SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE COMMISSION
Corporate Governance and Finance Department
RECEIVED
8-10-2016
By: [illegible] Time: 2:14pm

1. Check the appropriate box:
   [ ] Preliminary Information Statement
   [x] Definitive Information Statement
2. Name of Registrant as specified in its charter:

   ACR MINING CORPORATION
3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number: **59366**
5. BIR Tax Identification Code : **001-748-412**
6. Address of principal office : **Alsons Building, 2286 Don Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City 1231, Philippines**
7. Registrant's telephone number, including area code: **(632) 982-3000**
8. Date, time and place of the meeting of security holders:

   September 9, 2016 at 2:00 p.m.
   Makati Sports Club, L.P. Leviste corner Gallardo Streets, Salcedo Village, Makati City
9. Approximate date on which the Information Statement is first to be sent or given to security holders: August 18, 2016
10. In case of Proxy Solicitations:

    Name of Person Filing the Statement/Solicitor: ACR Mining Corporation
    Address and Telephone No.: 2/F Alsons Building, 2286 Don Chino Roces Avenue
    Makati City 1231 Metro Manila; (632) 982-3000
11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of RSA (Information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱1.00 par value	34,650,000 Shares

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

    Yes [ ] No [x]

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

This Information Statement and Proxy Form shall be sent to security holders as soon as practicable after the approval of the Definitive Information Statement by the Securities and Exchange Commission on August 19, 2016 in connection with the Annual Stockholders' Meeting of ACR Mining Corporation (the "Corporation", "Company" or "ACRMC").

Item 1. Date, Time and Place of Meeting of Security Holders

The annual stockholders' meeting will be held on September 9, 2016 (the "Annual Stockholders' Meeting" or "Meeting"), Makati Sports Club, L.P. Leviste Street, Makati City.

The complete mailing address of the principal office of the Company is 2/F Alsons Building, 2286 Don Chino Roces Avenue, Makati City 1231, Philippines.

The Agenda of the Meeting, as indicated in the accompanying Notice of Annual Meeting of Stockholders, is as follows:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of Minutes of the 2015 annual meeting;
4. Management & Annual Report;
5. Approval of the 2015 Audited Financial Statements;
6. Ratification of Acts of the Board and Management;
7. Election of Directors (including Independent Directors);
8. Appointment of External Auditors;
9. Ratification of amendments to the By-laws;
10. Other business that may properly be brought before the meeting;
11. Adjournment

There will be an open forum before the approval of the Management & Annual Report and the Audited Financial Statements for the year ended December 31, 2015 is submitted to the vote of the shareholders. Questions will likewise be entertained for other items in the agenda as appropriate and consistent with orderly proceedings.

The Management Report and the Audited Financial Statements for the year ended December 31, 2015 are attached to this Information Statement. The Annual Report under Securities Exchange Commission ("SEC") Form 17-A is available with Company upon written request of a shareholder, the Company shall furnish such shareholder with a copy of the said Annual Report on SEC Form 17-A as filed with the SEC, free of charge. The contact details for obtaining such copy are on page 11 of this Information Statement.

Shareholders who cannot attend the Meeting may accomplish the attached Proxy Form. Please indicate your vote (Yes, No, Abstain) for each item in the attached form, and submit the same on or before August 25, 2016 to the Office of the Corporate Secretary at the Company's principal office.

Proxies will be tabulated by the Company's stock transfer agent, Prime Stock Transfer Services, Inc. (2/F, Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila) and will be voted in accordance with applicable rules.

Voting procedures are contained in this Information Statement and will be stated at the start of the Meeting. Cumulative voting is allowed; please refer to Item 4, page 2 and Item 19, page 11 for an explanation of cumulative voting.

Further information and explanation regarding specific agenda items, where appropriate, are contained in various sections of this Information Statement. This Information Statement constitutes notice of the resolutions to be adopted at the Meeting.

Item 2. Dissenters' Right of Appraisal

Any stockholder of the Corporation may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of such right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Corporation Code of the Philippines.

There are no matters to be taken up during the Meeting on September 9, 2016 that will require the exercise of the appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:

1. Directors or officers of the Corporation at any time since the beginning of the last fiscal year;
2. Nominees for election as Directors of the Corporation;
3. Associate of any of the foregoing persons.

No incumbent Director has informed the Company in writing of an intention to oppose any action to be taken at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of July 15, 2016, there are 34,650,000 outstanding common shares entitled to notice and to vote during the Meeting. Each common share is entitled to one vote, except with respect to the election of Directors where the stockholders are entitled to cumulative voting. Only holders of the Company's common voting stock of record at the close of business hours on July 15, 2016, acting in person or by proxy on the day of the Meeting, are entitled to vote at the Annual Meeting to be held on September 9, 2016.

The election of the Board of Directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for Director in accordance with Section 24 of the Corporation Code. Section 24 provides that a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are Directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholders should not exceed the number or shares owned by him as shown in the books of the Corporation multiplied by the whole number of Directors to be elected.

1. Security Ownership of Certain Record and Beneficial Owners

As of July 15, 2016, the Company knows of no one who beneficially owns in excess of 5% of its common stock except as set forth below:

Table 1 - Beneficial Owners of Voting Securities

Title of Class	Name and address of Record Owner	Relationship with Issuer	Name of Beneficial Owner and Relationship with record owner	Citizenship	Number of Shares Held	Percentage
Common	**Alsons Corporation**[1] **(AC)** Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila	Affiliate	AC[2]	Filipino	12,962,620	37.41%
Common	**Alsons Power Holdings Corp.** [1]**(APHC)** Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	Affiliate	APHC[2]	Filipino	6,249,998	18.04%
Common	**Alsons Development & Investment Corp.**[1] **(ADIC)** 329 Bonifacio St., Davao City	Affiliate	ADIC[2]	Filipino	5,942,620	17.15%
Common	**Alsons Consolidated Resources, Inc.**	None	ACR	Filipino	3,191,813	9.21%

2. Security Ownership of Management

The table on the next page shows the securities beneficially owned by all Directors, nominees, and Executive Officers of ACRMC as of July 15, 2016:

Table 2 - **Security Ownership of Management**

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership [Direct (d) or Indirect (i)]	Citizenship	Percent of Ownership
Directors:				
Common	Tomas I. Alcantara	100 (d)	Filipino	0.00%
Common	Paul G. Dominguez	100 (d)	Filipino	0.00%
Common	Editha I. Alcantara	100 (d)	Filipino	0.00%
Common	Tirso G. Santillan, Jr.	100 (d)	Filipino	0.00%
Common	Esperidion D. Develos, Jr.	100 (d)	Filipino	0.00%
Common	Ramil L. Villanueva	100 (d)	Filipino	0.00%
Common	Benjamin R. Almario	100 (d)	Filipino	0.00%
Sub-total		**700 (d)**		**0.00%**

[1] The President and CEO of the Corporation, Tomas I. Alcantara, is the Chairman of the Board of Directors of the Company.
[2] The Alcantara Family beneficially owns AC, APHC and ADIC, and these stockholders will be represented at the Meeting by Mr. Tomas I. Alcantara.

Officers:				
Common	Tomas I. Alcantara	100 (d)	Filipino	0.00%
Common	Paul G. Dominguez	100 (d)	Filipino	0.00%
Common	Editha I. Alcantara	100 (d)	Filipino	0.00%
	Luis R. Ymson, Jr.	-	Filipino	0.00%
	Angel M. Esguerra III	-	Filipino	0.00%
Sub-total		**300(d)**		**0.00%**
Grand Total		**1,000(d)**		

Voting Trust Holders of 5% or More

No person holds five percent (5%) or more of the issued and outstanding shares of stocks of the Company under a voting trust or similar agreement.

Changes in Control

There are no changes in controlling interest of the Company during the period covered by this report except that from being wholly-owned by Alsons Consolidated Resources, Inc. ("ACR"), the Company became owned by the stockholders of ACR when ACR declared the Company's shares a property dividend and the Bureau of Internal Revenue cleared the distribution of the Company's shares of stock.

Item 5. Directors and Executive Officers

a. Board of Directors and Executive Officers

(i) **The Board of Directors**

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets regularly or as often as required, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the Directors and Officers of the Company and their business experience for the last five years:

Table 3 – **Board of Directors**

Office	Name	Nationality
Director and Chairman of the Board	Tomas I. Alcantara	Filipino
Director and President	Paul G. Dominguez	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director	Tirso G. Santillan, Jr.	Filipino
Director	Esperidion D. Develos, Jr.	Filipino

Tomas I. Alcantara, 69, Filipino, became the Chairman of the Board of Directors and the President of the Company in August 2001. He holds a Bachelor of Science degree in Economics from the Ateneo de Manila University and a Masters in Business Administration (MBA) from Columbia University, and he attended the Advanced Management Program of the Harvard Business School. He is presently the Chairman of the Board of Directors and President of Alsons Development & Investment Corporation and Sarangani Agricultural Company, Inc., and other companies in the Alcantara Group (since August 2001).

Mr. Alcantara is also the Chairman of the Alsons Adtx Information Systems, Inc. (since August 2001). He is a Trustee of the European IT Service Center Foundation (since August 2002) and of the Foundation for Revenue Enhancement (August 2004). He has been a Director of Holcim Philippines, Inc. since July 2003, Philweb Corporation (May 2002) and DBP-Daiwa Capital Markets Phils., Inc. (July 1995).

Mr. Alcantara served as Undersecretary for the Industry & Investment Group of the Department of Trade and Industry, the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995, and the Special Envoy of the Philippine President to Asia Pacific Economic Cooperation forum in 1996. He was also the Chairman of the Board of Directors and the President of Holcim Manufacturing Corporation (formerly Alsons Cement Corporation) from May 1997 to July 2003 and has served as a Director of that company since 1997. He was a Member of the Advisory Board of Rizal Commercial Banking Corporation (RCBC) from April 1997 to June 2007. Mr. Alcantara served as a Director of Philippine Reclamation Authority (formerly Public Estate Authority) from 2003 to April 2006 and Chairman of the Manila Economic & Cultural Office from March 2001 to August 2010.

Paul G. Dominguez, 66, Filipino, became president of the Company since 2006. He was Presidential Assistant for Mindanao and Chairman of the Mindanao Economic Development Council (MEDCo) during the term of President Fidel V. Ramos, tasked to oversee efforts towards accelerating development in Southern Philippines. After serving in the Ramos administration, Mr. Dominguez became the Mindanao representative to the World Trade Organization - General Tariffs and ASEAN Free Trade Area (WTO-AFTA) Philippine Advisory Commission, Honorary Chairman of the Mindanao Business Council, and Country Director for the Philippines in the Board of Directors of the BIMP-East ASEAN Business Council. Mr. Dominguez was appointed by President Gloria Macapagal-Arroyo as Presidential Adviser for Regional Development in January 2001, and in April 2002 as Senior Consultant for Mindanao. He also served as the Special Envoy to Brunei Darussalam, Indonesia and Malaysia. Mr. Dominguez started his corporate career in 1971 with the Davao Light and Power Co. In 1974, he joined the Lapanday Agricultural Development Corp., a major agribusiness firm in Mindanao, as Assistant General Manager. He continued his involvement in agribusiness with the Sarangani Agricultural Company where he served as Executive Vice President from 1979 to 1985. From 1985 to 1992, he was President of C. Alcantara and Sons, Inc. a leading wood manufacturing company in Mindanao. Mr. Dominguez currently serves as director of several Philippine corporations. He previously served on the Advisory Board for Southeast Asia of Colonial Insurance Co. and Commonwealth Bank of Australia.

Editha I. Alcantara, 67, Filipino, has served as Director of the Company since February 6, 1996. She holds a Business Administration degree from Maryknoll College and an MBA from Boston College. Ms. Alcantara became the President of C. Alcantara and Sons, Inc. in 1992 after serving as the Treasurer of that company. Presently, she is a Director (since 1980) and the Treasurer (since October 2000) of other companies in the Alcantara Group.

She is also a Director of the Philippine Wood Producers Association (since May 16, 1980), and has served as a Trustee for the Philippine Business for the Environment, Inc. since July 1995 and as a Trustee of Miriam College since December 1998.

