

12 May 2026

The Philippine Stock Exchange
6/F, PSE Tower,
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Mr. Norberto T. Moreno, Jr.**
Head, Listings Department

Re: **Reply to Show Cause Letter dated 24 April 2026**
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Ladies and Gentlemen:

This is with relation to the show cause letter received Atlas Consolidated Mining and Development Corporation (**the Corporation** or AT) dated 24 April 2026 regarding the subscription of SM Investments Corporation, Anglo Philippine Holdings Corp., and Alakor Corporation (**the Subscribers**) following the Corporation's increase in authorized share capital in 2017.

In the letter, the Corporation is directed to reply by 13 April 2026 on why it should not be cited for its failure to have fully paid, and to file the relevant listing application for, the 1,472,500,000 AT Shares (**the Subject Shares**) within the prescribed period under the Memorandum CN-No. 2023-0012 or the Implementing Guidelines for the Listing of Issued and Outstanding Shares (**the Guidelines**).

At the onset, we thank the Exchange for giving us more time to respond the letter. We now respectfully clarify as we explained before to the Exchange and upon checking of records that the Subject Shares are partially paid in cash by the Subscribers upon execution of their subscription agreements, with the balance payable *upon call by the Corporation*.

These Subscription Agreements, collated and attached as **Annex A**, were duly disclosed to the Exchange and the Public in the Comprehensive Disclosure on Issuance of Shares dated and amended on 26 May 2017.² In each Subscription Agreement, the payment is conditioned upon the call by the Corporation, to wit:

"[Subscriber] agreed to pay upon execution of this Agreement the amount of [initial payment] receipt of which is hereby acknowledged by the Corporation and the balance shall be paid upon call by the Corporation (emphasis supplied).³"

We respectfully note that the Guidelines require the full payment of the shares subject of private placement to be made within one (1) year from the date of subscription, or from closing

² PSE Form No. LR-1, Comprehensive Corporate Disclosure on Issuance of Shares, submitted by AT to the PSE and amended 26 May 2017 (hereafter Comprehensive Corporate Disclosure).

³ Subscription Agreements.pdf attached to the Comprehensive Corporate Disclosure.

of the transaction, if the subscription is subject to closing conditions.⁴ As applied to AT, the transaction here is the subscription of the Subject Shares by the Subscribers as part of the Corporation's increase of authorized share capital, the full payment of which is subject to the condition of call by the Corporation to declare the subscription balance due and demandable.

To date, we confirm that the Board of Directors have approved in several occasions, and most recently during its meeting on 16 December 2025, for the Corporation *not* to make a call to declare due and payable to the corporation unpaid subscription, with specific resolution that the Corporation shall not make a call for the same in 2026 unless explicitly authorized by the Board of Directors.

It was clear at the onset that the intention of the Subscribers and AT to condition the full payment of the subscription upon the formal call to give due notice to the Subscribers of their obligation to pay AT. This condition was also in consideration of AT's financial and capital initiatives as previously reported to stockholders and AT has always been transparent with this as is previously disclosed.⁵ Most respectfully, this is aligned with general principles embodied under the Revised Corporation Code wherein "[p]ayment of unpaid subscription or any percentage thereof, together with any interest accrued, shall be made on the date specified in the subscription contract or on the date stated in the call made by the board."⁶

In view of the foregoing, the Corporation respectfully submits that it should not be cited or penalized for non-compliance with the prescribed period under the Guidelines considering that the full payment is subject to the call by AT, found within the relevant Subscription Agreements entered by AT and each Subscriber for the Subject Shares.

The Corporation reiterates its full commitment in observing the rules and regulations and remains cognizant with its obligations.

We look forward for your favorable consideration.

Thank you very much.

Respectfully yours,

**Atlas Consolidated Mining and
Development Corporation**

By: 

Axel G. Tumalak

Head for Corporate Legal Affairs,
Compliance and Corporate Governance

⁵ Comprehensive Corporate Disclosure.

⁶ Sec. 66, Revised Corporation Code