting of the *Force Majeure* in October 2020. Hence, SC 72 shall be entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were temporarily halted by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the *Force Majeure* was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to SC 72. Thus, once the *Force Majeure* is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub-Phase 2 of SC 72 prior to October 14, 2020.

On October 25, 2023, the work program and budget for 2024 was submitted to the DOE which includes the drilling of two wells, the implementation of which is contingent upon the lifting of the *Force Majeure* on SC 72 and the issuance by the DOE, in coordination with other concerned Philippine Government agencies, of clearance to resume exploration activities.

Service Contract 14C-1 (Galoc). The Galoc Field produced a total of 502,624 and 565,084 barrels of oil in 2023 and 2022, respectively. Cumulative production starting October 2008 up to reporting date is 24.49 million barrels of oil. The participating interest of FEL in SC 14-1 increased from 2.3% to 3.2% in 2021.

Other Service Contracts. FEL has participating interests in other service contracts including SC6A (Octon), SC6B (Bonita Block) and SC14C-2 (West Linapacan), among others, which are currently under exploration phase.

Potential Acquisition of Certain Mining Rights

The Parent Company entered into Memoranda of Understanding (MOU) for the potential acquisition of certain mining rights. Total advances to the mining right holders amounted to ₱1.5 million as at December 31, 2023 and 2022. In view of the prevailing regulatory environment, the Parent Company is continuously evaluating the feasibility of this potential acquisition.

Stock Option Plan

In 2015, the BOD approved the Stock Option Plan (SOP) which provides among others the allocation of no more than 5% of the authorized capital for the SOP; each grant is for three years and will vest 1/3 for each of the succeeding years; and the strike price shall not be less than 80% of the market value at the time of grant. This was ratified by the stockholders on May 31, 2016.

As at December 31, 2023 and 2022, the Parent Company is still completing the requirements for the SEC's approval of the exemption from its registration requirements and the PSE's approval of the listing of the shares under the SOP. To date, no grants have been made under the SOP.

Approval and Authorization for Issuance of Consolidated Financial Statements

The consolidated financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the BOD on April 26, 2024, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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

Measurement Bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Parent Company's functional currency. All values are rounded to the nearest Peso, except otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis of accounting, except for equity investment designated as financial asset at fair value through other comprehensive income (FVOCI) which is stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair value is included in Note 18, *Financial Risk Management Objectives and Policies*.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following relevant amendments to PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the consolidated financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the consolidated financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if these do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity’s right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments:

The adoption of the foregoing amendments to PFRS did not have any material effect on the consolidated financial statements of the Group.

Amendments to PFRS Issued But Not Yet Effective

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

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the consolidated financial statements. The amendments must be applied retrospectively. Earlier application is permitted.
- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures – Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the consolidated financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

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

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

The adoption of the foregoing amendments to PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. Subsidiaries are entities controlled by the Parent Company. The Parent Company has control when it is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Functional and Presentation Currency - The consolidated financial statements are presented in Peso, which is the Parent Company's functional currency. Each entity in the Group determines its own functional currency, which is the currency that best reflects the economic substance of the underlying transactions, events and conditions relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency. When there is a change in those underlying transactions, events and conditions, the entity accounts for such change in accordance with the Group's policy on change in functional currency. At the reporting date, the assets and liabilities of Tidemark, a subsidiary whose functional currency is in United States Dollar (USD), are translated into the presentation currency of the Parent Company using the foreign exchange closing rate at the reporting date, components of equity using historical exchange rate, and the consolidated statements of comprehensive income are translated at the weighted average daily foreign exchange rates for the year. The exchange differences arising from translation are taken directly to a separate component of equity under the "Cumulative translation adjustment" account. Upon disposal of the foreign entity, the cumulative translation adjustment shall be recognized in profit or loss.

Transactions Eliminated on Consolidation - All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Accounting Policies of Subsidiaries - The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as that of the Group.

Financial Assets and Liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost. The Group has applied the practical expedient to measure at transaction price its accounts receivable from stock transfer services that do not contain a significant financing component.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial asset largely depends on its contractual cash flow characteristics and the Group’s business model for managing them.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2023 and 2022, the Group does not have financial assets and liabilities at FVPL and debt instruments measured at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired or through the amortization process.

The Group’s cash, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under “Other current assets” account) are classified under this category.

Equity Investment Designated as Financial Asset at FVOCI. On initial recognition, an equity instrument that is not held for trading may be irrevocably designated as a financial asset to be measured at FVOCI.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Changes in the fair value of this instrument is recognized in other comprehensive income and presented in the equity section of the consolidated statements of financial position. The cumulative gains or losses will not be reclassified to profit or loss upon disposal of the equity investment; instead, these will be transferred to deficit.

This category includes the Parent Company's investment in unquoted shares of stock.

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

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized, impaired or through the amortization process.

The Group's payables and other current liabilities (excluding statutory payables) are classified under this category.

Reclassification

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Equity investment that has been designated to be classified and measured at FVOCI may not be reclassified to a different category.

There were no reclassifications of financial assets in 2023 and 2022.

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for receivables on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

The 12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Accounts Receivable. The Group has applied the simplified approach in measuring the ECL on accounts receivable from stock transfer services. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial instruments, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

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

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Offsetting of Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Otherwise, the financial instrument is classified as equity.

Value-Added Tax (VAT)

Revenue, expenses and assets, except receivables and payables, are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authority is recognized under "Other current assets" account in the consolidated statements of financial position.

Creditable Withholding Taxes (CWT)

CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Investment in an Associate

The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control of those policies.

Under the equity method, investment in an associate is carried in the consolidated statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statements of comprehensive income reflects the share of the results of operations of the associates. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

The share in net income or loss of the associate is shown as "Share in net results of operations of an associate" account in the consolidated statements of comprehensive income.

The financial statements of the associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over an associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Advances to Mining Right Holders

Advances to mining right holders are amounts paid in advance for the potential acquisition of certain mining rights. These are carried at the amount of cash paid and are reclassified to the corresponding asset account when the mining rights for which the advances were made are ultimately acquired.

Deferred Mining Exploration Cost

Deferred mining exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Deferred mining exploration cost is no longer classified as such when the technical feasibility and commercial viability of extracting the mineral reserve are demonstrable. Deferred mining exploration cost is assessed for impairment, and any impairment loss is recognized, before reclassification to mineral reserves.

Impairment of Nonfinancial Assets

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Derecognition of Nonfinancial Assets

A nonfinancial asset is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of a nonfinancial asset is included in profit or loss in the period in which it is derecognized.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Unpaid subscriptions are recognized as a reduction of subscribed capital if not collectible currently.

Deficit. Deficit represents the cumulative balance of results of operations.

Other Comprehensive Income. All resulting remeasurement differences arising from translation of financial statements of Tidemark and fair valuation of equity investment designated as financial asset at FVOCI are recognized in other comprehensive income or loss and accumulated in equity.

Revenue Recognition

The Group's revenue from contracts with customers primarily consists of fees from stock transfer services. Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has generally concluded that it is the principal in its revenue arrangements.

Service Fees. Fees from stock transfer services are recognized when the control of the services is transferred, which is the point in time when the related services are provided to the customers. The related contract balances is the accounts receivable which represents the Group's right to an amount of consideration that is unconditional i.e., only the passage of time is required before payment of the consideration is due.

The following specific recognition criteria must be met before other revenue items are recognized:

Interest income. Interest income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

Other Income. Income from other sources is recognized when earned during the period.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss upon receipt of goods, utilization of services or when the expenses are incurred.

Basic and Diluted Earnings (Loss) per Share

The Group presents basic and diluted earnings (loss) per share. Basic earnings (loss) per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Group and held as treasury shares, if any. Diluted earnings (loss) per share is calculated in the same manner, adjusted for the effects of all the dilutive potential common shares.

Leases - The Group as a Lessee

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the Group has both of the following: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

Short-term Lease and Lease of Low-value Assets. The Group has elected not to recognize right-of-use assets (ROU) and lease liabilities for short-term lease and lease of low-value assets. The Group recognized the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Short-term Employee Benefits

The Group provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits.

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Income Taxes

Current Tax. Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, and carry forward benefits of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and excess MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting year and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Foreign Currency Transactions

Each entity in the Group determines its own functional currency and items included in the consolidated financial statements are measured using the Parent Company's functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate at the reporting date. All differences are taken to the consolidated statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Related Parties

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

A related party transaction is a transfer of resources, services or obligations between the Group and its related parties.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with the Group's related party transactions policy.

Segment Reporting

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately based on the nature of the business segment, with each business representing a strategic business segment.

Provisions and Contingencies

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

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

Events After the Reporting Date

Post year-end events that provide additional information about the Group's consolidated financial position at the end of reporting year (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to exercise judgments, make estimates and use assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments

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

Determination of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Parent Company, the functional currency of the Parent Company has been determined to be the Peso, which is the primary economic environment in which the Parent Company operates.

Determination of Reportable Operating Segments. Determination of operating segments is based on the information about components of the Group that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Parent Company's chief operating decision maker, which is defined to be the Parent Company's BOD, in order to allocate resources to the segment and assess its performance. The Group reports separate information about an operating segment that meets any of the following quantitative thresholds:

- a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments;
- b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and
- c) the assets of the segment are 10% or more of the combined assets of all operating segments.

The Group determined that its operating segments are organized and managed separately based on the nature of the business segment, with each business representing a strategic segment.