Tirso G. Santillan Jr., 72, Filipino, became a Director of the Company in June 11, 1996. He has also been the Executive Vice-President since April 27, 1995. He holds a Bachelor of Arts degree in Engineering and a Masters in Business Management degree from the Ateneo de Manila University.

Presently, he heads the Power Business Unit of the Alcantara Group. He has been the Executive Vice-President of Alto Power Management Corporation since January 1996, Conal Holdings Corporation since June 1997, Southern Philippines Power Corporation and Western Mindanao Power Corporation since March 1996. He is also a Director of Sarangani Agricultural Co., Inc. since May 2002.

Additionally, he has been the Managing Partner of Private Capital of Asia Ltd. since June 1991. Mr. Santillan worked with the First Pacific Group from February 1987 to May 1991.

Esperidion D. Develos, Jr., 68, Filipino, has been a Director of the Company since 2006. He holds a Bachelor of Science degree in Accountancy from Xavier University where he graduated graduated as Magna Cum Laude. He obtained his MBA at the Asian Institute of Management as scholar of SGV. He is a Certified Public Accountant. He is currently the Chief Audit Executive of Alsons Consolidated Resources, Inc. and a Senior Consultant of the Alcantara Group of Companies.

1) **The Executive Officers**

The following Company executive officers do not own more than 2% of ACRMC:

Table VI – Executive Officers

Office	Name	Nationality
Director and Chairman of the Board	Tomas I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Chief Financial Officer	Luis R. Ymson, Jr.	Filipino
Corporate Secretary	Angel M. Esguerra III	Filipino

Luis R. Ymson, Jr., 62, Filipino, has been the Chief Financial Officer of the Company since June 30, 2006. He is also Chief Financial Officer of the Alcantara Group since June 5, 2006. He holds a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from the De La Salle University, and pursued an MBA degree from the same university.

He has extensive investment banking experience from his previous employment with Allied Banking Corporation and UBP Capital Corporation from 1992 to 1996 and First Metro Investment Corporation and Metropolitan Bank & Trust Co. from 1996 to 2001. He previously served as Chief Finance Officer of The Philippine Daily Inquirer and Director/President of its affiliate, Newspaper Paraphernalia, Inc. until 2004.

Angel M. Esguerra III, 54, Filipino, was appointed as the Corporate Secretary of the Company on August 10, 2010. He is a member of the Philippine bar and obtained his Bachelor of Arts degree in Economics and his Law degree from the University of the Philippines. Mr. Esguerra practiced with several firms then joined a trans-national energy company with power plants in the Asia-Pacific Region as internal counsel, and served as the Corporate Secretary of its Philippine subsidiaries such as Batangas Power Corp. and Subic Power Corporation. In June of 2010, he joined the Alcantara Group as head of its Legal Services department and now serves as the Corporate Secretary of the group's other companies.

b. Family Relationship of Directors and Officers

Mr. Tomas I. Alcantara and Ms. Editha I. Alcantara are siblings, while Mr. Paul G. Dominguez is their brother-in-law. There are no other family relationships known to the Company up to the 4th civil degree.

c. Independent Directors

The following have been nominated as the Company's Independent Directors. They are neither officers nor substantial shareholders of ACRMC:

1. Benjamin R. Almario
2. Ramil L. Villanueva

d. Compensation plan

Warrants and Options Outstanding

The Company has no share-based compensation plan granted to its employees, and does not grant warrants or options to any of its Directors or Executive Officers.

e. Pending Legal Proceedings

None of the Directors and officers is involved in any bankruptcy proceedings as of July 31, 2015 and during the past five years. Neither have they been convicted by final judgment in any criminal proceedings or been subject to any order, judgment or decree by a court or agency 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.

f. Significant employees

There are no persons other than the Executive Officers that are expected by the Company to make a significant contribution to the business.

g. Legal Proceedings where Property is the Subject

There is no material pending legal proceeding as of July 15, 2016 to which the Company is a party or of which any of its properties is the subject.

h. Certain Relationships and Related Transactions

During the last three (3) years, the Company was not a party to any transaction in which a Director or Executive Officer of the Company, any nominee for election as a Director, or any security holder owning more than 5% of any class of the Company's issued and outstanding shares and/or his/her immediate family member, had a material interest thereon.

In the normal conduct of business, some of the Company's transactions with its affiliates and related parties are disclosed in the audited financial statements under Note 12 (Related Party).

There were no transactions to which the Company was a party during the past two (2) fiscal years where a Director, Executive Officer, nominee for Director, or stockholder owning more than 10% of the outstanding shares of the Company had a direct interest.

Item 6. **Compensation of Directors and Executive Officers**

There is no compensation of Directors and Executive Officers of the Company at present.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The Executive Officers of the Company are not employees of ACRMC and are not covered by any existing employment contracts. They only receive per diem if they attend a Board meeting, an Executive Committee meeting, and/or an Audit Committee meeting.

Elections of Directors

The Directors of the Company elected at the Stockholders' Meeting are to hold office for one (1) year until their respective successors have been duly elected and qualified.

The following were nominated to the Directorship for the following year by Ms. Sylvia G. Cortes:

1. Tomas I. Alcanatara
2. Paul G. Dominguez
3. Editha I. Alcantara
4. Tirso G. Santillan,Jr.
5. Benjamin R. Almario (independent)
6. Ramil L. Villanueva (independent)
7. Esperidion D. Develos, Jr.

Messrs. Benjamin R. Almario and Ramil L. Villanueva are not related to any of the Board of Directors and Executive Officers of the Company by affinity or consanguinity. None of the existing Directors declined for re-election or has disagreement on any matters relating to the operations, policies, or practices of the Company.

The business experiences of Messrs. Benjamin R. Almario and Ramil L. Villanueva, are as follows:

Benjamin R. Almario, 79, Filipino, finished law at the Ateneo de Manila University in 1961. He was the Import-Export Manager of Alsons Cement Corporation from 1999 to 2001. He was responsible for the importation of clinker and cement manufactured by the plant that could be sold in the domestic market. He was also the General Manager of Alsons International, Inc. from 1992 to 1998. He is also an independent director of Eagle Ridge Golf and Country Club, Inc. since 2002.

Ramil L. Villanueva, 46, Filipino, graduated from the Polytechnic University of the Philippines with the degree in Bachelor in Information Technology in 1992. He also attended several leadership and Management programs such as the "Top Management Course on Corporate Enterpreneurship" at the Asian Institute of Management (AIM) and the "Program on Corporate Management for Southest Asia" at Association of Overseas Technical Scholarship (AOTS) in Nagoya, Japan. He is a member of the Board of Directors of Alsons / AWS Information Systems, Inc. since 1997 and Eagle Ridge Golf and Country Club, Inc. since October 2008.

Mr. Villanueva is also a member of the Board of Directors of the following companies: Alsons?AWS Information Syatems, Inc. since May 1997, advances World Systems, Inc. since June 2005, advances World Solutions, Inc. since August 2006, and Eagle Ridge Golf and Country Club, Inc. since October 2008.

Nomination and Election of Regular and Independent Directors

In compliance with SRC Rule 38, which provides for the guidelines on the nomination and election of Independent Directors, a Nomination and Election Committee was created with the following members:

1. Tomas I. Alcantara - Director and Committee Chairman
2. Esperidion D. Develos, Jr. - Director Member
3. Benjamin R. Almario - Independent Director

The tasks of the Nomination and Election Committee are: (i) to promulgate the guidelines or criteria to govern the conduct of the nomination; (ii) to accept and pre-screen nominees for election as Independent Directors, ensuring that they conform with the criteria prescribed in SRC Rule 38 and the Company's Code of Corporate Governance, not later than 30 days prior to the stockholders meeting; and (iii) to prepare the final list of candidates and make this available to the SEC and stockholders before the stockholders' meeting.

The Company's Management is soliciting proxies to elect the independent Directors, namely: Mr. Benjamin R. Almario and Mr. Ramil L. Villanueva, all of whom were nominated by Ms. Sylvia G. Cortes, an unrelated stockholder. This Information/Proxy Statements and the accompanying Proxy Form have been submitted by the Company's Management to the Securities and Exchange Commission and distributed the stockholders in compliance with the SEC rules on proxy solicitation.

The above Directors and nominees, particularly the Independent Directors, have, pursuant to SRC Rule 38, been screened by the Nomination and Election Committee.

The write-up on their respective backgrounds and qualifications is set forth in the foregoing section on "Directors and Officers".

Members of the Audit Committee

The following are the members and officers of the Company's Audit Committee:

Office	Name
Chairman	Ramil L. Villanueva
Member	Editha I. Alcantara
Member	Esperidion D. Develos, Jr.

Item 10. **Modification or Exchange of Securities**

The Company has no outstanding securities that are to be modified or to be issued in exchange for other securities.

External Audit and Audit-Related Fees

The aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by SGV are as follows:

Fees for the years ended December 31, 2015 and 2014 were ₱56,000 for each of the two years. The above fees are for the audit of the Company's annual financial statements or services normally provided in connection with statutory and regulatory filings or engagements for 2015 and 2014.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

1. SyCip Gorres Velayo & Co. (SGV) has been the Company's external auditor for the last three fiscal years. SGV has not expressed any intention to resign as the Company's principal public accountant nor has it indicated any hesitance to accept re-election after the completion of their last audit.

2. In compliance with SEC Memorandum Circular No. 8, Series of 2003 on rotation of External Auditors, SGV's previous engagement partner was replaced in 2014.

3. There have been no disagreements with SGV & Co. on accounting principles or practices, financial statements disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference thereto in its respective reports on the Company's financial statements for the abovementioned years.

Interest of certain persons in or opposition to matters to be acted upon

The Directors, officers, nominees for Directors and their associates do not have a substantial interest, direct or indirect, in any matter to be acted upon other than election to office.

The Company has not been informed in writing by any person that he or she intends to oppose any action to be taken by the Company at the meeting.

Item 11. Financial and Other Information

The Company's Management's Discussion and Analysis or Plan of Operations and Financial Statements for the years ended December 31, 2015 and 2014 are attached hereto as **Annexes "A"** and **"B"**, respectively.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S SEC FORM 17-A (ANNUAL REPORT) AND A COPY OF THE INTERIM UNAUDITED FINANCIAL REPORT, ANNEX "C", DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

Mr. Luis R. Ymson, Jr.
Chief Financial Officer and Compliance Officer
ACR Mining Corporation
2/F Alsons Building, 2286 Don Chino Roces Avenue
Makati City, 1231 Metro Manila, Philippines

Item 12. **Merger, Consolidation, Acquisition and Similar Matters**

The Company has no plan to undergo a merger or consolidation into or with any other entity.

C. OTHER MATTERS

Item 15. Actions with Respect to Reports

Minutes of the Previous Stockholders' Meeting

Action is to be taken on the reading and approval of the minutes of the Annual Meeting of the Stockholders. 2015. Other matters for the forthcoming Annual Stockholders Meeting include the approval of the Audited Financial Statements for the year ended December 31, 2015, and the ratification of all acts, proceedings and resolutions of the Board of Directors, the Executive Committee and of the officers and management from date of the last meeting. The minutes of the Annual Meeting of the Stockholders and the relevant resolutions approved by the Board of Directors for ratification of the stockholders are attached as "**Annex D**".

A vote for the approval of the minutes, the Audited Financial Statements for the year ended December 31, 2015, and the ratification of all acts, proceedings and resolutions of the Board of Directors, the Executive Committee and of the officers and management from date of the last annual meeting is recommended.

Item 16. Matters Not Required to be Submitted

There are no matters or actions to be taken up in the Meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, By-laws, or Other Document

The Board of Directors will seek the stockholders' approval of amendments to the following provisions of the Company's by-laws:

1. In Article II, Section 1, the month for the annual stockholders' meeting will be changed from April to September;

2. In Article III, a new Section 2 on the Nomination and Election of Regular and Independent Directors will be inserted, and the current Sections 2 through 8 will be renumbered as Sections 3 through 9;

3. The new Section 2, on the Nomination and Election of Regular and Independent Directors, will have nine (9) sub-sections; and

4. In Article II, the renumbered Section 3 will have be re-titled, from "Election and Term" to "Term".

The draft of the Amended By-laws is attached as Annex "E".

Item 18. Other Proposed Action

There are no further actions required which would need disclosure.

