

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2006, 2005 AND 2004
(Centavos Omitted)



ASSETS

	Notes	2006	2005	2004
CURRENT ASSETS				
Cash and cash equivalents	3c, 3d & 4 P	596,165	P 674,310	P 416,484
Financial assets held to maturity	3d, 3e & 5	706,438	3,317,531	11,390,473
Receivables	3f & 6	725,877	458,871	681,806
Inventories	3g & 7	2,398,279	968,020	780,700
Other current assets	8	2,383,434	440,280	42,675
Total Current Assets		6,810,193	5,859,012	13,312,138
NON-CURRENT ASSETS				
Property and equipment - net	3h, 3i & 9	25,399,060	23,794,500	20,379,930
Other non-current assets	3i & 10	484,819	484,819	43,855
Total Non-Current Assets		25,883,879	24,279,319	20,423,785
TOTAL ASSETS		P 32,694,072	P 30,138,331	P 33,735,923

LIABILITIES AND EQUITY

CURRENT LIABILITIES				
Accounts payable	3j & 11 P	289,860	P 283,086	P 303,502
Accrued expenses and other liabilities	3j & 12	2,157,585	2,130,843	2,206,057
Total Current Liabilities		2,447,445	2,413,929	2,509,559
NON-CURRENT LIABILITIES				
Total Liabilities	3m & 13	7,226,097	1,161,649	1,155,019
		9,673,542	3,575,578	3,664,578
EQUITY				
Capital stock	19			
Authorized - 60,000,000 shares at P1.00 par value per share				
Issued and outstanding shares		25,218,775	25,218,775	25,218,775
Retained earnings (Exhibit B)		(2,198,245)	1,343,978	4,852,570
Total Equity		23,020,530	26,562,753	30,071,345
TOTAL LIABILITIES AND EQUITY		P 32,694,072	P 30,138,331	P 33,735,923



EXHIBIT B

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF REVENUES AND RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Centavos Omitted)

	<u>Notes</u>	<u>2 0 0 6</u>	<u>2 0 0 5</u>	<u>2 0 0 4</u>
REVENUES				
Gold produced	3ki	P 3,555,038	P 385,441	P 281,601
Cost of revenues	3kii & 15	<u>1,204,627</u>	<u>187,954</u>	<u>145,787</u>
Gross profit		2,350,411	197,487	135,814
Interest	3kiii	18,863	338,539	743,435
Others	3kii	<u>64,697</u>	<u>79,656</u>	<u>3,762</u>
Total Revenues		<u>2,433,971</u>	<u>615,682</u>	<u>883,011</u>
EXPENSES				
General and administrative	3kii & 16	5,931,424	4,098,585	4,611,515
Financial charges	3kii	<u>44,770</u>	<u>25,689</u>	<u>536</u>
Total Expenses		<u>5,976,194</u>	<u>4,124,274</u>	<u>4,612,051</u>
NET LOSS FOR THE YEARS		(3,542,223)	(3,508,592)	(3,729,040)
RETAINED EARNINGS, BEGINNING		<u>1,343,978</u>	<u>4,852,570</u>	<u>8,581,610</u>
RETAINED EARNINGS, END (To Exhibit A)		<u>P(2,198,245)</u>	<u>P 1,343,978</u>	<u>P 4,852,570</u>
NET LOSS PER SHARE	18	<u>P (0.1405)</u>	<u>P (0.1391)</u>	<u>P (0.1479)</u>

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Centavos Omitted)

	2 0 0 6	2 0 0 5	2 0 0 4
CAPITAL STOCK			
Common Stock			
Class A			
Authorized - 36,000,000 shares			
Issued and outstanding - 15,118,707 shares	P 15,118,707	P 15,118,707	P 15,118,707
Class B			
Authorized - 24,000,000 shares			
Issued and outstanding - 10,100,068 shares	10,100,068	10,100,068	10,100,068
Balance at the end of the year	<u>25,218,775</u>	<u>25,218,775</u>	<u>25,218,775</u>
RETAINED EARNINGS			
Balance at the beginning of year	1,343,978	4,852,570	8,581,610
Net loss (Exhibit B)	<u>(3,542,223)</u>	<u>(3,508,592)</u>	<u>(3,729,040)</u>
Balance at the end of the year	<u>(2,198,245)</u>	<u>1,343,978</u>	<u>4,852,570</u>
Total Equity at the End of the Year	<u><u>P 23,020,530</u></u>	<u><u>P 26,562,753</u></u>	<u><u>P 30,071,345</u></u>

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004
(Centavos Omitted)

	2 0 0 6	2 0 0 5	2 0 0 4
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the years (Exhibit B)	P(3,542,223)	P (3,508,592)	P (3,729,040)
Adjustments to reconcile net loss to net cash flows from operating activities:			
Depreciation (Note 9 and 16)	191,368	74,945	74,241
Amortization (Note 15)	45,167	24,679	19,142
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Financial assets held to maturity (Note 5)	2,611,093	8,072,942	4,897,140
Receivables (Note 6)	(267,006)	222,935	148,002
Inventories (Note 7)	(1,430,259)	(187,320)	(350,023)
Other current assets (Note 8)	(1,988,321)	(422,285)	(19,818)
Increase (decrease) in:			
Accounts payable (Note 11)	6,774	(20,416)	(14,625)
Accrued expenses and other liabilities (Note 12)	26,742	(75,214)	(121,716)
Net Cash Flows from Operating Activities	(4,346,665)	4,181,674	903,303
CASH USED IN INVESTING ACTIVITIES			
Acquisition of property and equipment (Note 9)	(1,795,928)	(3,489,514)	(1,642,677)
(Increase) in non-current assets	-	(440,964)	-
Net Cash Used in Investing Activities	(1,795,928)	(3,930,478)	(1,642,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from affiliated companies (Note 13)	6,064,448	6,630	(301,148)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P (78,145)	P 257,826	P (1,040,522)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)	674,310	416,484	1,457,006
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P 596,165	P 674,310	P 416,484