As at December 31, 2023 2022 and 2021 the Group's operating segments consist of its mining, exploration and development, and stock transfer agency activities.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assessment of the ECL on Financial Assets at Amortized Cost. The Group maintains allowance for ECL at a level considered adequate to provide for potential uncollectible financial assets.

Accounts Receivable

The Group estimates ECL of accounts receivable using a provision matrix. The provision rates are based on days past due for groupings of accounts receivable with similar credit risk characteristics and loss patterns. The provision matrix is based on the Group's historical default rates and is adjusted for forward-looking estimates, as appropriate.

The amounts and timing of recorded expenses for any period would differ if different estimates and assumptions were made or different estimates were utilized. An increase in the allowance for ECL would increase the recognized expense and decrease current assets.

No provision for ECL was recognized on the Group's accounts receivable in 2023, 2022 and 2021. The carrying amount of accounts receivable is disclosed in Note 5.

Other Financial Assets at Amortized Cost

Significant portion of the Group's other credit exposures from receivables (excluding accounts receivable and advances to officers and employees), advances to a stockholder as well as the refundable and security deposits are from its related parties. These financial assets are noninterest-bearing and payable on demand. These exposures are considered to be in default when there is evidence that the related party is in significant financial difficulty such that it will have insufficient liquid assets to repay its obligation upon demand. This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate backstop indicator given the lack of contractual payment obligations due throughout the life of the financial asset. After taking into consideration the related parties' ability to pay depending on the sufficiency of liquid assets, credit enhancements and available forward-looking information, the risk of loss on exposures from the related parties are assessed to be minimal.

For cash and cash equivalents, the Group applies low credit risk simplification. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The resulting ECL for these financial assets is considered insignificant because the counterparty banks have no history of default and have good credit ratings.

Financial assets at amortized cost are considered as credit-impaired when contractual payments are 90 days past due and the counterparty is unlikely to settle its obligation to the Group, as evidenced by the following, among others:

- Significant financial difficulty or insolvency;
- Breach of financial covenants;
- Probability that the counterparty will enter bankruptcy or other financial reorganization.

No provision for ECL was recognized by the Group in 2023, 2022 and 2021 related to other financial assets at amortized cost. As at December 31, 2023 and 2022, allowance for impairment loss on credit-impaired receivables amounted to ₱41,550 (see Note 5).

The carrying amounts of the Group's financial assets at amortized cost that were subjected to impairment testing are disclosed in Note 18.

Assessment for the Impairment on Investment in an Associate. The Group assesses the impairment on investment in an associate whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Factors that the Group considers in deciding whether to perform impairment review of investment in an associate include the following, among others:

- A significant financial difficulty of the associate.
- A significant change in the technological, legal or economic environment in which the business operates.
- A significant decline in market value of the investment.
- A current-period loss combined with a history of losses or a projection of continuing losses associated with the investment.

The recoverability of the Group's investment in an associate is dependent on the results of operations of FEL. As discussed in Note 1, FEL encountered a delay in one of its drilling programs. In 2023, 2022 and 2021, management has assessed that no impairment loss should be recognized because the expected recoverable amount exceeds the carrying amount of the investment in an associate.

The carrying amount of the investment in an associate and other relevant information on the status of operations and impairment assessment are disclosed in Note 7.

Assessment for the Recoverability of Input VAT. The carrying amount of input VAT is adjusted to an extent that it is probable that sufficient taxable revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for unrecoverable portion of input VAT is maintained at a level considered adequate to provide for potentially unrecoverable portion. The level of allowance is based on past application experience, validity period and other factors that may affect realizability.

No impairment loss was recognized on input VAT in 2023, 2022 and 2021. The carrying amount of input VAT is disclosed in Note 6.

Capitalization and Impairment Assessment of Exploration and Evaluation Expenditures. The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at December 31, 2023 and 2022, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful (see Note 9).

Recognition of Deferred Tax Assets. At each reporting date, the carrying amount of deferred tax assets are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The Group did not recognize deferred tax assets on deductible temporary differences as disclosed in Note 17. Management has assessed that it is not probable that future taxable profit will be available in the near future against which the deferred tax assets on these temporary differences can be utilized.

4. Cash

This account consists of:

	2023	2022
Cash on hand	₱34,726	₱34,726
Cash in banks	19,634,274	35,650,471
	₱19,669,000	₱35,685,197

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income recognized in the consolidated statements of comprehensive income amounted to ₱1.7 million, ₱616,802 and ₱132,423 in 2023, 2022 and 2021, respectively.

5. Receivables

This account consists of:

	Note	2023	2022
Receivables from:			
Related companies	12	₱616,316	₱616,316
Third parties		191,660	191,660
Advances to officers and employees		749,740	784,878
Accounts receivable		179,784	1,163,823
Others		9,697	9,697
		1,747,197	2,766,374
Less allowance for impairment losses		41,550	41,550
		₱1,705,647	₱2,724,824

Accounts receivable pertains to stock transfer services billed by ABSTC to its external clients. These are unsecured, noninterest-bearing and normally collected within 30 days from the date of billing.

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

6. Other Current Assets

This account consists of:

	Note	2023	2022
Input VAT		₱9,246,086	₱9,045,803
Rental and security deposits	16	1,382,572	1,382,572
CWT		719,092	454,520
Prepayments		273,666	105,396
Advances to supplier		36,330	–
Others		15,634	20,436
		₱11,673,380	₱11,008,727

Prepayments mainly consist of employees' medical insurance premiums which will expire within one year.

7. Investment in an Associate

Investment in an associate pertains to Tidemark's 20.0% ownership of FEL as at December 31, 2023 and 2022 (see Note 1).

Movements of this investment are as follows:

	2023	2022
Cost		
Balance at beginning of year	₱957,218,334	₱901,966,491
Additional investment	33,411,779	55,251,843
Balance at end of year	990,630,113	957,218,334
Accumulated Share in Net Results of Operations		
Balance at beginning of year	(483,613,146)	(486,475,082)
Share in net results of operations	(16,731,452)	2,861,936
Balance at end of year	(500,344,598)	(483,613,146)
Cumulative Translation Adjustment		
Balance at beginning of year	217,458,699	125,522,477
Foreign exchange differences	(7,442,272)	91,936,222
Balance at end of year	210,016,427	217,458,699
Carrying Amount	₱700,301,942	₱691,063,887

As discussed in Note 1, FEL encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. The permit, however, has not yet been issued by the relevant government body because of territorial dispute between the Philippines and China.

On July 12, 2016, the Permanent Court of Arbitration in The Hague issued a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that the Reed Bank, where SC 72 is located, falls within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

In November 2018, the Philippines and China entered into a MOU on Cooperation on Oil and Gas Development. Under the MOU, a Steering Committee shall be established which will create one or more inter-Entrepreneurial Working Groups that will agree on entrepreneurial, technical, and commercial aspects of cooperation in certain areas in the West Philippine Sea.

On December 21, 2018, FEL, through its subsidiary, Forum (GSEC 101) Limited, has sent a letter of request to the DOE to lift the Force Majeure imposed on SC 72.

On October 14, 2020, the *Force Majeure* over SC 72 was lifted. The work program and budget and annual procurement plan for 2022 and 2021 were approved by the DOE and FEL proceeded with drilling preparations and is progressing accordingly.

However, on April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the SJGCC.

In its April 8, 2022 reply to the DOE, FEL's representative expressed willingness to resume activities immediately. However, if no written confirmation from the DOE is received that FEL can resume its activities, FEL will consider the suspension of work issued by the DOE to be indefinite and a *Force Majeure* event that will entitle FEL to be excused from the performance of its respective obligations and to the extension of the exploration period under SC 72.

On October 11, 2022, the DOE granted the following: (i) the Declaration of *Force Majeure* for SC 72 from April 6, 2022 until such time as the same is lifted by the DOE, (ii) the inclusion of total expenses incurred as a result of the DOE directive to suspend activities as part of the approved recoverable costs, subject to DOE audit, and (iii) In addition to the period in item (i) above, FEL will be entitled to an extension of the exploration period under SC 72 corresponding to the number of days that the contractors spent in preparation for the activities that were temporarily halted by the DOE's suspension order on April 6, 2022.

Management has determined that there is no impairment loss to be recognized in 2023, 2022 and 2021 based on the most recent cash flow projections from FEL's service contracts.

The projections are mainly based on cash flows expected to be generated by SC 72 as approved by the management and are determined from feasibility studies and expectations on market development. Cash inflows consider the existing contracts and management's estimate of the average price per barrel of oil and revenue growth range. The cash flow projections were discounted using a rate that reflects current market assessments of time value of money and the risk specific to FEL. The status of other service contracts is also discussed in Note 1.

Following are the summarized financial information of FEL as at and for the years ended December 31, 2023, 2022 and 2021 (in millions):

	2023	2022	2021
Current assets	₱63.3	₱44.8	₱49.8
Noncurrent assets	2,087.1	2,207.8	1,746.2
Current liabilities	449.3	1,047.6	698.9
Noncurrent liabilities	54.4	146.0	139.9
Equity	1,646.7	1,059.0	957.2
Revenue	61.9	74.1	64.2
Net income (loss)/total comprehensive income (loss)	(83.7)	14.3	(133.2)

8. Equity Investment Designated as Financial Asset at FVOCI

As at December 31, 2023 and 2022, this account pertains to the Parent Company's investment in unquoted shares of stock acquired at a cost of ₱2.0 million with cumulative unrealized fair value loss of the same amount.