Item 19. Voting Procedures

Stockholders as of July 15, 2016 may vote at the Annual Stockholders' Meeting on September 9, 2016. Stockholders have the right to vote in person or by proxy.

Registration of stockholders and proxies attending the Meeting will open at 12:00 noon of September 9, 2016.

Approval of the matters requiring stockholder action as set forth in the Agenda and this Information Statement would require the affirmative vote of stockholders owning at least a majority of the outstanding voting capital stock.

For the election of Directors, the seven (7) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will apply. Each stockholder as of July 15, 2016 may vote the number of shares registered in his name for each of the seven (7) Directors to be elected, or he may multiply the number of shares registered in his name by seven (7) and cast the total of such votes for one (1) Director, or he may distribute his votes among some or all of the seven (7) Directors to be elected.

The Company will distribute to shareholders not later than August 10, 2016 the Information Statement and proxy form. The proxy form contains each item on the Agenda that requires shareholders to vote "YES", "NO" or "ABSTAIN". In the case of the election of directors, the names of each of the nominees are listed in the proxy with space for the shareholder to indicate his or her vote for or against each of the nominees. The vote of the shareholders who submitted proxies for each item on the Agenda will be tallied by Prime Stock Services, Inc. ("Prime Stock), the Company's stock transfer agent.

The voting at the Stockholders' Meeting will be by balloting. Shareholders who are present and did not submit proxies before the meeting will be given ballots upon registration. In the case of proxies submitted prior to the meeting, the proxy designated by the stockholder to represent him at the Meeting will be provided with ballots for casting in accordance with the stockholder's instructions, as indicated in the proxy.

Ballots will be tabulated by the Company's stock transfer agent, Prime Stock, under the guidance and supervision of the Corporate Secretary. Results of the voting by shareholders will be announced for each item on the Agenda requiring the vote of shareholders. The tabulation and results of the voting shall be duly disclosed and shall be made available on the Company's website on the business day following the meeting.

This voting procedure shall also be announced at the start of the meeting.

For all other matters to be taken up, majority vote of the outstanding capital stock present and represented at the Meeting, where a quorum exists, shall be sufficient.

PART II.

[PLEASE SEE SEPARATE PROXY FORM.]

PART III.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Makati on AUG 10 2016, 2016.

ACR MINING CORPORATION
Issuer

By: ________________ Date: AUG 10 2016

ANGEL M. ESGUERRA, III
Corporate Secretary

PART II.

PLEASE FILL UP AND SIGN THE PROXY AND RETURN IMMEDIATELY TO THE CORPORATE SECRETARY. [A RETURN ENVELOPE IS PROVIDED FOR YOUR CONVENIENCE.]

The undersigned stockholder of ACR MINING CORPORATION (the "Company") hereby appoints Mr. Tomas I. Alcantara or in his absence, the Chairman of the meeting, as proxy, with power of substitution, to represent and vote all shares registered in the name of the undersigned, at the annual Meeting of the Stockholders of the Company to be held at the Makati Sports Club, L.P. Leviste corner Gallardo Streets, Salcedo Village, Makati City, on September 9, 2016 at 2:00 p.m. and at any of continuation thereof for the purpose of acting on the following matters:

1. Approval of the Management & Annual Reports; ☐ Yes ☐ No ☐ Abstain 2. Approval of the 2015 Audited Financial Statements; ☐ Yes ☐ No ☐ Abstain 3. Ratification of the Acts of the Board & Management; ☐ Yes ☐ No ☐ Abstain 4. Appointment of External Auditors; ☐ Yes ☐ No ☐ Abstain 5. Amendment of the By-laws for independent directors, and audit, nomination and elections, and other committees; ☐ Yes ☐ No ☐ Abstain 6. Appointment of Sycip Gorres & Velayo as independent auditors; ☐ Yes ☐ No ☐ Abstain	8. Election of Directors (including Independent Directors); ☐ Vote for all nominees below: Tomas I. Alcantara Paul G. Dominguez Editha I. Alcantara Tirso G. Santillan, Jr. Esperidion D. Develos Benjamin R. Almario (Independent Director) Ramil L. Villanueva (Independent Director) ☐ Withhold authority to vote for all nominees listed above ☐ Withhold authority to vote for the nominees listed below __________ __________ __________ __________ __________ __________
7. Appointment of election inspectors; ☐ Yes ☐ No ☐ Abstain	9. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting; ☐ Yes ☐ No ☐ Abstain
________________ Date	Signature: ____________________ Printed Name: ________________ Stockholder / Authorized Signatory

THIS PROXY SOLICITATION IS MADE BY OR ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY. THE COMPANY SECRETARY SHOULD RECEIVE THIS ON OR BEFORE AUGUST 25, 2016, THE DEADLINE FOR SUBMISSION OF PROXIES.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED BY THE STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE

MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY.

PROXIES EXECUTED BY BROKERS MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER.

FORMS OF THE CERTIFICATION MAY BE REQUESTED FROM PRIME STOCK. (TELEPHONE (02) 982 30 29).

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSES HIS INTENTION TO VOTE IN PERSON. THIS PROXY SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE HEREOF UNLESS OTHERWISE INDICATED IN THE SPACE HEREIN PROVIDED: ______________________.

This solicitation is primarily by mail; however, incidental personal solicitation may also be made by the officers, directors and regular employees of the Company whose number is not expected to exceed fifteen and who receive no additional compensation therefor. The Company bears the cost of preparing and mailing this proxy form and other materials furnished to stockholders in connection with this proxy solicitation.

No director or executive officer, nominee for election as director, or associate of such director, executive officer or nominee, of the Company, at any time since the beginning of the last fiscal year, has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

ANNEX A

ACR MINING CORPORATION

MANAGEMENT REPORT

for the
2016 Annual Meeting of Stockholders
Pursuant to SRC Rule 20[4] [B]

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

REVIEW OF CURRENT YEAR 2015

The 2015 Management Plan is integrated to the continuity of the pre-exploration phase of the Manat Mining Project. Even though the mining industry is experiencing unprecedented robust positions it is also affected by adverse consequences of the economic downturns, political uncertainties on the future of our country's mining projects.

Additional disclosure Requirements

Reconciliation of Retained earnings Available for Dividend

Not applicable

Comparative Schedule of financial soundness indicators as of December 31, 2015 and 2014

	2015	2014
Current Ratio	0.02:1	0.86:1
Asset to Equity	1.17:1	1.18:1
Interest Coverage Ratio	-	-
Debt to Equity Ratio	0.17:1	0.18:1

Commitment for Capital Expenditure

For 2016, Registrant plan to spend about US$1Million for expenditure largely for pre-exploration requirements.

Known Trends, Events or Uncertainties

There is no known event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked although, the company could be contingently liable for lawsuits and claims arising from the ordinary course of business which are not presently determinable.

There are no known significant trends, demands, commitments or uncertainties that will result in or that are reasonably likely to result in the company's liquidity increasing or decreasing in a material way. There are no material commitments for capital expenditures not reflected in the Company's financial statements. There are likewise no significant seasonality or cyclicality in its business operation that would have a material effect on the Company's financial condition or results of operations. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationship of the company with unconsolidated entities or other persons.

Income Statement Items

For the past several years, the Company has no income from its operations as there were no commercial operations yet. The Company records administrative costs as expenses and all other disbursements are capitalized as unamortized exploration and development costs.

Financial Risk Management Objectives and Policies

Financial risk factors

ACRMC's principal financial instruments comprise mainly of Cash and Advances from affiliates. The main purpose of these financial assets is to finance its pre-exploration operations. ACRMC has other financial liability such as Accrued expenses and other payables, which arise directly from its operations.

The main risk arising from ACRMC's financial assets are liquidity risk and credit risk. The Company has no significant financial instruments that are exposed to interest rate risk and foreign currency rate risk as of December 31, 2015 and 2014.

Since ACRMC is exposed to a variety of risks such as liquidity risk and credit risk, the Board of Directors makes it point to have an adequate risk management guiding the principles which will institutionalize a focused approach in addressing its exposure to different business risk.

ACMRC's risk management policy is addressed as follows:

Liquidity risk

Liquidity risks or funding risks is the risks that ACRMC will encounter in raising funds to meet commitments associated with financial liabilities and to finance capital expenditures. Liquidity risks may result from difficulty in collections or inability to generate cash inflows as anticipated. ACRMC manages liquidity by regularly monitoring and evaluating its projected and actual cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities as of December 31, 2015 and 2014 based on undiscounted payments:

2015

	On Demand	120 days or More	Total
Accrued expenses and other payables	4,559,173		4,559,173
Advances from affiliates	33,779,821		33,779,821

2014

	On Demand	120 days or More	Total
Accrued expenses and other payables	1,625,976		1,625,976

Credit risk

ACRMC's credit risk relates to "cash in bank" account. The exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset amounting to 364,990 and 894,618 as of December 31, 2015 and 2014, respectively. The Company has no outstanding receivables, it is not exposed to large concentrations of credit risk.

Known Trends, Events or Uncertainties

There is no known event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked although, the company could be contingently liable for lawsuits and claims arising from the ordinary course of business which are not presently determinable.

There are no known significant trends, demands, commitments or uncertainties that will result in or that are reasonably likely to result in the company's liquidity increasing or decreasing in a material way. There is no material commitment s for capital expenditures not reflected in the company's financial statements. There is likewise no significant seasonality or cyclicality in its business operation that would have a material effect on the company's financial condition or results of operations. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationship of the company with unconsolidated entities or other persons.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of ACRMC for the years ended December 31, 2015 and 2014 are presented in accordance with Philippine Financial Reporting Standards (PFRS) applied on a consistent basis.

Seasonality Aspects of the Business

The operation of ACRMC is not affected by seasonality or cyclicality.

Material Changes in Balance Sheet Accounts by 5% or More

1. Cash and cash equivalents, 45% Decrease

The decrease in cash was due mainly to the settlement of accounts and other current liabilities during the year as well as the pre-exploration cost incurred during the year.

2. Receivables, 76% Decrease

The decrease is due to the timing of collection of advances.

3. Property and Equipment, 100% Increase

The acquisition of an office equipment during year resulted to the 100% increase in this account.

4. Deferred Mine Exploration Costs, 104% Increase

The continuing pre-exploration development of the Company caused the increase in this account during the year.

5. Accounts payable and other current liabilities, 181% Increase

The increase is due mainly to the unsettled payables incurred for the deferred mine exploration cost during the year.

6. Due to related parties, 100% Increase.

The additional deferred mine exploration cost incurred by the Company that was settled by a related party caused the increase in due to related parties' account.

7. Deposit for Future Stocks Subscription, 100% Decrease.

The conversion of deposit for future stocks subscription into capital stock during the year caused the decrease in deposit for future stocks subscription and at the same time increase in capital stock.

BUSINESS AND GENERAL INFORMATION

THE BUSINESS

On February 6, 1996, ACR Mining Corporation was incorporated as ACR Management Corporation to act as manager or managing agent of persons, firms, associations, corporations, partnership and other entities. On November 17, 2006, the Company changed its name to ACR Mining Corporation and its primary business purpose to carry on the business of surface mining.

In 1997, Alsons Development and Investment Corporation (Aldevinco), entered into a Mineral Production Sharing Agreement (MPSA) with the Republic of the Philippines for the exploration, sustainable development and commercial utilization of mineral deposits covering 1,547.32 hectares in the Municipalities of Nabunturan and Maco, Province of Compostela Valley, island of Mindanao, called the Manat Claims.

In 1999, Aldevinco and Southern Exploration Corporation (SECO) entered into a joint venture (the Joint Venture), for the purpose of prospecting, exploring, developing works on the Manat Claims. Under the Joint Venture Agreement, SECO conducted exploration works on the Manat Claims for a participating interest of (a) 25% after completion of a certain work program and/or incurring total expenditures of US$1,000,000; (b) 50% after completion of an additional work program and/or incurring total expenditure of US$2,250,000. As soon as SECO earned 50% participating interest, SECO and Aldevinco shall register the joint venture as a partnership to qualify it to hold legal title to the Manat Claims and other properties acquired by the joint venture.

In 2007, the Company acquired Aldevinco's 75% participating interest in the Joint Venture for ₱195,000,000. The participating interest of the Company in the Joint Venture with SECO is 75% as of December 31, 2015.

Status of the project

The Company's initial activity involved the acquisition of Alsons Development and Investment Corporation's majority interest in a mining claim. The Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau on October 2012. As of December 31, 2015, the Manat MPSA is in exploration phase development.

The Company has no existing patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements.

(i) Business segments contribution to revenues

The Company has not yet started its commercial operations.

(ii) Competition

The Company has not commenced commercial operations, there is no expected competition in the market distribution of its products in the future.

(iii) Sources and Availability of Raw Materials and Supplies

There are no raw materials needed in producing the product.

(iv) Dependence on a Single or a Few Customers

Upon commercial operations, ACRMC will sell its products directly to customers through bilateral arrangements but it will not be dependent on a few major customers.

(v) Effect of Existing or Probable Governmental Regulations on the Business

There is no government agency that approves the principal product of the Company.

(vi) Research and Development

The Company spent for its development and pre-feasibility exploration phase for the last three years:

Year	Amount	% to Revenue
2015	36,448,128	-
2014	6,234,444	-
2013	5,050,276	-

(vii) Employees

As of December 31, 2015, ACRMC has 5 employees broken down as follows:

Administrative	1
Technical	2
Operations	2

(viii) Bankruptcy Proceedings

The Company has not contemplated any plan for bankruptcy, receivership or similar proceedings. Neither is there any material reclassification, merger, consolidation nor sale of any significant amount of assets in the ordinary course of business.

(ix) Cost and Effect of Compliance with Environmental Laws

There is no cost specifically assigned to compliance with environmental laws as the Company is not yet in production hence no environment hazard is caused by the Company's activities.

(x) Government Regulation

The Department of Environment and Natural Resources (DENR) thru its Bureau of Mines and Geo-Sciences Bureau (MGB) issues memorandum circular and regulates all mining companies in the Philippines. ECC granted by the DENR is still valid as if this date.

Key Performance Indicators (KPI)

The Company is not yet in a commercial operation, as such its KPI is not yet defined and in placed.

PROPERTIES

The mining rights and transportation equipment of the Company are located in Nabunturan Compostela Valley. The transportation equipment is in good working condition.

RISKS

Through prudent management and cautious investment decisions, ACRMC constantly strives to minimize risks that can weaken its financial position. However, certain risks are inherent to specific industries and are not within the direct control of the Company.

The Company carefully manages its liquidity to be able to finance its working capital. Management regularly monitors and forecasts its cash commitments to be able to meet its pre-feasibility cash requirements.

LEGAL PROCEEDINGS

The directors and executive officers of the Company have not been involved in any legal proceedings and the property of the Company is not a subject to any precedings.

SUBMISSION of MATTERS to a VOTE of SECURITY HOLDERS

During the calendar year covered by this report, no business matter was submitted to a vote of security holders through solicitation of proxies or otherwise.

OPERATIONAL AND FINANCIAL INFORMATION

MARKET FOR REGISTRANT'S COMMON EQUITY and RELATED STOCKHOLDER MATTERS

(1) Market Information

The Company's common shares are not listed in the Philippine Stock Exchange.

(2) Stockholders

As of July 15, 2016, ACRMC has 34,650,000 shares outstanding held by 1,833 stockholders. The list of the top twenty stockholders of the Company as recorded by Prime Stock Transfer Services, Inc., the Company's stock transfer agent, are as follows:

Table VII – Top Twenty (20) Stockholders

	Name	No. of Shares Held	% to Total
1.	Alsons Corporation	12,962,620	37.41%
2.	Alsons Power Holdings Corp.	6,249,998	18.04%
3.	Alsons Development and Investment Corp.	5,942,620	17.15%
4.	Alsons Consolidated Resources, Inc.	3,191,813	9.21%
5.	First Integrated Capital Securities, Inc.	871,821	2.52%
6.	United Coconut Planters Life Assurance Corp.	379,373	1.09%
7.	Papa Securities Corporation	336,018	0.97%

8.	Mandarin Securities Corporation	287,285	0.83%
9.	Solar Securities, Inc.	235,995	0.68%
10.	Raymund T. Yu	203,000	0.58%
11.	United Fund, Inc.	180,000	0.52%
13.	Joel Mendoza	179,443	0.52%
12.	Abacus Securities Corporation	169,783	0.49%
14.	L Hirondelle Holdings, Inc.	162,885	0.47%
15.	First Metro Securities Brokerage Corp.	128,242	0.37%
16.	Papa Securities Corporation	119,729	0.35%
17.	Dimensional Emerg Mkts Value Fund	105,455	0.30%
18.	Juan Chukeo	100,315	0.29%
19.	BPI Securities Corporation	98,200	0.28%
20.	Roberto Tiu	89,500	0.26%
	Total shares of top 20	31,993,095	92.33%

(3) Dividends

No dividends have been declared by the Company.

(4) Sales of Unregistered Securities Within the Last Two (2) Years

There are no other securities sold for cash by the Company within the last two (2) years that were not registered under the Securities Regulation Code.

CORPORATE GOVERNANCE

The Company complies with Securities Exchange Commission (SEC) mandated Corporate Governance. Board of Directors and Executive Officers are in the process of formulating a Manual of Corporate Governance in line with the ASEAN Corporate Governance Scorecard Assessment.

ANNEX B

ACR Mining Corporation

Financial Statements
December 31, 2015 and 2014

And

Independent Auditors Report

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

	A	S	0	9	6	0	1	2	9	5

COMPANY NAME

ACR MINING CORPORATION

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

Alsons Bldg., 2286 Chino Roces Ave., Makati City, Metro Manila, Philippines

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	NA	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@alcantaragroup.com	982 - 3000	N/A
No. of Stockholders	**Annual Meeting (Month / Day)**	**Fiscal Year (Month / Day)**
1,833	May 22	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis R. Ymson, Jr.	lry@alcantaragroup.com	982 - 3000	N/A

CONTACT PERSON's ADDRESS

Alsons Bldg., 2286 Chino Roces Ave., Makati City, Metro Manila, Philippines

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

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

ACR MINING CORPORATION

Alsons Building, 2286 Chino Roces Ave., Makati City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

SECURITIES AND EXCHANGE COMMISSION,
SEC Building, EDSA, Greenhills, Mandaluyong City

The management of ACR Mining Corporation, is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2015 and 2014, in accordance with the Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined 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 examination.

TOMAS I. ALCANTARA	PAUL G. DOMINGUEZ	LUIS R. YMSON, JR.
Chairman of the Board	President	Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 1 1 2016 affiants exhibiting to me their Identifications, as follows:

NAMES	IDENTIFICATION NO.	DATE & PLACE OF ISSUE
Tomas I. Alcantara	PP#EB8610644	07-09-13 / DFA Manila
Paul G. Dominguez	ECA47268853	07-23-15 / DFA Davao
Luis R. Ymson Jr.	PP#EC4476947	06-23-15 / DFA NCR South
Angel M. Esguerra, III	EB#5579139	06-06-12 / DFA Manila

Doc No. 547
Page No. 23
Book No. II
Series of 2016

ANGEL M. ESGUERRA, III NOTARY PUBLIC ROLL NO. 34787 MAKATI CITY, PHILIPPINES

ANGEL M. ESGUERRA, III
Commission No. M-234
Notary Public for Makati City, Until December 31, 2017
Roll No. 34787; 06/01/87
IBP Lifetime No. 00259; 06/01/95; Pasay Chapter
PTR OR No. 5330716; 01/08/16; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
ACR Mining Corporation
Alsons Bldg., 2286 Chino Roces Ave.
Makati City, Metro Manila, Philippines

Report on the Financial Statements

We have audited the accompanying financial statements of ACR Mining Corporation, which comprise the balance sheets as at December 31, 2015 and 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SGV

Building a better working world

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ACR Mining Corporation as at December 31, 2015 and 2014, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 17 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of ACR Mining Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole.

SYCIP GORRES VELAYO & CO.

Martin C. Guantes
Partner
CPA Certificate No. 88494
SEC Accreditation No. 0325-AR-3 (Group A),
August 25, 2015, valid until August 24, 2018
Tax Identification No. 152-884-272
BIR Accreditation No. 08-001998-52-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321643, January 4, 2016, Makati City

April 5, 2016

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8 - MAKATI
REVENUE DISTRICT OFFICE NO. 48
WEST MAKATI
RECEIVED
INITIAL: DATE:
RCO'S NAME: MANOLITO RC MEJIA JR. RCO CODE: 4910
APR 14 2016

ACR MINING CORPORATION

BALANCE SHEETS

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash (Note 7)	₱649,990	₱1,179,618
Receivables (Note 8)	52,500	217,822
Total Current Assets	702,490	1,397,440
Noncurrent Assets		
Transportation and office equipment (Note 9)	13,488	–
Mining rights (Note 10)	195,000,000	195,000,000
Deferred mine exploration costs (Notes 10 and 12)	71,498,404	35,050,276
Total Noncurrent Assets	266,511,892	230,050,276
TOTAL ASSETS	₱267,214,382	₱231,447,716
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	₱4,564,604	₱1,625,976
Due to related parties (Note 12)	33,779,821	–
Total Current Liabilities	38,344,425	1,625,976
Noncurrent Liabilities		
Deposit for future stock subscription (Notes 12 and 13)	–	34,036,475
Deferred income tax liability (Note 14)	–	98
Total Noncurrent Liabilities	–	34,036,573
Total Liabilities	38,344,425	35,662,549
Equity (Notes 12 and 13)		
Capital stock	34,650,000	1,250,000
Additional paid-in capital	195,000,000	195,000,000
Deficit	(780,043)	(464,833)
Total Equity	228,869,957	195,785,167
TOTAL LIABILITIES AND EQUITY	₱267,214,382	₱231,447,716

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
REVENUE			
Interest income (Note 7)	₱1,707	₱1,464	₱1,788
EXPENSES			
Documentation and filing fees	242,910	–	–
Depreciation (Note 9)	56,772	–	–
Professional fees	11,667	51,520	101,531
Taxes and licenses	7,919	7,390	2,250
Bank charges	100	1,100	1,050
Miscellaneous	–	14,082	12,784
	319,368	74,092	117,615
FOREIGN EXCHANGE GAIN	2,353	327	3,350
LOSS BEFORE INCOME TAX	(315,308)	(72,301)	(112,477)
PROVISION FOR (BENEFIT FROM) DEFERRED INCOME TAX (Note 14)	(98)	(907)	1,005
NET LOSS	(315,210)	(71,394)	(113,482)
OTHER COMPREHENSIVE INCOME	–	–	–
TOTAL COMPREHENSIVE LOSS	(₱315,210)	(₱71,394)	(₱113,482)
Basic/diluted loss per share (Note 13)	(₱0.014)	(₱0.385)	(₱162.117)

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8 - MAKATI
REVENUE DISTRICT OFFICE NO. 48
WEST MAKATI
RECEIVED
INITIAL: DATE:
RCO'S NAME: MANOLITO RC MEJIA, JR. RCO CODE: 4910

[illegible] 14 2016

ACR MINING CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013

	Capital Stock (Notes 12 and 13)						
	Issued and Fully Paid	Subscribed	Subscription Receivable	Net	Additional Paid-in Capital	Deficit	Total
BALANCES AS AT DECEMBER 31, 2012	₱700	₱1,249,300	₱925,000	₱324,300	–	(₱279,957)	₱45,043
Total comprehensive loss for the year	–	–	–	–	–	(113,482)	(113,482)
BALANCES AS AT DECEMBER 31, 2013	700	1,249,300	925,000	324,300	–	(393,439)	(68,439)
Total comprehensive loss for the year	–	–	–	–	–	(71,394)	(71,394)
Conversion of advances to capital stock	925,000	(925,000)	(925,000)	–	–	–	925,000
Additional issuance of capital stock	324,300	(324,300)	–	(324,300)	–	–	–
Conversion of deposit for future stock subscription to additional paid-in capital (Note 13)	–	–	–	–	195,000,000	–	195,000,000
BALANCES AS AT DECEMBER 31, 2014	1,250,000	–	–	–	195,000,000	(464,833)	195,785,167
Total comprehensive loss for the year	–	–	–	–	–	(315,210)	(315,210)
Conversion of deposit for future stock subscription to capital stock (Note 13)	33,400,000	–	–	–	–	–	33,400,000
BALANCES AS AT DECEMBER 31, 2015	₱34,650,000	₱–	₱–	₱–	₱195,000,000	(₱780,043)	₱228,869,957