Quoted market prices are not readily available. Fair value of the investment is determined based on adjusted net asset method. The fair value of the equity investment designated as financial asset at FVOCI is classified under Level 3 of the fair value hierarchy (see Note 18).

9. Deferred Mining Exploration Cost

The realizability of deferred mining exploration cost is dependent upon the success of future exploration and development activities in proving the mining property's viability to produce minerals in commercial quantities. As at December 31, 2023 and 2022, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful.

10. Property and Equipment

The composition of and movements in this account are as follows:

	2023					Total
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	
Cost						
Balances at beginning and end of year	₱56,235	₱4,422,518	₱1,665,548	₱1,316,281	₱1,374,483	₱8,835,065
Accumulated Depreciation and Amortization						
Balances at beginning of year	56,235	4,422,518	1,665,548	1,303,628	1,374,483	8,822,412
Depreciation and amortization	–	–	–	12,653	–	12,653
Balances at end of year	56,235	4,422,518	1,665,548	1,316,281	1,374,483	8,835,065
Carrying Amount	₱–	₱–	₱–	₱–	₱–	₱–
	2022					Total
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	
Cost						
Balances at beginning and end of year	₱56,235	₱4,422,518	₱1,665,548	₱1,316,281	₱1,374,483	₱8,835,065
Accumulated Depreciation and Amortization						
Balances at beginning of year	56,235	4,422,518	1,665,548	1,288,445	1,374,483	8,807,229
Depreciation and amortization	–	–	–	15,183	–	15,183
Balances at end of year	56,235	4,422,518	1,665,548	1,303,628	1,374,483	8,822,412
Carrying Amount	₱–	₱–	₱–	₱12,653	₱–	₱12,653

The cost of fully depreciated and amortized property and equipment still in use by the Group amounted to ₱8.8 million as at December 31, 2023 and 2022.

11. Payables and Other Current Liabilities

This account consists of:

	Note	2023	2021
Payable to related companies	12	₱41,510	₱41,510
Accruals:			
Professional fees		418,000	330,845
Utilities and other office expenses		70,979	110,370
Salaries and employee benefits		47,112	31,240
Advances from officers and employees		368,924	368,924
Statutory payables		227,408	153,659
Retention payable		95,000	95,000
Others		88,282	39,393
		₱1,357,215	₱1,170,941

Payable to related companies, advances from officers and employees and retention payable are noninterest-bearing, due and demandable, and are payable in cash.

Accrued expenses, statutory and other payables are normally settled within the following month.

12. Related Party Transactions

The Group, in its regular conduct of business, has transactions with its related parties. The outstanding balances and amount of transactions with related parties are as follows:

	Note	Nature of Transaction	Transactions During the Year		Outstanding Balances		Terms and Conditions
			2023	2022	2023	2022	
Receivable from related companies	5						
Entities under common management:							
Alphaland Corporation		Service fee	₱180,000	₱180,000	₱-	₱-	Unsecured and noninterest-bearing, 30 days term for receivables from service fees; due on demand for other receivables
		Reimbursements	-	-	3,715	3,715	
Alphaland Heavy Equipment Corporation		Allocated costs	-	-	579,305	579,305	
The City Club at Alphaland Makati Place, Inc.		Service fee	180,000	180,000	-	-	
Alphaland Balesin Island Club, Inc.		Service fee	180,000	180,000	-	-	
		Reimbursements	-	-	32,500	32,500	
Alphaland Aviation Inc.		Reimbursements	-	-	796	796	
					₱616,316	₱616,316	
Advances to a stockholder							Secured and noninterest-bearing, due on May 4, 2024
Stockholder		Cash advances	₱-	₱-	₱174,865,252	₱194,865,252	
Rental and security deposits							
Entities under common management:							
Alphaland Makati Place, Inc. (AMPI)		Rent expense	₱258,180	₱258,180	₱-	₱-	Unsecured and noninterest-bearing.
Alphaland Southgate Tower, Inc. (ASTI)	16	Deposits in relation to a lease agreement	-	-	1,349,090	1,349,090	
AMPI	16		-	-	33,482	33,482	
					₱1,382,572	₱1,382,572	
Payable to related companies	11						
Entities under common management:							
AMPI		Lease of office space	₱159,090	₱159,090	₱7,736	₱7,736	Unsecured and noninterest-bearing, due on demand
ASTI		Reimbursements	-	-	33,774	33,774	
					₱41,510	₱41,510	

In 2023, 2022, and 2021 the Group has not made any provision for impairment losses relating to the amounts owed by related parties.

On May 9, 2023, the Parent Company entered into an amended agreement with the stockholder to extend the payment of the advances until May 9, 2024.

Following are the intergroup balances presented under advances to subsidiaries account in the Parent Company's separate financial statements which were eliminated in the preparation of the consolidated financial statements:

	Nature of Transaction	Amount of Transactions		Outstanding Balance	
		2023	2022	2023	2022
Advances to subsidiaries					
	Cash advances for investing and working capital requirements				
Tidemark		₱33,432,000	₱55,301,642	₱123,072,951	₱89,640,951
	Allocated rent, salaries, utilities and reimbursements				
ABSTC		5,584	8,141	50,280	44,696
				₱123,123,231	₱89,685,647

Intergroup balances which were eliminated in the consolidated financial statements are unsecured, noninterest-bearing, due and demandable and are normally settled in cash.

Compensation of Key Management Personnel

The compensation of the key management personnel is handled by AMPI, an entity under common management, at no cost to the Group.

13. Capital Stock

The composition of the Parent Company's capital stock consisting of all common shares as at December 31, 2023 and 2022 is as follows:

	Number of Shares	Amount
Authorized - ₱1.0 par value	10,000,000,000	₱10,000,000,000
Subscribed and issued	2,545,000,000	₱2,545,000,000
Subscription receivable	–	(1,190,976,840)
Outstanding	2,545,000,000	₱1,354,023,160

The Parent Company listed its shares in the PSE on January 8, 1948. As at December 31, 2023 and 2022, 953,963,474 of the Parent Company's shares are listed in the PSE (see Note 1).

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. As at December 31, 2023 and 2022, public ownership over the Parent Company is 14.10%.

As at December 31, 2023 and 2022, the Parent Company has 4,180 stockholders of record.

14. General and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Professional fees		₱2,405,278	₱1,346,288	₱1,584,777
Salaries and wages		1,492,486	1,428,304	1,695,797
PSE listing maintenance fee		713,565	577,148	765,217
Rent	16	346,601	346,601	346,601
Transportation and travel		336,107	100,063	57,578
Representation		268,854	72,823	235,865
Utilities, dues and subscriptions		197,492	116,977	96,127
Communications		122,767	59,760	87,562
Supplies		105,895	173,853	148,909
Taxes and licenses		47,203	58,561	78,495
Repairs and maintenance		32,060	41,330	2,890
Depreciation and amortization	10	12,653	15,183	19,997
Others		173,250	131,278	218,408
		₱6,254,211	₱4,468,169	₱5,338,223

15. Basic and Diluted Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share is computed as follows:

	2023	2022	2021
Net income (loss) (a)	(₱19,868,783)	₱1,026,925	(₱29,882,792)
Weighted average number of outstanding shares (b)	2,545,000,000	2,545,000,000	2,545,000,000
Basic and diluted earnings (loss) per share (a/b)	(₱0.0078)	₱0.0004	(₱0.0117)

The Group has no dilutive potential common shares outstanding, therefore basic earnings (loss) per share is the same as diluted earnings (loss) per share.

16. Lease Agreements

The Group has an existing lease agreement with AMPI for its office space. The lease can be terminated by any party upon 60 days advance written notice to the other party. The Group paid security deposit amounting to ₱33,482 (see Note 12).

The Parent Company is also being charged an annual rent for a leased storage facility located in Agusan Del Norte. The contract is renewable upon mutual agreement of the parties.

Rent expense recognized by the Group amounted to ₱346,601 in 2023, 2022 and 2021 (see Note 14).

As at December 31, 2023 and 2022, rental and security deposits relating to the Group's lease agreements amounted to ₱1.4 million, including a security deposit of ₱1.3 million for the cancelled office and parking space leases with ASTI (see Note 12).

17. Income Taxes

The provision for current income tax pertains to:

	2023	2022	2021
RCIT – ABSTC	₱75,419	₱205,677	₱62,846
MCIT – Parent Company	1,255	825	3,270
	₱76,674	₱206,502	₱66,116

Deferred tax liability amounting to ₱20,968 as at December 31, 2022, arises from unrealized foreign exchange gain.

The deferred tax assets on the following deductible temporary differences were not recognized because management has assessed that it is not probable that there will be sufficient taxable profit against which the benefits of the deferred tax assets on these temporary differences can be utilized.