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(₱315,308)	(₱72,301)	(₱112,477)
Adjustments for:			
Depreciation (Note 9)	56,772	–	–
Interest income	(1,707)	(1,464)	(1,788)
Unrealized foreign exchange gain	(2,026)	(327)	(3,350)
Operating loss before working capital changes	(262,269)	(74,092)	(117,615)
Decrease in receivables	165,322	279,278	(292,780)
Decrease in accounts payable and other current liabilities	(181,835)	(94,774)	(225,162)
Cash generated from (used in) operating activities	(278,782)	110,412	(635,557)
Interest received	1,707	1,464	1,788
Net cash from (used in) operating activities	(277,075)	111,876	(633,769)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to deferred mine exploration costs (Notes 10 and 12)	(5,225,463)	(6,158,314)	(6,674,314)
Acquisition of office equipment (Note 9)	(70,260)	–	–
Cash used in investing activities	(5,295,723)	(6,158,314)	(6,674,314)
CASH FLOWS FROM FINANCING ACTIVITY			
Additional advances from related parties (Note 12)	5,041,144	5,962,476	6,442,538
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2,026	327	3,350
NET DECREASE IN CASH	(529,628)	(83,635)	(862,195)
CASH AT BEGINNING OF YEAR	1,179,618	1,263,253	2,125,448
CASH AT END OF YEAR (Note 7)	₱649,990	₱1,179,618	₱1,263,253

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Financial Statements

Corporate Information
ACR Mining Corporation (the "Company") was incorporated on February 6, 1996 as ACR Management Corporation to act as managers or managing agents of persons, firms, associations, corporations, partnerships and other entities. The company name was changed to ACR Mining Corporation on November 17, 2006 and changed its primary business purpose to carry on the business of surface mining operating metallic and non-metallic and of prospecting, exploration and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in all other kinds of ores, metals, and minerals, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced; to purchase, lease, option, locate, or otherwise acquire, own, exchange, sell, or otherwise dispose of pledge, mortgage, deed in trust, hypothecate, and deal in mines, mining claims, mineral lands, coal lands, timber lands, water and water rights, and other property, both real and personal.

The registered office address of the Company is Alsons Bldg., 2286 Chino Roces Ave., Makati City, Metro Manila, Philippines.

Previously, the Company was a wholly owned subsidiary of Alsons Consolidated Resources, Inc. (ACR), a public company listed in the Philippine Stock Exchange. ARC's investment in the Company was declared as property dividend in May 2015. As a result, the Company became a public company under Rule 3 (M) of the Amended Implementing Rules and Regulations of the Securities and Regulation Code.

Authorization for Issuance of the Financial Statements
The financial statements were approved and authorized for issuance by the Board of Directors (BOD) on April 5, 2016.

2. Status of Operations

The Company's initial activity involved the acquisition of Alsons Development & Investment Corporation's (ADIC) majority interest in a mining claim, referred to as the Manat Mining Claims. Covered by Mineral Production Sharing Agreement (MPSA) Serial No. 094-97-XL for 25 years up to year 2022, the mining claim has a total area of 1,547.32 hectares. It is located in the Municipalities of Nabunturan and Maco, Province of Compostela Valley. Previous exploration work at the project area identified three sub-parallel northwest trending mineralized structures: Pagtulian, Katungbuan/Taglayag and Magas. Detailed work on the Magas Vein Zone (MVZ) so far revealed an estimated Joint Ore Reserves Committee standard resource of 2.7 million tons containing: 2.8 grams per ton gold, 26 grams per ton silver, 0.09% copper, 0.85% lead, and 1.58% zinc. On October 25, 2012, the Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau. As of December 31, 2015 and 2014, the Manat MPSA is in the exploration phase of development (see Note 10).

3. Basis of Preparation and Statement of Compliance

Basis of Preparation
The financial statements have been prepared on a historical cost basis and are presented in Philippine Peso (Peso), the Company's functional and presentation currency. All values are rounded to the nearest Peso except when otherwise indicated.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The Company qualifies as a Small and Medium-sized Entity (SME) but avails of the exemption from the mandatory adoption of Philippine Financial Reporting Standard for SMEs (PFRS for SMEs) because it is a significant associate of Alsons Corporation which is reporting under full PFRS.

4. Changes in Accounting Policies and Disclosures

New Standards Effective Starting January 1, 2015
The accounting policies adopted are consistent with those of the previous financial year except for the following amended and improved PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions,* and the following amendments to existing PFRS that became effective beginning January 1, 2015 and which did not have any significant impact on the Company's financial statements.

Annual Improvements to PFRSs (2010-2012 cycle)
The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 2, *Share-based Payment: Definition of Vesting Condition* (Amendment)
- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination* (Amendment)
- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets* (Amendments)
- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization* (Amendments)
- PAS 24, *Related Party Disclosures - Key Management Personnel* (Amendment)

Annual Improvements to PFRSs (2011-2013 cycle)
The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 3 - *Scope Exceptions for Joint Arrangements* (Amendment)
- PFRS 13, *Fair Value Measurement - Portfolio Exception* (Amendment)
- PAS 40, *Investment Property* (Amendment)

Future Changes in Accounting Policies

The following are the new and revised standards and interpretations that will become effective subsequent to December 31, 2015. The Company does not expect the adoption of these new and amended PFRS, PAS and Philippine Interpretations to have any significant impact on its financial statements.

No definite adoption date prescribed by the SEC and Financial Reporting Standards Council (FRSC)

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
- Amendments to PFRS 10 and PAS 28 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Effective in 2016

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments)
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests* (Amendments)
- PAS 1, *Presentation of Financial Statements - Disclosure Initiative* (Amendments)
- PAS 14, *Regulatory Deferral Accounts*
- PAS 16, Property, Plant and *Equipment* and PAS 41, *Agriculture - Bearer Plants*
- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)
- Annual Improvements to PFRSs (2012 - 2014 cycle)
  - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  - PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  - PAS 19, *Employee Benefits - regional market issue regarding discount rate*
  - PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report*

Effective January 1, 2018

- PFRS 9, *Financial Instruments*

In addition, the International Accounting Standards Board has issued the following new standards that have not yet been adopted locally by the Philippine SEC and FRSC. The Company is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers* (effective January 1, 2018)
- IFRS 16, *Leases* (effective January 1, 2019)

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2015. Additional disclosures required by these new and amended accounting standards and interpretations will be included in the financial statements when they are adopted.

5. Summary of Significant Accounting Policies

Determination of Fair Value

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the 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 of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring and non-recurring fair value measurements. 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.

The Company recognizes transfers into and transfers out of fair value hierarchy levels by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) as at the date of the event or change in circumstances that caused the transfer.

Financial Instruments
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 balance sheet when it becomes a party to the contractual provisions of the 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. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Initial recognition of financial instruments. Financial instruments are recognized initially at fair value. Except for financial assets and financial liabilities at fair value through profit or loss (FVPL), the initial measurement of financial instruments includes transaction costs. Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

"Day 1" difference. Where the transaction price 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 the statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the statement of comprehensive income 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 amount.

Categories of Financial Instruments
The Company classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, AFS financial assets and held-to-maturity (HTM) investments. Financial liabilities are further classified as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Company has no financial assets and liabilities at FVPL, HTM investment and AFS financial assets as at December 31, 2015 and 2014.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. These financial assets are included in current assets if maturity is within twelve months from the balance sheet date. Otherwise, these are classified as noncurrent assets. Included in this category is the Company's cash in bank.

Other financial liabilities
This category pertains to financial liabilities that are not held for trading or designated at FVPL upon inception of the liability. These include liabilities arising from operations or borrowings.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Any effects of restatement of foreign currency-denominated liabilities, if any, are recognized in the statement of comprehensive income.

Included in this category are the Company's accounts payable and other current liabilities and due to related parties.

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 Company's rights to receive cash flows from the asset have expired;
- the Company retains the rights to receive cash flows from the 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 rights to receive cash flows from the 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.

Where the Company has transferred its right to receive cash flows from an asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the 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 or 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 statement of comprehensive income.

Impairment of Financial Assets
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognized in the statement of comprehensive income. When impairment loss is certain, the financial asset is written off. Interest income continues to be recognized based on the original effective interest rate of the asset. Loans, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized.

If, in a subsequent period, the amount of the impairment loss increases or decreases and the increase or decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced or increased by adjusting the allowance account. If a write-off is later recovered, the recovery is recognized in the Company's statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Transportation and Office Equipment
Transportation and office equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of transportation and office equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of transportation and office equipment consists of its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs necessary in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of transportation and office equipment beyond the originally assessed standard of performance, the expenditures are capitalized as additional costs of the transportation and office equipment.

Depreciation of transportation and office equipment is computed using the straight-line method over the following estimated useful lives:

Office equipment	2 years
Transportation equipment	5 years

The useful life and method of depreciation are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of transportation and office equipment. The residual value, if any, is also reviewed and adjusted if appropriate, at each year-end.

An item of transportation and office equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of transportation and office equipment are recognized in the statement of comprehensive income in the year of retirement or disposal.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are credited to current operations.

Mining Rights
Mining rights are stated at cost less any accumulated depletion and any accumulated impairment losses. The cost of the mining rights includes the purchase price and other costs directly attributable to the acquisition. Mining rights are not yet subject to depletion until actual extraction of mineral reserves. Depletion of the mining rights is computed using the unit-of-production method. Mining rights are charged to current operations in the year these are determined to be worthless.

Impairment assessments are made if events or changes of circumstances indicate that the carrying value of the asset may not be recoverable.

Deferred Mine Exploration Costs
Expenditures for exploration works on mining properties (i.e., acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resource) are deferred as incurred and included under "Deferred mine exploration costs" account in the balance sheet. If and when recoverable reserves are determined

to be present in commercially producible quantities, the deferred exploration expenditures, and subsequent mine development costs are capitalized as part of the mine properties and mine development costs included as part of property, plant and equipment.

A valuation allowance is provided for unrecoverable deferred mine exploration costs based on the Company's assessment of the future prospects of the exploration project. Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or when the project is abandoned, the deferred mine exploration costs associated with the project and the related impairment provisions are written off. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

Impairment of Nonfinancial Assets

The Company assesses at each balance sheet date whether there is an indication that the nonfinancial assets may be impaired. If any such indication exists and when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators. Any impairment loss is recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each balance sheet 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 Company makes an estimate of recoverable amount. 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. The reversal is limited so that the carrying amount of the asset does not increase its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and depletion, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Company's statement of comprehensive income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

Capital Stock

Capital stock is measured at par value for all shares issued. Incremental costs incurred that are directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Deposit for Future Stock Subscription

Deposit for future stock subscription represents the amount received that will be applied as payment in exchange for a fixed number of the Company's own equity instruments.

Under Financial Reporting Bulletin No. 6 as issued by the Philippine Securities and Exchange Commission (SEC), the Company shall classify a contract to deliver its own equity instruments under equity as a separate account from outstanding capital stock, if and only if, all of the following elements are present as of balance sheet date:

a. The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
b. There is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
c. There is stockholders' approval of said proposed increase; and
d. The application for the approval of the proposed increase has been filed with the SEC.

If the above conditions are not met, the "Deposit for future stock subscription" is presented as a liability.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of consideration received, excluding discounts and sales taxes. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Interest income is recognized as the interest accrues, using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Expenses
Expenses include cost of administering the business and recognized as incurred.

Income Tax
Current income tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at balance sheet date.

Deferred income tax. Deferred income tax is provided using the balance sheet liability method on all temporary differences at balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of NOLCO can be utilized.

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

Deferred income tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at balance sheet date.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies
Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Basic/Diluted Earnings (Loss) Per Share
Basic/diluted earnings (loss) per share is determined by dividing net income (loss) by the weighted average number of shares issued and outstanding after giving retroactive adjustment for any stock dividends and stock splits declared during the period. The Company has no financial instrument or other contract that may entitle its holder to common shares that would result to diluted earnings (loss) per share.

Segment Reporting
The Company has only one segment which pertains to its mine exploration activities. The operating segment is reported in a manner that is more consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the BOD that makes strategic decisions. The Company has no inter-segment sales and transactions.

Events After the Balance Sheet Date
Events after the balance sheet date that provide additional information about the Company's financial position at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to financial statements when material.

6. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities at the balance sheet date. Future events may occur which will cause the judgments, estimates and assumptions used in arriving at the estimates to change.

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements. The judgments are based upon management's evaluation of relevant facts and circumstances as at the dates of the financial statements.

Determination and classification of a joint arrangement
Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Classifying the arrangement requires the Company to assess their rights and obligations arising from the arrangement. Specifically, the Company considers:

- The structure of the joint arrangement - whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Company also considers the rights and obligations arising from:

  a. the legal form of the separate vehicle;
  b. the terms of the contractual arrangement; and
  c. other facts and circumstances (when relevant)

This assessment often requires significant judgment, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

The Company determined that its joint venture agreement with SECO is not a joint arrangement under PFRS 11.

Determination of impairment of mining rights and deferred mine exploration costs
The Company performs an impairment review of mining rights and deferred mine exploration costs when the following impairment indicators, among others, are present:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the mining rights and deferred project costs asset is unlikely to be recovered in full from successful development or by sale.

The Company did not identify any indicators of impairment. Accordingly, the carrying amount of mining rights and deferred mine exploration costs totaling to ₱266.5 million and ₱230.1 million as of December 31, 2015 and 2014, respectively, is not impaired (see Note 10).

Recognition of deferred income tax asset
The Company's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the forecasted taxable income of the following year. This forecast is based on the Company's past results and future expectations on revenues and expenses.

As of December 31, 2015 and 2014, the Company did not recognize deferred income tax asset on the carryforward benefits of NOLCO amounting to ₱0.15 million and ₱0.06 million, respectively, since management believes that it is more likely that the Company will not have sufficient future taxable profits against which the carryforward benefits of NOLCO can be utilized (see Note 14).

7. Cash

	2015	2014
Cash on hand	₱285,000	₱285,000
Cash in bank	364,990	894,618
	₱649,990	₱1,179,618

Cash in bank earns interest at the respective interest rate per annum. Interest income earned in 2015 and 2014 amounted to ₱1,707 and ₱1,464, respectively.

8. Receivables

Receivables consist of noninterest-bearing advances for business expenses which are normally liquidated within a year.

9. Transportation and Office Equipment

In 2015, the Company acquired office equipment amounting to ₱0.07 million. Related depreciation expense during the year amounted ₱0.06 million. The Company has fully depreciated the transportation and office equipment still used in the operations with cost and accumulated depreciation of ₱0.20 million as of December 31, 2015 and 2014.

10. Mining Rights and Deferred Mine Exploration Costs

Mining Rights

In 1997, ADIC, a stockholder of AC and ACR, entered into an MPSA with the Republic of the Philippines for the exploration, sustainable development and commercial utilization of mineral deposits covering 1,547.32 hectares in the Municipalities of Nabunturan and Maco, Province of Compostela Valley (the Manat Claims).

In 1999, ADIC and Southern Exploration Corporation (SECO) entered into a joint venture (the Joint Venture), for the purpose of prospecting, exploring, developing and mining the Manat Claims. Under the Joint Venture Agreement, SECO shall conduct exploration works on the Manat Claims. SECO's participating interest shall be (a) 25% after completion of certain work program and/or incurring total expenditures of US$1,000,000; and (b) 50% after completion of certain work program and/or incurring total expenditure of US$2,250,000. As soon as SECO earned 50% participating interest, SECO and ADIC shall register the joint venture as a partnership to qualify it to hold legal title to the Manat Claims and other properties acquired by the Joint Venture. This joint venture agreement does not fall as joint venture arrangement under PFRS 11.

In 2007, the Company acquired ADIC's 75% participating interest in the Joint Venture for ₱195.0 million. The participating interest of the Company in the Joint Venture with SECO is 75% as of December 31, 2015 and 2014.

The carrying value of the mining rights as of December 31, 2015 and 2014 amounted to ₱195.0 million.

Deferred Mine Exploration Costs

This account consists of deferred mine exploration costs incurred by the Company for the mineral deposits in the Manat Claims. As of December 31, 2015 and 2014, the Manat MPSA is still in the exploration phase of development. The carrying value of deferred mine exploration costs as of December 31, 2015 and 2014 amounted to ₱71.5 million and ₱35.1 million, respectively.

11. Accounts Payable and Other Current Liabilities

	2015	2014
Accounts payable and accrued expenses	₱4,559,173	₱1,625,976
Withholding taxes payable	5,431	–
	₱4,564,604	₱1,625,976

Accounts payable and accrued expenses are non-interest bearing and are normally settled within a year. Accrued expenses consist significantly of accrual for professional fees.

12. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include (a) entities that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual. Affiliate refers to an entity, that is neither a parent, subsidiary, nor an associate, with stockholders common to the Alcantara Group or under common control.

Related party transactions consist of cash advances. Outstanding balances at year-end are interest free, payable on demand, and are settled in cash. Outstanding balances as at December 31, 2015 and 2014 are shown as "Due to related parties" account in the balance sheets.

Outstanding balances with related parties are as follows:

		Advances During the Year	Outstanding Balances	Terms and Condition
Affiliates				
Conal Corporation	2015	₱27,388,439	₱27,388,439	Due and demandable, noninterest bearing, unsecured
	2014	–	–	
ACR	2015	6,391,382	6,391,382	Due and demandable, noninterest bearing, unsecured
	2014	6,038,606	–	
	2015	₱33,779,821	₱33,779,821	
	2014	₱6,038,606	₱–	

In 2015, Conal Corporation and ACR paid on behalf of the Company certain expenditures for exploration works on mining properties totaling to ₱27.4 million and ₱0.7 million, respectively. These transactions are treated as non-cash financing activity in the 2015 statement of cash flows.

Compensation of Key Management Personnel
The Company does not have compensation for key management personnel in 2015 and 2014.

13. Capital Stock, Deposit for Future Stock Subscription and Earnings Per Share

a. Capital stock

	December 31, 2015		December 31, 2014	
	Number of Shares	Amount	Number of Shares	Amount
Authorized - ₱1 par value per share				
Beginning balance	5,000,000	₱5,000,000	5,000,000	₱5,000,000
Addition	495,000,000	495,000,000	–	–
Ending balance	500,000,000	₱500,000,000	5,000,000	₱5,000,000
Issued				
Beginning balance	1,250,000	1,250,000	700	700
Additions:				
Cash	–	–	324,300	324,300
Conversion of future stock subscriptions	33,400,000	33,400,000	–	–
Conversion of advances	–	–	925,000	925,000
Ending balance	34,650,000	₱34,650,000	1,250,000	₱1,250,000

On November 7, 2014, the BOD approved the increase in the Company's authorized capital stock from ₱5.0 million divided into 5 million shares to ₱500.0 million divided into 500 million shares with par value of ₱1 per share. In 2015, the Company filed its application for increase in its authorized capital stock with SEC which was subsequently approved on May 5, 2015.

b. Deposit for future stock subscription

In 2014, ACR converted its remaining receivable from the Company into deposit for future stock subscription amounting to ₱34.04 million.

In the same year, the BOD of the Company approved the conversion of the deposit for future stock subscription from ACR amounting to ₱195.0 million into additional paid-in-capital of the Company. This transaction is treated as non-cash financing activity in the 2014 statement of cash flows.

In 2015, the deposit for future stock subscription amounting to ₱33.4 million was converted into capital stock of the Company. The remaining amount of ₱0.6 million which was not converted to capital stock was accounted for as due to related party. These transactions are treated as non-cash financing activities in the 2015 statement of cash flows.

c. Basic/Diluted Loss Per Share

	2015	2014	2013
Net loss	**(₱315,210)**	(₱71,394)	(₱113,482)
Divided by the average number of common shares outstanding during the year	**23,208,219**	185,526	700
Basic/Diluted loss per share	**(₱0.014)**	(₱0.385)	(₱162.117)

The Company has no financial instrument or other contract that may entitle its holder to common shares that would result to diluted loss per share.

14. Income Taxes

a. There is no provision for current income tax since the Company is in a tax loss position.

b. The Company recognized deferred income tax asset to the extent of deferred income tax liability arising from unrealized foreign exchange gain amounting to ₱607 as of December 31, 2015. The Company also recognized deferred income tax liability amounting to ₱98 as of December 31, 2014.

c. The Company did not recognize deferred income tax asset on the carryforward benefits of NOLCO amounting to ₱505,045 and ₱190,307 as of December 31, 2015 and 2014, respectively, since management believes that it is not probable that sufficient future taxable income will be available to allow the NOLCO to be utilized.

As of December 31, 2015, the Company's NOLCO that can be carried forward and claimed as deduction against future taxable income are as follows:

Year Incurred	Available Until	Amount
2015	2018	₱318,714
2014	2017	70,742
2013	2016	117,615
		₱507,071

	2015	2014
Beginning balance	**₱190,307**	₱181,651
Addition	**318,714**	70,742
Expiration	**(1,950)**	(62,086)
Ending balance	**₱507,071**	₱190,307

d. The reconciliation of benefit from income tax computed using the statutory income tax rate to provision for (benefit from) income tax as shown in profit or loss is summarized as follows:

	2015	2014	2013
Income tax computed at 30%	**(₱94,592)**	(₱21,690)	(₱33,743)

(Forward)

	2015	2014	2013
Adjustments resulting from:			
Interest income already subjected to final tax	(₱512)	(₱439)	(₱537)
NOLCO for which no deferred income tax asset was recognized	95,006	21,222	35,285
Provision for (benefit from) deferred income tax	(₱98)	(₱907)	₱1,005

15. **Financial Risk Management Objectives and Policies**

The Company's financial instruments are composed of cash in bank, accounts payable and other current liabilities and due to related parties. The main purpose of these financial instruments is to raise finances for the Company's operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company's BOD and management review and agree on the policies for managing each of these risks and they are summarized below.

Credit risk
Credit risk arises from the default of the counterparty to make payments when due. The maximum exposure to credit risk for the Company's financial asset is represented by the carrying amount of cash in bank amounting to ₱0.36 million and ₱0.89 million as of December 31, 2015 and 2014, respectively. The Company's financial asset as of December 31, 2015 and 2014 is neither past due nor impaired.

The credit quality of the Company's financial asset based on historical experience with the corresponding third party is high grade.

High grade financial assets pertain to those investments to counterparties with good credit standing or loans and receivables that are consistently paid before the maturity.

Cash in bank is deposited in a reputable bank in the Philippines, hence, considered high grade.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, the Company closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due.

The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information.

Based on the Company's assessment, the carrying values of its cash in bank as of December 31, 2015 and 2014 are readily available for liquidity purposes. As of December 31, 2015 and 2014, the Company's accounts payable and other current liabilities, excluding withholding taxes payable, amounting to ₱4.56 million and ₱1.63 million, respectively, are payable within a year.

Due to related parties amounting to ₱33.78 million as of December 31, 2015 and nil as of December 31, 2014 is due and demandable.

Capital Management
The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, return capital to stockholders or issue new shares. The Company is not subject to any extremely imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended December 31, 2015 and 2014.

The amount of capital is the total equity balance as of December 31, 2015 and 2014 as shown in the balance sheets.

Fair Value
The carrying value of cash in bank, receivables, accounts payable and other current liabilities and due to related parties approximates their fair values as of balance sheet dates due to the short-term nature of these financial instruments.