	2023	2022
NOLCO	₱3,917,479	₱2,712,962
Accumulated impairment losses on:		
Deferred mining exploration cost	653,485	653,485
Receivables	10,387	10,387
MCIT	5,350	4,095
	₱4,586,701	₱3,380,929

As at December 31, 2023, the Parent Company has NOLCO which can be carried forward and claimed as deduction from future taxable income as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2023	₱–	₱4,818,068	₱–	₱4,818,068	2026
2022	3,250,247	–	–	3,250,247	2025
2021	3,650,053	–	–	3,650,053	2026
2020	3,951,546	–	–	3,951,546	2025
	₱10,851,846	₱4,818,068	₱–	₱15,669,914	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at December 31, 2023, the Parent Company's excess MCIT over RCIT can be claimed as deduction against tax due as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2023	P-	P1,255	P-	P1,255	2026
2022	825	-	-	825	2025
2021	3,270	-	-	3,270	2024
	P4,095	P1,255	P-	P5,350	

The reconciliation between the provision for (benefit from) income tax computed at statutory income tax rate and provision for income tax at effective income tax rate is as follows:

	2023	2022	2021
Provision for (benefit from) income tax computed at statutory income tax rate	(P4,474,357)	P248,097	(P7,493,248)
Add (deduct) tax effects of:			
Share in net results of operation of an associate	4,182,863	(715,484)	6,661,971
Nontaxable dividend income	(500,000)	-	-
Interest income already subjected to final tax	(421,691)	(150,516)	(32,381)
Nondeductible expenses	63,119	11,366	43,542
Expired NOLCO	-	1,090,622	1,026,114
Effect of change in tax rate	-	-	765,737
Others	-	(20,968)	-
Changes in unrecognized deferred tax assets	1,205,772	(277,235)	(864,031)
Provision for income tax at effective tax rate	P55,706	P185,882	P107,704

Under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act or RA No. 11534, RCIT is computed at 25% or 20% depending on the amount of total assets and taxable income. MCIT rate is 1% from July 1, 2020 to June 20, 2023 and reverted to 2% effective July 1, 2023.

In 2023, the current income tax rate used in preparing the consolidated financial statements is 1.5% MCIT and 25% RCIT for the Parent Company and 20% RCIT for ABSTC. In 2022 and 2021, the current income tax rate used is 1% MCIT and 25% RCIT for the Parent Company and 20% RCIT for ABSTC.

18. Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under "Other current assets" account), equity investment designated as financial asset at FVOCI, and payables and other current liabilities (excluding statutory payables).

The main purpose of the Group's dealings in financial instruments is to fund its operations and capital expenditures.

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. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and detriment forecasted 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 main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The BOD reviews and institutes policies for managing each of the risks and these are summarized below.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange 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 in relation to its financial instruments. 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 sensitivity analysis to minimize the risks related to these foreign currency denominated assets and liabilities.

Credit Risk

Credit risk is a risk wherein a counterparty fails to meet its obligations. When the counterparty defaults, the maximum exposure is generally equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash in banks, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under "Other current assets" account).

The Group trades only with recognized and 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.

The table below shows the credit quality per class of financial assets as at December 31, 2023 and 2022.

	2023					
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	₱19,634,274	₱-	₱-	₱-	₱-	₱19,634,274
Receivables*	955,907	-	-	-	41,550	997,457
Advances to a stockholder	174,865,252	-	-	-	-	174,865,252
Rental and security deposits**	1,382,572	-	-	-	-	1,382,572
	₱196,838,005	₱-	₱-	₱-	₱41,550	₱196,879,555

* Excluding advances to officers and employees.

** Presented under "Other current assets" account.

	2022					Total
	Neither Past Due nor Impaired			Past Due but not impaired	Credit-impaired	
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	₱35,650,471	P-	P-	P-	P-	₱35,650,471
Receivables*	1,939,946	-	-	-	41,550	1,981,496
Advances to a stockholder	-	-	-	194,865,252	-	194,865,252
Rental and security deposits**	1,382,572	-	-	-	-	1,382,572
	₱38,972,989	P-	P-	₱194,865,252	₱41,550	₱233,879,791

* Excluding advances to officers and employees.

** Presented under "Other current assets" account.

The credit quality of the financial assets is managed by the Group using internal credit quality ratings.

High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties with sufficient liquid assets to settle its obligation upon demand of the Group. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that require persistent effort from the Group to collect are considered substandard grade accounts.

Cash in banks are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Group considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Receivables and rental and security deposits are mainly exposures to related parties and are considered as high grade because the related parties are part of a group with sufficient liquid assets to repay the receivables upon demand by the Group. Advances to a stockholder are secured and therefore assessed to be collectible.

With the exception of accounts receivable from stock and transfer services and past due financial assets which are subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant based on the foregoing discussions.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as these 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.

The Group's payable to related companies and advances from officers and employees aggregating ₱410,434 as at December 31, 2023 and 2022, respectively, are due and demandable. The remaining balance of payables and other current liabilities (excluding statutory payables) amounting to ₱719,373 and ₱606,848 as at December 31, 2023 and 2022, respectively, have a maturity of less than three months.

Fair Value Measurement

The table below presents the financial assets and liabilities of the Group whose carrying amounts approximate its fair values primarily due to the short-term and demandable nature of the financial instruments:

	2023	2022
Financial Assets at Amortized Cost		
Cash	P19,669,000	P35,685,197
Receivables*	955,907	1,939,946
Advances to a stockholder	174,865,252	194,865,252
Rental and security deposits**	1,382,572	1,382,572
	P196,872,731	P233,872,967
Financial Liabilities at Amortized Cost		
Payables and other current liabilities***	P1,129,807	P1,017,282

* Excluding advances to officers and employees.

** Presented under "Other current assets" account.

*** Excluding statutory payables.

Equity Investment Designated as Financial Asset at FVOCI. Fair value of equity investment designated as financial asset at FVOCI is determined using the adjusted net asset method. Adjusted net asset method focuses on an entity's net asset value or the fair market value of its total assets minus total liabilities to determine what it would cost to recreate the business. This fair value measurement approach is categorized under Level 3 of the fair value hierarchy (significant unobservable inputs). Increase (decrease) in the investee's net assets will result to a higher (lower) fair value. There were no changes in the fair value hierarchy.

Capital Management Policy

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 considers its equity amounting to P908.4 million and P935.7 million as at December 31, 2023 and 2022, respectively, as capital employed.

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

The debt-to-equity ratios as at December 31 are as follows:

	2023	2022
Total debt	P1,358,470	P1,192,734
Total equity	908,381,751	935,692,806
	0.001:1	0.001:1

The Group manages its capital structure and makes adjustments to it when there are changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital. No changes were made in the objectives, policies or processes in 2023 and 2022.

The Group is not subject to externally-imposed capital requirements.

19. Segment Information

A segment is a distinguishable component of the Group that is engaged either in providing types of services (business segment) or in providing the services within a particular economic environment (geographic segment).

The table below present financial information on business segments as at and for the years ended December 31, 2023, 2022, and 2021:

	2023			
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
Segment Revenue				
Revenue from external customers	P=	P1,467,320	P=	P1,467,320
Interest income	1,651,036	44,662	-	1,695,698
Income from other segments	-	180,000	(180,000)	-
Other income (charges)	(208)	9,776	-	9,568
Share in net results of operations of an associate	(16,731,452)	-	-	(16,731,452)
	(15,080,624)	1,701,758	(180,000)	(13,558,866)
Depreciation and amortization	-	(12,653)	-	(12,653)
Other general and administrative expense	(5,154,209)	(1,267,349)	180,000	(6,241,558)
Benefit from (provision for) income tax	19,713	(75,419)	-	(55,706)
Segment Operating Profit (Loss)	(P20,215,120)	P346,337	P=	(P19,868,783)
Segment Assets	P2,168,247,853	P2,766,063	(P1,261,273,695)	P909,740,221
	2022			
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
Segment Revenue				
Revenue from external customers	P=	P2,115,700	P=	P2,115,700
Interest income	543,104	73,698	-	616,802
Income from other segments	-	180,000	(180,000)	-
Other income	83,872	2,666	-	86,538
Share in net results of operations of an associate	2,861,936	-	-	2,861,936
	3,488,912	2,372,064	(180,000)	5,680,976
Depreciation and amortization	-	(15,183)	-	(15,183)
Other general and administrative expense	(3,378,190)	(1,254,796)	180,000	(4,452,986)
Benefit from (provision for) income tax	19,795	(205,677)	-	(185,882)
Segment Operating Profit	P130,517	P896,408	P=	P1,026,925
Segment Assets	P2,143,638,487	P4,192,557	(P1,210,945,504)	P936,885,540
	2021			
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
Segment Revenue				
Revenue from external customers	P=	P1,583,620	P=	P1,583,620
Interest income	117,925	14,498	-	132,423
Income from other segments	-	180,000	(180,000)	-
Other income	493,353	1,622	-	494,975
Share in net results of operations of an associate	(26,647,883)	-	-	(26,647,883)
	(26,036,605)	1,779,740	(180,000)	(24,436,865)
Depreciation and amortization	(4,813)	(15,184)	-	(19,997)
Other general and administrative expense	(4,146,406)	(1,351,820)	180,000	(5,318,226)
Provision for income tax	(44,858)	(62,846)	-	(107,704)
Segment Operating Profit (Loss)	(P30,232,682)	P349,890	P=	(P29,882,792)
Segment Assets	P1,999,118,528	P3,148,937	(P1,158,405,157)	P843,862,308

**REPORT OF INDEPENDENT AUDITORS'
ON SUPPLEMENTARY SCHEDULE
OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated April 26, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, and no material exceptions were noted.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

BOA Accreditation No. 4782/P-024; Valid until June 6, 2026

BIR Accreditation No. 08-005144-018-2022

Valid until January 24, 2025

PTR No. 10072426

Issued January 2, 2024, Makati City

April 26, 2024

Makati City, Metro Manila

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT DECEMBER 31, 2023 AND 2022