16. Segment Information

The Company has only one segment which pertains to its mine exploration activities. Information regarding the Company's business segment follows:

Earnings Information:

	2015	2014	2013
Interest income	**₱1,707**	₱1,464	₱1,788
Provision for (benefit from) income tax	**(98)**	(907)	1,005
Net loss	**(315,210)**	(71,394)	(113,482)

Other Information:

	2015	2014
Segment assets	**₱267,214,382**	₱231,447,716
Segment liabilities	**(38,344,425)**	(35,662,549)
Depreciation expense	**56,772**	–
Capital expenditures	**(70,260)**	–

Cash Flow Information:

	2015	2014	2013
Operating activities	**(₱277,075)**	₱111,876	(₱633,769)
Investing activities	**(5,295,723)**	(6,158,314)	(6,674,314)
Financing activity	**5,041,144**	5,962,476	6,442,538

17. Supplementary Information Required Under Revenue Regulations No. 15-2010

The following include information on taxes, duties and licenses paid or accrued in 2015:

Taxes and Licenses
The details of taxes and licenses for the year ended December 31, 2015 are as follows:

Business permit	₱6,919
Community tax certificate	500
Others	500
	₱7,919

Documentary Stamp Tax
The Company did not pay any documentary stamp tax during the year ended December 31, 2015.

Withholding Taxes
The expanded withholding taxes paid/accrued for the year amounted to ₱83,817.

Tax Assessments and Cases
The Company has not received any Final Assessment Notice or Formal Letter of Demand from the Bureau of Internal Revenue (BIR) for its open years. Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2015.

SGV
Building a better working world

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BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
ACR Mining Corporation
Alsons Bldg., 2286 Chino Roces Ave.
Makati City, Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the financial statements of ACR Mining Corporation as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A and have issued our report thereon dated April 5, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Martin C. Guantes
Partner
CPA Certificate No. 88494
SEC Accreditation No. 0325-AR-3 (Group A),
August 25, 2015, valid until August 24, 2018
Tax Identification No. 152-884-272
BIR Accreditation No. 08-001998-52-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5321643, January 4, 2016, Makati City

April 5, 2016

ACR Mining Corporation
SUPPLEMENTARY SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS
DECEMBER 31, 2015

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendment to PFRS 1: Meaning of Effective PFRSs	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendment to PFRS 2: Definition of Vesting Condition			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendment to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments*		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*		✓	
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*			✓
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*		✓	
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Investment Entities			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception	✓		
PFRS 14	Regulatory Deferral Accounts*		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiatives*		✓	
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization*		✓	
	Amendments to PAS 16: Bearer Plants			✓
PAS 17	Leases			✓
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits			✓
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution			✓
	Amendments to PAS 19: Regional market issue regarding discount rate			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment to PAS 21: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures	✓		
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
	Amendment to PAS 34: Disclosure of information 'elsewhere in the interim financial report'			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
PAS 38	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			✓
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Early Adopted	Not Applicable
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	*Interim Financial Reporting and Impairment*			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

**These standards, interpretations and amendments to existing standards will become effective subsequent to December 31, 2015. The Company did not early adopt these standards, interpretations and amendments.*

ANNEX C

ACR Mining Corporation

Interim Financial Statements
Six Months Ended June 30, 2016 with Comparative Figures as of June 30, 2015 and Year Ended December 31, 2015

And

Management Report and Analysis of Results of Operations and Financial Condition

PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are submitted as part of this report:

A copy of the comparative financial statements for the six months period ended June 30, 2016 and 2015 is submitted as part of Information Statement. The financial statements were prepared in accordance with the accounting standards generally accepted in the Philippines. The accounting policies and methods of computations followed in the interim financial statements are the same methods used in the audited financial statements for the year ended December 31, 2015.

Item 2. Management's Discussion and Results of Operations

Results and Status of Operations

ACRMC has not started commercial extraction of mine products. Registrant has no income from operations as there were no commercial operations yet as of the end of the period. The company records administrative costs as expenses and all other disbursements are capitalized as unamortized exploration and development costs.

Financial Conditions

Comparative financial conditions as of June 30, 2016 and December 31, 2015 are presented below:

	June 30, 2016	December 31, 2015
Total Current Assets	1,361,433	702,490
Total Noncurrent Assets	268,930,850	266,511,892
Total Assets	270,292,283	267,214,382
Current Liabilities	41,445,777	38,344,425

June 30, 2016 vs. December 31, 2015

Cash increased by 19% from ₱649,990 to ₱771,433 due mainly additional related party availed during the period.

Receivable increased by 1024% from ₱52,500 to ₱590,000 due to the additional advances to employees for community related expenses that remain unliquidated as of the period ended June 30, 2016.

Transportation and office equipment decreased by 49% due to depreciation expense recognized during the period.

Due to related parties increased by 10% from ₱33.8 million to ₱37.1 million due mainly to additional advances obtained from related parties during the period and used for pre-exploration expenses.

i. No events that will trigger Direct or Contingent Financial Obligation that is material to the Company, including any default or acceleration of obligation.

ii. Material Off-Balance Sheet Transactions, Arrangements, Obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

   The Company has no other material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during the period that is not included in the financial statements.

PART II -- OTHER INFORMATION

Other Required Disclosures

1. The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2015.

2. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

3. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.

4. Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.

5. There were no material events subsequent to June 30, 2016 up to the date of this report that needs disclosure herein.

6. There were no changes in the composition of the Company during the interim period such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

7. There were no changes in contingent liabilities or contingent assets since December 31, 2015.

8. There are no material contingencies and other material events or transactions affecting the current interim period.

9. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

10. There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact to the Company.

11. There is no significant element of income or loss that did not arise from the Company's continuing operations.

12. There are no known seasonal or cyclical aspects that had a material effect on the financial condition or results of operations for the interim period.

13. There are no material commitments for capital expenditures, the general purpose of such commitments and the expected sources for such expenditures.

14. No seasonal aspects that had a material effect on the financial condition or results of operations.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

AS096012 95

COMPANY NAME

ACR MINING CORPORATION

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

Alsons Bldg., 2286 Chino Roces Ave., MakatI City, Metro Manila, PhiLippines

Form Type	Department requiring the report	Secondary License Type, If Applicable
		NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
legal@alcantaragroup.com	982 - 3000	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,860	Sept 9	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis R. Ymson, Jr.	lry@alcantaragoup.com	982 - 3000	N/A

CONTACT PERSON's ADDRESS

Alsons Bldg. , 2286 Chino Roces Ave., Makati City, Metro Manila, Philippines

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

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

ACR MINING CORPORATION
BALANCE SHEETS

	June 30 2016	December 31 2015
ASSETS		
Current Assets		
Cash (Note 7)	**₱771,433**	₱649,990
Receivables (Note 8)	**590,000**	52,500
Total Current Assets	**1,361,433**	702,490
Noncurrent Assets		
Transportation and office equipment (Note 9)	**6,875**	13,488
Mining rights (Note 10)	**195,000,000**	195,000,000
Deferred mine exploration costs (Notes 10 and 11)	**73,923,975**	71,498,404
Total Noncurrent Assets	**268,930,850**	266,511,892
TOTAL ASSETS	**₱270,292,283**	₱267,214,382
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	**₱4,283,056**	₱4,564,604
Due to related parties (Note 12)	**37,162,721**	33,779,821
Total Current Liabilities	**41,445,777**	38,344,425
Equity (Note 13)		
Capital stock		
Issued and fully paid	**34,650,000**	34,650,000
Additional paid-in capital	**195,000,000**	195,000,000
Deficit	**(803,494)**	(780,043)
Total Equity	**228,846,506**	228,869,957
TOTAL LIABILITIES AND EQUITY	**₱270,292,283**	₱267,214,382

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30	
	2016	2015
REVENUE		
Interest income (Note 7)	**₱700**	₱781
EXPENSES		
Depreciation expense	**14,112**	16,287
Professional fees	**-**	11,667
Taxes and licenses	**8,939**	250,829
Bank charges	**1,100**	100
Miscellaneous	**-**	-
	24,151	278,883
FOREIGN EXCHANGE GAIN	**-**	(130)
NET LOSS	**(23,451)**	(278,232)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**(₱23,451)**	(₱278,232)
Basic / diluted loss per share (Note 13)	**(₱0.0007)**	(₱0.008)

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
(A Subsidiary of Alsons Corporation)

STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND DECEMBER 31, 2015

	Capital Stock (Notes 10 and 11)						
	Issued and Fully Paid	**Subscribed**	**Subscription Receivable**	**Net**	**Additional Paid-in Capital**	**Deficit**	**Total**
BALANCES AS AT DECEMBER 31, 2014	1,250,000	–	₱–	₱–	₱195,000,000	(₱464,833)	₱195,785,167
Net loss for the period	–	–	–	–	–	(278,232)	(278,232)
Conversion of deposit for future stock subscription	33,400,000						33,400,000
BALANCE AS AT JUNE 30, 2015	34,654,000	-	-	-	195,000,000	(743,065)	228,906,935
BALANCES AS AT DECEMBER 31, 2015	**₱34,650,000**	**₱–**	**₱–**	**₱–**	**₱195,000,000**	**(₱780,043)**	**₱228,869,957**
Net loss for the period	**–**	–	–	–	–	**(23,451)**	**(23,451)**
BALANCES AS AT JUNE 30, 2016	**₱34,650,000**	**₱–**	**₱–**	**₱–**	**₱195,000,000**	**(₱803,494)**	**₱228,846,506**

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
(A Subsidiary of Alsons Corporation)
STATEMENTS OF CASH FLOWS

	Six Months Ended June 30	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱23,451)**	(₱278,232)
Adjustments for:		
Depreciation (Note 7)	**14,112**	16,287
Interest income	**(700)**	(781)
Unrealized foreign exchange gain	**-**	(130)
Operating loss before working capital changes	**(10,039)**	(262,856)
Increase in receivables	**(537,500)**	(323,102)
Decrease in accounts payable and other current liabilities	**(281,547)**	(268,057)
Cash used in operations	**(829,086)**	(854,015)
Interest received	**700**	781
Net cash used in operating activities	**(828,386)**	(853,234)
CASH FLOWS FROM INVESTING ACTIVITY		
Increase in other noncurrent assets	**(2,425,571)**	(2,165,201)
Acquisition of office equipment	**(7,500)**	(64,260)
Net cash used in investing activities	**(2,433,071)**	(2,229,461)
CASH FLOWS FROM FINANCING ACTIVITY		
Additional advances from related parties (Note 14)	**3,382,900**	2,779,101
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	**-**	130
NET INCREASE (DECEASE) IN CASH	**121,443**	(303,464)
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	**649,990**	1,179,618
CASH ON HAND AND IN BANKS AT END OF YEAR	**₱771,433**	₱876,154

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Financial Statements

Corporate Information
ACR Mining Corporation (the Company), was incorporated on February 6, 1996 as ACR Management Corporation to act as managers or managing agents of persons, firms, associations, corporations, partnerships and other entities. The company name was changed to ACR Mining Corporation on November 17, 2006 and changed its primary business purpose to carry on the business of surface mining operating metallic and non-metallic and of prospecting, exploration and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in all other kinds of ores, metals, and minerals, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced; to purchase, lease, option, locate, or otherwise acquire, own, exchange, sell, or otherwise dispose of pledge, mortgage, deed in trust, hypothecate, and deal in mines, mining claims, mineral lands, coal lands, timber lands, water and water rights, and other property, both real and personal.

The registered office address of the Company is Alsons Bldg., 2286 Chino Roces Ave., Makati City, Metro Manila, Philippines.

Previously, the Company was a wholly owned subsidiary of Alsons Consolidated Resources, Inc. (ACR), a publicly listed in the Philippine Stock Exchange. ACR's investment in the Company was declared as property dividend in May 2015. As a result, the Company became a publicly Company under Rule 3 (M) of the Amended Implementing Rules and Regulations of the Securities and Regulation Code.

2. Status of Operations

The Company's initial activity involved the acquisition of Alsons Development & Investment Corporation's (Aldevinco) majority interest in a mining claim, referred to as the Manat Mining Claims. Covered by Mineral Production Sharing Agreement (MPSA) Serial No. 094-97-XL for 25 years up to year 2022, the mining claim has a total area of 1,547.32 hectares. It is located in the Municipalities of Nabunturan and Maco, Province of Compostela Valley. Previous exploration work at the project area identified three sub-parallel northwest trending mineralized structures: Pagtulian, Katungbuan/Taglayag and Magas. Detailed work on the Magas Vein Zone (MVZ) so far revealed an estimated Joint Ore Reserves Committee standard resource of 2.7 million tons containing: 2.8 grams per ton gold, 26 grams per ton silver, 0.09% copper, 0.85% lead, and 1.58% zinc. On October 25, 2012, the Declaration of Mining Project Feasibility was submitted to the Mines and Geosciences Bureau. As of March 31, 2016, the Manat MPSA is in the exploration phase of development.