Ratio	Formula	2023	2022
Current ratio	Total Current Assets	₱207,913,279	₱244,284,000
	Divide by: Total Current Liabilities	1,358,470	1,171,766
		153.05:1	208.48:1
Acid test ratio	Total Current Assets	₱207,913,279	₱244,284,000
	Less: Other Current Assets	11,673,380	11,008,727
	Quick Assets	196,239,899	233,275,273
	Divide by: Total Current Liabilities	1,358,470	1,171,766
		144.46:1	199.08:1
Solvency ratio	Net Income (Loss) Before Depreciation and Amortization and Income Tax	(₱19,800,424)	₱1,227,990
	Divide by: Total Liabilities	1,358,470	1,192,734
		(14.58):1	1.03:1
Debt-to-equity ratio	Total Liabilities	₱1,358,470	₱1,192,734
	Divide by: Total Equity	908,381,751	935,692,806
		0.001:1	0.001:1
Asset-to-equity ratio	Total Assets	₱909,740,221	₱936,885,540
	Divide by: Total Equity	908,381,751	935,692,806
		1:00:1	1.00:1
Net profit margin	Net income (loss)	(₱19,868,783)	₱1,026,925
	Divide by: Revenue	-	-
		-	-



REPORT OF INDEPENDENT AUDITORS' ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, and have issued our report thereon dated April 26, 2024. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Schedules required by paragraph 6 Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Parent Company's Reconciliation of Retained Earnings Available for Dividend Declaration
- Map of Group Structure

These supplementary schedules are presented for purposes of complying with the Revised SRC Rule 68, and are not part of the consolidated financial statements. The supplementary information have been subjected to the auditing procedures applied in the audit of the consolidated financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. In our opinion, the supplementary information is fairly stated in all material respect in relation to the consolidated financial statements taken as a whole.

REYES TACANDONG & Co.


GRACE M. ALBUNIAN

Partner

CPA Certificate No. 0144364

Tax Identification No. 410-858-879-000

BOA Accreditation No. 4782/P-024; Valid until June 6, 2026

BIR Accreditation No. 08-005144-018-2022

Valid until January 24, 2025

PTR No. 10072426

Issued January 2, 2024, Makati City

April 26, 2024

Makati City, Metro Manila

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF
THE REVISED SRC RULE 68
DECEMBER 31, 2023

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<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	Long-Term Debt	N/A
E	Indebtedness to Related Parties	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	3

A - The Group's equity investment designated as financial asset at fair value through other comprehensive income does not exceed five percent (5%) of the total current assets. There are no financial assets measured at fair value through profit or loss and investment securities measured at amortized cost.

D - No long term debt

E - Total indebtedness to related parties does not exceed five percent (5%) of total assets

F - No guarantees of securities of other issuers

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL
STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023

	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Collections	Write Off	Current	Noncurrent	
Stockholder	P194,865,252	P-	P20,000,000	P-	P174,865,252	P-	P174,865,252

Advances to a stockholder is secured, noninterest-bearing and settlement occurs in cash upon demand.

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS
DECEMBER 31, 2023

Related Party	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Collections	Write Off	Current	Noncurrent	
Tidemark Holdings Limited	P89,640,951	P33,432,000	P-	P-	P123,072,951	P-	P123,072,951
AB Stock Transfers Corporation	44,696	5,584	P-	P-	50,280	P-	50,280
	P89,685,647	P33,437,584	P-	P-	P123,123,231	P-	P123,123,231

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2023

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the statement of financial position caption			Number of shares reserved for options, warrants, conversion & other rights	Number of shares held by		
		Paid-up	Subscribed	Total		Related parties	Directors, officers and employees	Public
Common stock - \$1 par value per share	10,000,000,000	1,354,023,160	1,190,976,840	2,545,000,000	-	2,185,966,905	199,705	358,833,390

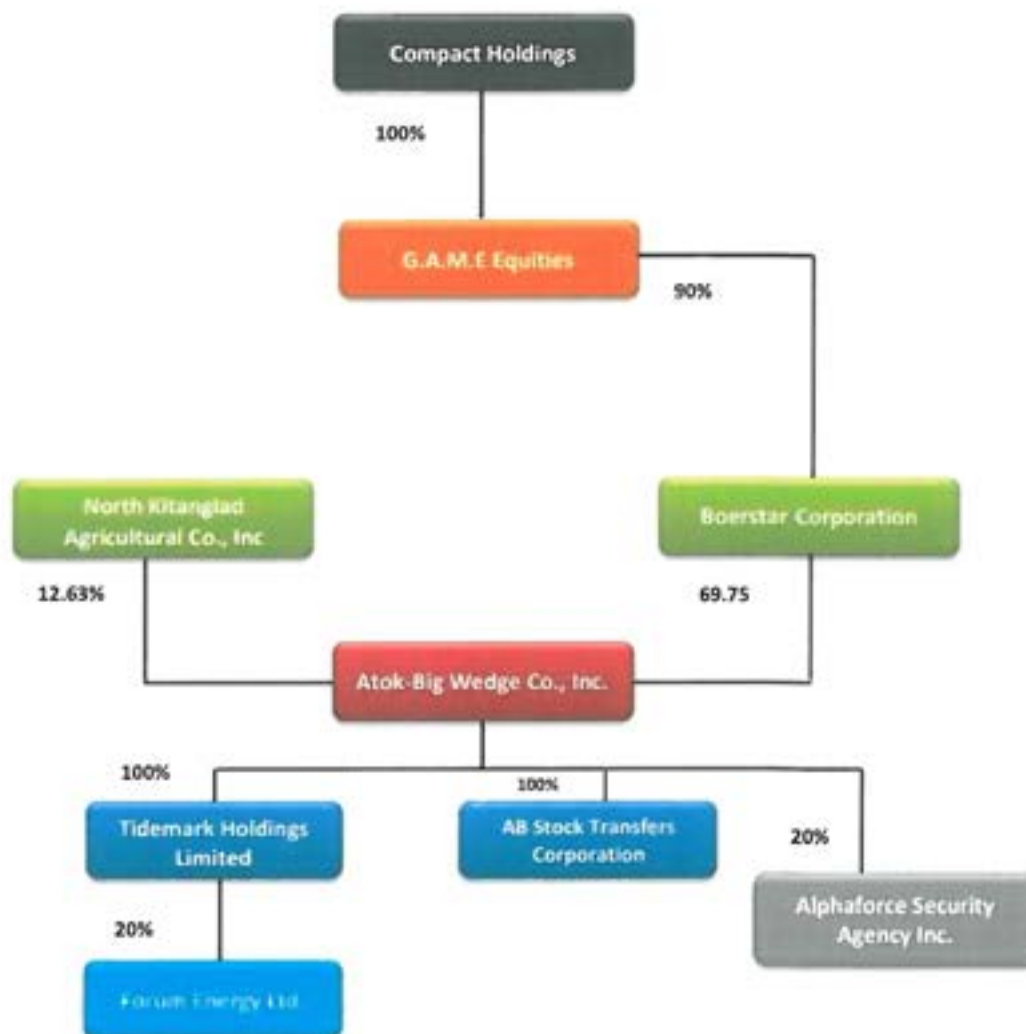
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023**

ATOK-BIG WEDGE CO., INC.
7232 Ayala Avenue corner Malugay Street
Makati City, Metro Manila

	Amount
<u>Deficit, beginning of reporting period</u>	<u>(P376,881,313)</u>
<u>Add: Net loss for the current year</u>	<u>(1,483,668)</u>
<u>Deficit, end of the reporting period</u>	<u>(P378,364,981)</u>

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

MAP OF GROUP STRUCTURE
DECEMBER 31, 2023



Contextual Information

Company Details	
Name of Organization	Atok-Big Wedge Co., Inc.
Location of Headquarters	Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City 1209 Philippines
Location of Operations	Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City 1209 Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Atok-Big Wedge Co., Inc. and its subsidiary, AB Stock Transfers Corporation
Business Model, including Primary Activities, Brands, Products, and Services	Atok is one of the oldest mining companies in the Philippines. It has business in mining, oil, gas and natural resources exploration and development.
Reporting Period	31 December 2023
Highest Ranking Person responsible for this report	President

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹⁴

As a company in the mining business, Atok-Big Wedge Co., Inc. ("Atok" or the "Company") recognizes the importance of operating responsibly, ensuring the health and safety of its employees, the local community it operates in, as well as the preservation of the environment where it has mining exploration works.

Economic, social and environmental sustainability are at the forefront of Atok's business strategy. To ensure that these important factors are included in all decisions taken by the Company, Atok developed a management framework that both promotes sustainability and provides guidelines for decision-making throughout the Company.

BUSINESS OPERATIONS:

Atok is committed to international health and safety standards, and the conservation of the environment as one of its core values.

Health and Safety

Atok provides for health and medical insurance for all its employees so they can access the best health care in the country at no cost to them. The Company also provided occupational safety and health training to its designated officer, first aid training to its employees, and complies with the

¹⁴ See GRI 102-46 (2016) for more guidance.

requirements and regulations imposed by the Department of Labor and Employment and the Makati City Local Government at its head office.

Environment

Atok has committed to undertake activities without endangering the environment as well as the health and safety of its employees in its Exploration Permit Application.

FINANCE

Atok has placed internal finance controls to ensure that it abides by the strict corporate governance principles all listed companies in the Philippines are expected to comply. Currently, Atok has no financial lenders.

LEGAL AND COMPLIANCE

Legal and Compliance sustainability risks include bribery, corruption, and potential regulatory changes brought about by changes in the political landscape.

Atok has conducted its business with utmost regard to business ethics. Atok has a Code of Discipline for strict observance of its employees which places zero tolerance for bribery and corruption.

PEOPLE AND CULTURE

The greatest resource of Atok is its dedicated employees that move the company to greater heights. Atok is committed to providing a working environment that encourages its employees to do their best work. The Company has in place a Code of Discipline to promote the welfare of its employees, as well as policies related to gifts, entertainment, and sponsored travels. It also has written policies on conflict of interest and related party transactions. These policies are regularly reviewed and updated to ensure that the welfare of its employees is well-protected.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	3,172,586.00	Php
Direct economic value distributed		
a. Operating costs	21,077,405.00	Php
b. Employee wages and benefits	1,492,486.00	Php
c. Payments to suppliers, other operating costs	368,569.00	Php
d. Dividends given to stockholders and interest payments to loan providers	0.00	Php
e. Taxes given to government	102,909.00	Php
f. Investments to community (e.g. donations, CSR)	0.00	Php

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The Company presently derives revenue indirectly through its subsidiary ABSTC.</p> <p>The Company contributes to economic growth by paying taxes to the local government.</p>	All Stakeholders	<p>The Company ensures that the operations and financial affairs are managed in a sound and prudent manner. Financial and internal controls are in place to ensure reliability and integrity of financial and operational information.</p>
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Should the Company start the exploration and development of new projects within the Philippines, financial lenders can look at the Company's sustainability programs as part of their corporate lending requirements.</p>	All Stakeholders	<p>The Company is committed to corporate sustainable practices. However, it acknowledges that this has not been a part of its previous formal reporting until this year. The Company commits to make more comprehensive sustainability reports in the future to assist potential financial lenders in their assessment of Atok.</p>

Climate-related risks and opportunities¹⁵

Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts ¹⁶ of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
<p>Assessment of climate-related risks and opportunities is performed by the Company's Board of Directors with the aid of the Company's audit group which is responsible for identifying risk exposures and recommending actions to minimize the potential damage therefrom.</p>	<p>Actual climate-related risks are minimal considering that the exploration permit application of the Company is still being reviewed by the Mines and Geosciences Bureau. When the Company proceeds to do actual exploration work, the climate-related risks in the regions where it will conduct exploration works, specifically in the Agusan region, will play a factor in the operation of the Company and will have to be assessed and managed to ensure productive work despite changing climate and the occasional storms that hit the region.</p>	<p>The Company's internal audit group is tasked to identify climate-related risks and propose measures to mitigate and manage them. The recommendations are then deliberated by the Company's Board of Directors through its Executive Committee which may adopt the recommendations or, upon discussions, supplement or take a different action to mitigate and manage the climate-related risks identified by the audit group.</p>	<p>Currently, Atok is not operating any mine as its exploration permit application is still being reviewed by the Mines and Geosciences Bureau. Once actively operating the mining locations in its Exploration Permit Application, the Company will engage in direct and indirect monitoring of the metrics needed to assess and manage climate-related risks and opportunities.</p>

¹⁵ Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCTD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

¹⁶ For this disclosure, impact refers to the impact of climate-related issues on the company.

Recommended Disclosures			
<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>The board's oversight of climate-related risks is performed by the Company's Executive Committee in an AD HOC capacity as and when the climate-related risks require the attention of the Executive Committee.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>Considering that the exploration permit application of the Company is still under review, the bulk of the work is in coordination with the regulatory bodies for them to act on the applications.</p> <p>In the short-term, the Company complies with the segregation of waste between biodegradable and non-biodegradable to help in the preservation of the environment. The Company discourages the use of plastic products in compliance with local ordinance on the use of plastic.</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>As discussed, the responsible party for identifying and assessing climate-related risks is with the Audit group of the Company which is tasked to create reports every six months on climate-related risks including proposals to mitigate and manage them. The report is then submitted to the Executive Committee of the Board of Directors for its appropriate action.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Currently, Atok is not operating any mine as its exploration permit application is still being reviewed by the Mines and Geosciences Bureau. Once actively operating the mining locations in its Exploration Permit Application, the Company will engage in direct and indirect monitoring of the metrics needed to assess and manage climate-related risks and opportunities.</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p> <p>Management reviews and</p>	<p>b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.</p> <p>Climate-related risks</p>	<p>b) Describe the organization's processes for managing climate-related risks.</p> <p>As discussed, the</p>	<p>b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance</p>

<p>refines the report of the Audit group on climate-related risks before passing to the Executive Committee of the Board of Directors for its appropriate action.</p>	<p>are given due consideration in planning and executing the organization's business strategies and financial planning. The procurement of equipment to mitigate and manage the risks identified will have a significant impact in the financial planning of the Company.</p>	<p>responsible party for identifying and assessing climate-related risks is with the Audit department of the Company which is tasked to create reports every six months on climate-related risks including proposals to mitigate and manage them. The report is then submitted to the Executive Committee of the Board of Directors for its appropriate action.</p>	<p>against targets.</p> <p>Currently, Atok is not operating any mine as its exploration permit application is still being reviewed by the Mines and Geosciences bureau, Once actively operating the mining locations in its Exploration Permit Application, the Company will engage in direct and indirect monitoring of the metrics needed to assess and manage climate-related risks and opportunities.</p>
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.</p> <p>The risk management plan and action put in motion by the Executive Committee of the Board of Directors is subject to periodic review and adjustments by the Audit Committee, whose report will then be subject to review by</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> <p>Atok management practices a comprehensive approach in planning and executing the Company's overall risk management, taking into consideration all the climate-related risks before planning and executing an overall Risk Management strategy and action.</p>	

	management before submitting to the Board of Directors for appropriate action.		
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Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Using local suppliers keeps the Company's costs down and helps increase the revenue of the local economy.	Suppliers	Qualified and capable suppliers are prioritized for the company's procurement needs. If there are no local suppliers available, foreign suppliers are sought.
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There are instances when local suppliers might be unable to meet the demand.	Suppliers	Suppliers must go through accreditation so their capabilities to meet the Company's requirements can be assessed.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Engaging local suppliers cuts down on fuel consumption and air pollution, reducing the Company's energy usage and carbon emissions. Shipping and storage costs are also reduced, allowing the Company to be more competitive.	Suppliers	The Company must be a good customer and maintain mutually beneficial relationships with its suppliers to ensure the timely delivery of goods and services at competitive prices.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-	0	%

corruption training		
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What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> <p>The Company has yet to record any actual incident of bribery or corruption in its workplace.</p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> <p>NA</p>	<p><i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> <p>Management has issued several policies to prevent corruption in the workplace. These policies include procurement policy, policy of gifts, related party transactions policy, policy for contract bidding and awards and the code of conduct for all employees to observe</p>
<p>What is the Risk/s Identified?</p> <p>Some of the risks identified are: employees manipulating contract evaluation and proposals in exchange for bribes; suppliers seeking connections to increase chances of contract award; products or services that have not undergone official procurement procedure; and the like.</p>	<p>Which stakeholders are affected?</p> <p>Suppliers, Employees, Consultants of the Company.</p>	<p>Management Approach</p> <p>Management has issued various policies which outline the procedure for investigation and disposition of bribery and corruption incidents. These policies include procurement policy, policy of gifts, related party transactions policy, policy for contract bidding and awards and the code of conduct for all employees to observe.</p>
<p><i>Identify risk/s related to material topic of the organization</i></p>		
<p>What is the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p><i>Identify the opportunity/ies related to material topic of the organization.</i></p> <p>A sound supply chain management provides opportunities for vendor interaction to further improve products and services and negotiates for more</p>	<p>Employees, Suppliers, consultants of the Company</p>	<p>Atok is committed to the highest professional standards, core values and ethics, and has zero tolerance for bribery or</p>

competitive prices through open bidding.		any other form of corruption.
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Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplines for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> <p>The Company has yet to record any actual incident of bribery or corruption in the workplace.</p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> <p>NA</p>	<p><i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> <p>NA</p>
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Some of the risks identified are employees manipulating contract evaluation and proposals in exchange for bribes; suppliers seeking connections to increase chances of contract award; products or services that have not undergone official procurement procedure; and the like.</p> <p><i>Identify risk/s related to material topic of the organization</i></p>	<p>Employees, suppliers, consultants of the Company</p>	<p>Atok is committed to the highest professional standards, core values and ethics, and has zero tolerance for bribery or any other form of corruption.</p>
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>A sound supply chain management provides opportunities for vendor interaction to further improve products and services and negotiates for more competitive prices through open bidding.</p> <p><i>Identify the opportunity/ies related to material topic of the organization.</i></p> <p>Procurement should be done by open, competitive bidding except in unavoidable circumstances.</p>	<p>Employees, suppliers, consultants of the Company</p>	<p>Atok is committed to the highest professional standards, core values and ethics, and has zero tolerance for bribery or any other form of corruption.</p> <p>Communicate the business policies of Atok regularly to all stakeholders.</p>

ENVIRONMENT

Resources Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	7,000	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	Minimal	kWh

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Continuous reduction of energy consumption is being done through implementation of energy conservation measures.	Employees	The Company has been implementing cost cutting measures since 2016 resulting in the proper monitoring of and reduction in general and administrative expenses.
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Employees would use office equipment inefficiently resulting in higher energy consumption. Equipment energy saving features are sometimes overlooked and not fully utilized. Also, some employees were required to live in the office building to minimize catching other infections. This resulted in an increase in energy consumption following the onset of the pandemic.	Employees	Employees are continuously monitored and reminded to use office equipment efficiently, and to turn these off when it is no longer in use. During maintenance, equipment technicians are requested to orient employees on the energy-saving features of the Company's office equipment.
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Management is open to again implementing a work from home	Employees	Management continues to assess the practicality and

arrangement offered to some employees, if deemed necessary. We hope to decrease operational costs, to increase employee productivity, and to decrease the carbon footprint of both the office and the employee during the conduct of business.		viability of implementing a work from home policy, as needed.
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Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	No available data *	Cubic meters
Water recycled and reused	0	Cubic meters

- Water use at the Atok-Big Wedge Co., Inc. headquarters is limited to the common area toilets only.

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Water management is essential to Atok-Big Wedge Co., Inc., following the water scarcity experienced in 2019.	Employees, General Community	The Company continues to educate its employees on the proper/efficient use of water.
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Some employees were required to live in the office building to minimize catching infections. This resulted in an increase in water consumption following the onset of the pandemic.	Employees, Building Management	The Company emphasizes the responsible use of water to its employees and encourages them to report leaks to the building management to avoid water wastage.
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Water conservation helps prolong the water supply, particularly during the dry months, when water reservoirs fall below normal levels.	Employees, General Community	The Company instills water conservation practices to employees.

Materials used by the organization.

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	0	Kg/liters
• Non-renewable	0	Kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> <p>Not Applicable</p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> <p>Not Applicable</p>	<p><i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> <p>Not Applicable</p>
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify risk/s related to material topic of the organization.</i></p> <p>Not Applicable</p>	<p>Not Applicable</p>	<p>Not Applicable</p>
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify the opportunity/ies related to material topic of the organization.</i></p> <p>Not Applicable</p>	<p>Not Applicable</p>	<p>Not Applicable</p>

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0 *	ha
Habitats protected or restored	0	ha
IUCN ¹⁷ Red List species and national conservation list species with habitats in areas affected by operations	0	ha

- Prior to awarding EPs and SCs, the MGB and the DOE, respectively, already exclude protected areas under the National Integrated Protected Areas System of the DENR.

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is committed to strictly comply with environmental laws and policies and promote environmental awareness to the community should the company start the exploration and development of new projects within the Philippines.	All Stakeholders	The Company will secure the required permits from the DENR, DOE and the MGB to cover all its future exploration activities.
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There is always a risk of disturbing the local ecosystem in the area during exploration, development, and production activities.	All Stakeholders	The Company will strictly abide by environmental laws and policies. Future exploration, development and production activities should be accomplished with minimum or no detrimental effects to the environment.
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Exercising care in decreasing negative environmental impact can minimize incurred operational costs. Repurposing facilities for use by the community can maximize the life of the asset.	All Stakeholders	Maximize the life of structures used in exploration, development, and production activities by repurposing them for use by the community.

¹⁷ International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	No available data	Tonnes

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company uses air-conditioning (AC) systems that release chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HFCs) which are GHGs that trap heat and cause depletion of the ozone layer.	Employees and nearby communities	The Company regulates the use of its AC systems to lessen its power consumption. Out of two (2) AC systems pre-installed in the office, only one (1) is regularly in operation during business hours.
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Some employees were required to live in the office building to minimize catching other infections. This resulted in an increase in air emissions from increased A/C use following the onset of the pandemic. HFCs represent only a small portion of the total GHG emissions. However, they trap heat in the atmosphere as much as CO ₂ when they are released in the environment.	Employees and nearby communities	Routine check and maintenance are implemented to ensure the efficiency of the AC systems.
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Regular maintenance and minimal use of the AC units result in savings that can be allocated to other Company expenses.	Employees and nearby communities	The Company practices these basic energy conservation measures. While they presently have a minimal effect on the environment, the effort will be beneficial to the community and the environment in the long term.

Air pollutants

Disclosure	Quantity	Units
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NO _x	0	Kg
SO _x	0	Kg
Persistent organic pollutants (POPs)	0	Kg
Volatile organic compounds (VOCs)	0	Kg
Hazardous air pollutants (HAPs)	0	Kg
Particulate matter (PM)	0	Kg

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
Not Applicable	Not Applicable	Not Applicable
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization.</i>		
Not Applicable	Not Applicable	Not Applicable
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization.</i>		
Not Applicable	Not Applicable	Not Applicable

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	50	Kg
Reusable	12	Kg
Recyclable	20	Kg
Composted	No available data	Kg
Incinerated	0	Kg
Residuals/Landfilled	No available data	Kg

What is the Impact and where does it occur? What is the organization's	Which stakeholders are affected?	Management Approach
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involvement in the impact?		
Proper solid waste management is implemented in the office to prevent contamination of the environment and reduce the carbon footprint of the company.	Employees, Local community	Waste segregation is practiced in the office. Biodegradable wastes are separated from non-biodegradables, recyclables, and reusables. Purchase of goods in single-use plastics containers discourages to keep the volume of waste down. The use of eco bags is encouraged.
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Some employees who take public transportation to work were required to live in the office building to minimize catching other infections. This resulted in an increase in solid waste following the onset of the pandemic. The office building has a centralized garbage collection system so waste materials intended for composting may end up in the landfill.	Employees, Local community	Employees were asked to use reusable containers for their food items. Food scraps are separated for composting purposes.
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Reusable and recyclable wastes may be repurposed to extend the life of the materials and save on cost.	Employees, Local community	Scratch paper comprises most of our reusable waste. The backs of these are re-used saving on cost of paper. Recyclables are collected and sold as scrap in material recovery facilities.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	Kg
Total weight of hazardous waste transported	0	Kg

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or</i>

<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>		<i>projects, programs, and initiatives do you have to manage the material topic?</i>
Not Applicable	Not Applicable	Not Applicable
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization.</i>		
Not Applicable	Not Applicable	Not Applicable
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization.</i>		
Not Applicable	Not Applicable	Not Applicable

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0 *	Cubic meters
Percent of wastewater recycled	0	%

- Water use at the Atok-Big Wedge Co., Inc. headquarters is limited to the common area toilets only.

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>		
Not Applicable	Not Applicable	Not Applicable
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization.</i>		
Not Applicable	Not Applicable	Not Applicable

What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization.</i>		
Not Applicable	Not Applicable	Not Applicable

ENVIRONMENTAL COMPLIANCE

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0.00	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is committed to strictly comply with environmental laws and policies should the Company start the exploration, development, and production of new projects within the Philippines.	All Stakeholders	The Company will secure the required permits from the DENR, DOE and the MGB to cover all its future exploration activities.
What is the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance with environmental laws and regulations can lead to the imposition of penalties and fines and the possible cancellation of permits.	Company, Employees	Environmental laws and policies should be adhered to in all stages of exploration, development, and production of new projects within the Philippines.
What is the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Compliance with environmental laws and regulations saves the company unnecessary expenses and builds trust and goodwill with the DENR,	All Stakeholders	Environmental laws and policies should be adhered to in all stages of exploration, development and production

DOE, the MGB, the local authorities and the community.		of new projects within the Philippines.
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SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ¹⁸	3	
a. Number of female employees	2	#
b. Number of male employees	1	#
Attrition rate ¹⁹	0	Rate
Ratio of lowest paid employee against minimum wage	1.36:1	Ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100 %	100 %
PhilHealth	Y	100 %	100 %
Pag-IBIG	Y	100 %	100 %
Parental leaves	Y	0 %	0 %
Vacation leaves	Y	100 %	100 %
Sick leaves	Y	100 %	100 %
Medical benefits (aside from PhilHealth)	Y	100 %	100 %
Housing assistance (aside from Pag-IBIG)	N	0 %	0 %
Retirement fund (aside from SSS)	N	0 %	0 %
Further education support	N	0 %	0 %
Company stock options	N	0 %	0 %
Telecommuting	Y	33.33 %	0 %
Flexible-working hours	Y	100 %	100 %
(Others)			

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company provides government mandated benefits to all its employees. It ensures timely remittance of employees' monthly contributions/premiums and provides assistance	The Company considers its people its greatest asset. Apart from government mandated benefits, employees are provided with additional benefit packages and a wide range of

¹⁸ Employees are individual who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

¹⁹ Attrition is (no. of new hires – no. of turnover) (average of total no. of employee of previous year and total no. of employees of current year)

in facilitating and processing applications to avail of these benefits.	learning and development opportunities to help them achieve their full potential.
What is the Risk/s Identified?	Management Approach
Delays in providing government-mandated benefits are violations of the law and will subject the Company to liabilities.	Remittances and benefit applications are prepared in good time to ensure timely payments and submissions to government institutions.
What is the Opportunity/ies identified?	Management Approach
Benefits that might be advantageous to both employees and the Company presently being explored.	Telecommuting, a benefit intended to increase an employee's productivity by minimizing their travel time, is being tested for positions that can perform their work from home.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	40	Hours
b. Male employees	8	Hours
Average training hours provided to employees		
a. Female employee	15	Hours/employee
b. Male employee	8	Hours/employee

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Employees are a Company's greatest asset and continuous training, and development should be implemented to improve their competencies.	The Company announces its training programs to employees in advance and encourages them to adjust their work schedules in order to attend these.
What is the Risk/s Identified?	Management Approach
Employees tend to miss out on scheduled trainings due to work.	Make completion of training and development programs a key performance indicator in the Company's performance appraisal system.
What is the Opportunity/ies identified?	Management Approach
Many inexpensive local and online training programs relevant to the Company's employees are offered throughout the year.	Encourage employees to adjust their work loads and take turns in attending relevant training programs.

Labor-Management Relations

Disclosure	Quantity	Units
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% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	4	#

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company has no collective bargaining agreements with any of its employees.	The Company creates a working environment conducive to open discussion.
What is the Risk/s Identified?	Management Approach
Employees are expected to adhere to the company's rules and regulations in the conduct of their duties based on value and integrity.	Management maintains a harmonious professional relationship with the staff. They oversee and guide their direct reports from time to time in the conduct of their duties.
What is the Opportunity/ies identified?	Management Approach
The Company can engage its employees in setting individual goals from which their performance can be evaluated.	The Company institutionalized an annual performance management system in which measurable key performance indicators are jointly set by an employee and his superior. Performance indicators are regularly discussed and measured and rated at the end of the year.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	66.67	%
% of male workers in the workforce	33.33	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*Vulnerable sector includes elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Management is committed to respecting people's differences and creating an inclusive workplace. It does not tolerate any kind of harassment, prejudice, and discrimination.	Management is required to ensure that the working environment is free from any form of harassment, prejudice, and discrimination.
What is the Risk/s Identified?	Management Approach
The Company at times has limited qualified	Management recognizes that people bring with

applicants to open positions.	them different skill sets and will continue to provide equal career opportunities in the workplace.
What is the Opportunity/ies identified?	Management Approach
Diversity creates goodwill within the community and within the industry.	Management will encourage greater female participation and look for mentoring opportunities for its junior employees to gain valuable insights into the company and the industry.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	5,128	Man-Hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	2	#

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company consistently fosters a safe working environment and implements employee health and safety measures and training programs that protect people from occupational hazards.	The Company complies with all relevant occupational health and safety laws and regulations.
What is the Risk/s Identified?	Management Approach
Failure to manage workplace safety would negatively impact employee health and productivity.	The Company enforces occupational health and safety protocols for the benefit of its employees.
What is the Opportunity/ies identified?	Management Approach
By properly managing and implementing health and safety training, employees can handle their jobs safely for the benefit of the organization and all stakeholders.	The Company will continue to provide the necessary equipment, training, and resources to enable employees to work safely.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	The Company observes the labor standards stated in the labor code.
Child labor	Y	The Company observes the labor standards stated in the labor code.
Human Rights	Y	The Company observes the labor standards stated in the labor code.

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i> The Company follows the principle of fairness and openness in its recruitment process. The Company employs people who choose to work, and the Company does not use forced labor. Also, Atok does not use child labor or employ people below the minimum employment age.	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> The Company's hiring process and policies disallow the hiring of child labor or forced labor.
What is the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization.</i> Contractors and subcontractors may violate labor laws and basic human rights.	A violation of the labor code perpetrated by contractors and subcontractors will be a ground for disqualification in future contracts in addition to the penalties set forth under the law.
What is the Opportunity/ies identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization.</i> The Company aims to be up to date with current Labor Laws and Human Rights policies which protect both the stakeholders and the Company.	A violation of the labor code perpetrated by contractors and subcontractors will be a ground for disqualification in future contracts in addition to the penalties set forth under the law.

Supply Chain Management

Do you have a supplier accreditation policy? If, yes, please attached the policy or link to the policy:

None. We select from suppliers that have been accredited by our sister company.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human Rights	N	
Bribery and corruption	Y	

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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The Company's relationships with suppliers, contractors, consultants, and advisers are based on lawful, efficient, and fair practices. All bidders are given equal opportunity to compete, and their bids are evaluated fairly and in a transparent manner	Employees are directed to be vigilant and report any violation of the labor code for rectification and for future reference. Companies found violating labor standards will no longer be eligible to bid for contracts.
What is the Risk/s Identified?	Management Approach
Atok has no reported violation on supply management during the year.	The Company includes in its contracts with suppliers its policy to always observe labor standards set by law. Suppliers who violate are penalized and will no longer be eligible to bid for future contracts.
What are the Opportunity/ies identified?	Management Approach
Responsible supply chain management can generate value for the Company. It improves relationships with suppliers, creates trust, provides security for investors, and can create new market opportunities.	Atok shall continuously uphold the highest professional standards in its dealings with suppliers.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects, this has to be business operations)	Location	Vulnerable groups (If applicable) *	Does the operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigation measures (If negative) or enhancement measures (If positive)
None because the Company is not yet operating an actual mine.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing		#
CP secured		#

What is the Risk/s Identified?	Management Approach
None yet because the Company is not yet operating an actual mine.	Not applicable because the company is not yet operating an actual mine.
What is the Opportunity/ies identified?	Management Approach
None yet because the Company is not yet operating an actual mine.	Not applicable because the company is not yet operating an actual mine.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No available data.	N

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company upholds fair and transparent dealings with its customers. All transactions and business relationships with customers are covered by contracts that comply with the country's existing laws and regulations.	The Company will continuously review, update, and improve its policy with its customers.
What is the Risk/s Identified?	Management Approach
Due to space constraints, only one customer can be physically attended to at any given time to adhere to pandemic minimum health standards.	The Company moved to an office space that allows our representative to physically attend to more of its customers at any given time.
What is the Opportunity/ies identified?	Management Approach
The Company will determine the level of satisfaction of its stakeholders and customers once Atok is fully operational and the customer base of ABSTC has grown.	A Customer Satisfaction Survey to determine and improve actual performance/service rendered and quality of its operations will be conducted once Atok is fully operational and the customer base of ABSTC has grown.

Health and Safety

Disclosure	Quantity	Units
No. of substantial complaints on product or service health and safety*	0	#

No. of complaints addressed	0	#
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**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged with government agencies for them to act upon.*

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Employee and customer health and safety remain a priority of the Company.	The Company will continuously review, update, and improve its policy with its customers. Both customers and employees are required to wear face masks and are screened to prevent COVID-19 related and other infections in the workplace.
What is the Risk/s Identified?	Management Approach
High-risk customers to infections would sometimes visit the office. The elderly and PWD customers needed to use a flight of stairs in the past to conduct business at the office.	The Company encourages inquiries to be done over the phone or online to minimize the exposure of its high-risk customers to other infections. The Company moved to an office space more accessible to the elderly and PWDs.
What is the Opportunity/ies identified?	Management Approach
The Company will determine the level of satisfaction of its stakeholders and customers once Atok is fully operational and the customer base of ABSTC has grown.	A Customer Satisfaction Survey to determine and improve actual performance/service rendered and quality of its operations will be conducted once Atok is fully operational and the customer base of ABSTC has grown. Online means to do such should be explored.

Marketing and labeling

Disclosure	Quantity	Units
No. of substantial complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The marketing and labelling efforts of the Company are limited to the maintenance of its website, which caters to its stakeholders, clients, and future investors.	The Company regularly updates and improves its website.
What is the Risk/s Identified?	Management Approach
A breach in website security is possible, compromising the accessibility and accuracy of the information on the website.	The Company ensures that all data uploaded on the website are secure, accurate and up to date.

What is the Opportunity/ies identified?	Management Approach
Our stakeholders, clients and future investors are technologically savvy and use the internet extensively in gathering information.	The Company should harness the potential of digital media in its marketing and labelling efforts.

Customer privacy

Disclosure	Quantity	Units
No. of substantial complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company respects every stakeholder's right to privacy and commits to protect all personal data.	The Company strictly complies with Republic Act No. 10173 or the Data Privacy Act of 2012 and implements its own control on data security.
What is the Risk/s Identified?	Management Approach
The Company has no control over information that has been shared externally.	Disclosures of stakeholders' personal data are limited only to what is required by law or to complying with legal or regulatory requirements.
What is the Opportunity/ies identified?	Management Approach
Adherence to customer privacy can build customer trust and goodwill.	The Company complies with the Data Privacy Act to strengthen the integrity and security of its electronic database and records.

Data Security

Disclosure	Quantity	Units
No. data breaches, including leaks, thefts, and losses of data	0	#

<p>What is the Impact and where does it occur? What is the organization's involvement in the impact?</p>	<p>Management Approach</p>
<p>The Company has updated and effective security software to protect its data and to provide real-time visibility of any threat activities to stop a breach before it happens.</p>	<p>The Company takes precautions and educates its employees from sharing any sensitive and confidential information. Preventive security measures like data back-up, data recovery and the use of a firewall are in place.</p>
<p>What is the Risk/s Identified?</p>	<p>Management Approach</p>
<p>Information breaches can lead to the loss of confidential data.</p>	<p>The company/person involved should be immediately notified in the event of any breach in the use of their sensitive data. Anti-virus and cyber security software are continuously upgraded for data security.</p>
<p>What is the Opportunity/ies identified?</p>	<p>Management Approach</p>
<p>Having a strong data security in place can result to financial savings for and avoidance of any reputational damage to the company.</p>	<p>The Company ensures continuous update of its data security programs.</p>

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development.

Key Products and Services	Social Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Precious metal exploration	Economic growth	Environmental damage associated with field operations	Strict compliance with the laws as well as the policies in place by the Company to sustain its operations in the most efficient manner.
Stock Transfer Agency Services	Economic growth	None	None

**None/Not Applicable is not an acceptable answer. For holding companies, the services and products of their subsidiaries may be disclosed.*