3. Basis of Preparation and Statement of Compliance

Basis of Preparation
The financial statements have been prepared on a historical cost basis and are presented in Philippine Peso, the Company's functional and presentation currency. All values are rounded to the nearest Peso except when otherwise indicated.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standard (PFRS).

The Company qualifies as a Small and Medium-sized Entity (SME) but avails of the exemption from the mandatory adoption of Philippine Financial Reporting Standard for SMEs (PFRS for SMEs) because it is a significant associate of Alsons Corporation which is reporting under full PFRS.

4. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the amended and improved Philippine Accounting Standards (PAS) 19, Employee Benefits - Defined Benefits Plans: Employee Contributions and the following amendments to existing PFRS that became effective beginning January 1, 2015 and which did not have any significant impact on the Company's financial statements.

Annual Improvements to PFRSs (2010-2012 cycle)
The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 2, *Share-based Payment: Definition of Vesting Condition* (Amendment)
- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination* (Amendment)
- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets* (Amendments)
- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization* (Amendments)
- PAS 24, *Related Party Disclosures - Key Management Personnel* (Amendment)

Annual Improvements to PFRSs (2011-2013 cycle)
The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 3 - *Scope Exceptions for Joint Arrangements* (Amendment)
- PFRS 13, *Fair Value Measurement - Portfolio Exception* (Amendment)

PAS 40, *Investment Property* (Amendment)

Future Changes in Accounting Policies

The following are the new and revised standards and interpretations that will become effective subsequent to December 31, 2015. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, PAS and Philippine Interpretations to have any significant impact on its financial statements.

Effective in 2016

- PAS 16 and PAS 38 - *Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments), clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its noncurrent assets.

- PAS 16 and PAS 41, *Agriculture - Bearer Plants* (Amendments), change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company's financial statements as the Company does not have any bearer plants.

- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments), allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have an impact on the Company's financial statements as the Company does not have any investment in subsidiaries, joint ventures and associates.

- PFRS 10 and PAS 28, *Investment in Associates - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments), address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Company expects that these amendments will not have any impact on its financial position or performance.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments), require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company's financial statements.

- PFRS 14, *Regulatory Deferral Accounts,* is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Company's activities are not subject to rate-regulation, this standard would not apply.

Annual Improvements to PFRSs (2012-2014 cycle)
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Company. They include:

- PFRS 5 - *Changes in Methods of Disposal* (Amendment), clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. The amendment is applied prospectively.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts* (Amendment), requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements* (Amendment), clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

- PAS 19 - *regional market issue regarding discount rate* (Amendment), clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

- PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'* (Amendment), clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The amendment is applied retrospectively.

Effective in 2018

- PFRS 9, *Financial Instruments*, as issued, reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of the Company's financial liabilities.

Deferred effectivity

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine Security and Exchange Commission (SEC) and Philippine Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. This interpretation is not applicable to the Company.

The following new standards and amendments issued by the IASB have not yet been adopted by the Philippine FRSC:

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*. IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full or a modified retrospective application is required for annual periods beginning on or after January 1, 2018, with early adoption permitted.

- IFRS 16, *Leases*. IFRS 16 was issued in January 2016 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

- Amendments to International Accounting Standards (IAS) 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses*. In January 2016, the IASB issued the amendments to IAS 12 which clarifies how to account for deferred tax assets related to debt instruments measured at fair value. The amendments also address the diversity in practice regarding the recognition of deferred tax assets for unrealized losses. The amendments are effective for annual periods beginning on or after January 1, 2017, with early application permitted.

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2015. Additional disclosures required by these new and amended accounting standards and interpretations will be included in the financial statements when they are adopted.

5. Summary of Significant Accounting Policies

Determination of Fair Value

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the 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 of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring and non-recurring fair value measurements. 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.

The Company recognizes transfers into and transfers out of fair value hierarchy levels by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) as at the date of the event or change in circumstances that caused the transfer.

Financial Instruments
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 balance sheet when it becomes a party to the contractual provisions of the 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. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Initial recognition of financial instruments. Financial instruments are recognized initially at fair value. Except for financial assets and financial liabilities at fair value through profit or loss (FVPL), the initial measurement of financial instruments includes transaction costs. Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income in the statements of comprehensive income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

"Day 1" difference
Where the transaction price 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 statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where

unobservable data is used, the difference between the transaction price and model value is only recognized in statement of comprehensive income 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 amount.

Categories of Financial Instruments

The Company classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, AFS financial assets and held-to-maturity (HTM) investments. Financial liabilities are further classified as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Company has no financial assets and liabilities at FVPL, HTM investment and AFS financial assets as at March 31, 2016 and December 31, 2015.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. These financial assets are included in current assets if maturity is within twelve months from the balance sheet date. Otherwise, these are classified as noncurrent assets. Included in this category are the Company's cash and receivables.

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or designated at FVPL upon inception of the liability. These include liabilities arising from operations or borrowings.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Any effects of restatement of foreign currency-denominated liabilities, if any, are recognized in statement of comprehensive income.

Included in this category are the Company's accounts payable and other current liabilities and due to related parties.

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 Company's rights to receive cash flows from the asset have expired;
- the Company retains the rights to receive cash flows from the 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 rights to receive cash flows from the 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.

Where the Company has transferred its right to receive cash flows from an asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the 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 or 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 statement of comprehensive income.

<u>Impairment of Financial Assets</u>
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognized in the statement of comprehensive income. When impairment loss is certain, the financial asset is written off. Interest income continues to be recognized based on the original effective interest rate of the asset. Loans, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized.

If, in a subsequent period, the amount of the impairment loss increases or decreases and the increase or decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced or increased by adjusting the allowance account. If a write-off is later recovered, the recovery is recognized in the Company's statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

Interest in Joint Venture
PFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Property and Equipment
Property and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of property and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment consists of its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs necessary in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of property and equipment beyond the original assessed standard of performance, the expenditures are capitalized as additional costs of the property and equipment.

Depreciation of office equipment is computed using the straight-line method over the 2-year estimated useful life.

The useful life and method of depreciation are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. The residual value, if any, is also reviewed and adjusted if appropriate, at each year-end.

An item of property and equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of the property and equipment are recognized in the statement of comprehensive income in the year of retirement or disposal.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are credited to current operations.

Mining Rights
Mining rights are stated at cost less any accumulated depletion and any accumulated impairment losses. The cost of the mining rights includes the purchase price and other costs directly attributable to the acquisition. Mining rights are not yet subject to depletion until actual extraction of mineral reserves. Depletion of the mining rights is computed using the unit-of-production method. Mining rights are charged to current operations in the year these are determined to be worthless.

Impairment assessments are made if events or changes of circumstances indicate that the carrying value of the asset may not be recoverable.

Deferred Mine Exploration Costs
Expenditures for exploration works on mining properties (i.e., acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resource) are deferred as incurred and included under "Deferred mine exploration costs" account in the balance sheet. If and when recoverable reserves are determined to be present in commercially producible quantities, the deferred exploration expenditures, and subsequent mine development costs are capitalized as part of the mine properties and mine development costs included as part of property, plant and equipment.

A valuation allowance is provided for unrecoverable deferred mine exploration costs based on the Company's assessment of the future prospects of the exploration project. Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or when the project is abandoned, the deferred mine exploration costs associated with the project and the related impairment provisions are written off. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

Impairment of Nonfinancial Assets
The Company assesses at each balance sheet date whether there is an indication that the nonfinancial assets may be impaired. If any such indication exists and when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators. Any impairment loss is recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each balance sheet 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 Company makes an estimate of recoverable amount. 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. The reversal is limited so that the carrying amount of the asset does not increase its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Company's statement of comprehensive income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

Capital Stock

Capital stock is measured at par value for all shares issued. Incremental costs incurred that are directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Deposit for Future Stock Subscription

Deposit for future stock subscription represents the amount received that will be applied as payment in exchange for a fixed number of the Company's own equity instruments.

Under Financial Reporting Bulletin No. 6 as issued by the Philippine Securities and Exchange Commission (SEC), the Company shall classify a contract to deliver its own equity instruments under equity as a separate account from outstanding capital stock, if and only if, all of the following elements are present as of balance sheet date:

a. The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
b. There is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
c. There is stockholders' approval of said proposed increase; and
d. The application for the approval of the proposed increase has been filed with the SEC.

If the above conditions are not met, the "Deposit for future stock subscription" is presented as a liability.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of consideration received, excluding discounts and sales taxes. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Interest income is recognized as the interest accrues, using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Expenses

Expenses include cost of administering the business and recognized as incurred.

Income Tax

Current Income Tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at balance sheet date.

Deferred Income Tax. Deferred income tax is provided using the balance sheet liability method on all temporary differences at balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of NOLCO can be utilized.

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

Deferred income tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at balance sheet date.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period
Post balance sheet events that provide additional information about the Company's financial position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post balance sheet events that are not adjusting events are disclosed in the notes to financial statements when material.

6. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities at the balance sheet date. Future events may occur which will cause the judgments, estimates and assumptions used in arriving at the estimates to change.

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements. The judgments are based upon management's evaluation of relevant facts and circumstances as at the dates of the financial statements.

Determination and classification of a joint arrangement
Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Classifying the arrangement requires the Company to assess their rights and obligations arising from the arrangement. Specifically, the Company considers:

- The structure of the joint arrangement - whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Company also considers the rights and obligations arising from:
  a. the legal form of the separate vehicle;
  b. the terms of the contractual arrangement; and
  c. other facts and circumstances (when relevant).

This assessment often requires significant judgment, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

The Company determined that its joint venture agreement with SECO is not a joint arrangement under PFRS 11.

Determination of impairment of mining rights and deferred mine exploration costs
The Company performs an impairment review of mining rights and deferred mine exploration costs when the following impairment indicators, among others, are present:
- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the mining rights and deferred project costs asset is unlikely to be recovered in full from successful development or by sale.

The Company did not identify any indicators of impairment. Accordingly, the carrying amount of mining rights and deferred mine exploration costs totaling ₱268.7 million and ₱266.5 million as of May 31, 2016 and December 31, 2015, respectively, is not impaired (see Notes 8 and 9).

Recognition of deferred income tax asset
The Company's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the forecasted taxable income of the following year. This forecast is based on the Company's past results and future expectations on revenues and expenses.

The Company believes that it is not probable that it will have sufficient future taxable profits against which the NOLCO can be utilized prior to their expiration. Unrecognized deferred income tax asset on NOLCO as of December 31, 2015 amounted to ₱0.15 million.

7. Cash

	June 30, 2016	December 31, 2015
Cash on hank	**₱285,000**	₱285,000
Cash in bank	**486,433**	364,990
	₱771,433	₱649,990

Cash in bank earns interest at the respective interest rate per annum. Interest income earned as of June 30, in 2016 and 2015 amounted to ₱700 and ₱781, respectively.

8. Receivables

Receivables consist of noninterest-bearing advances for business expenses which are normally liquidated within a year.

9. Transportation and Office Equipment

In 2015, the Company acquired office equipment amounting to 0.07 million. Related depreciation expense during the year amounted to ₱0.016 million. The Company has fully depreciated the transportation equipment and office equipment still used in the operation which cost and accumulated depreciation of ₱0.20 million as of June 30, 2016 and December 31, 2015.

10. Mining Rights

In 1997, Aldevinco, a stockholder of ACR, entered into an MPSA with the Republic of the Philippines for the exploration, sustainable development and commercial utilization of mineral deposits covering 1,547.32 hectares in the Municipalities of Nabunturan and Maco, Province of Compostela Valley (the Manat Claims).

In 1999, Aldevinco and Southern Exploration Corporation (SECO) entered into a joint venture (the Joint Venture), for the purpose of prospecting, exploring, developing and mining the Manat Claims. Under the Joint Venture Agreement, SECO shall conduct exploration works on the Manat Claims. SECO's participating interest shall be (a) 25% after completion of certain work program and/or incurring total expenditures of US$1,000,000; and (b) 50% after completion of certain work program and/or incurring total expenditure of US$2,250,000. As soon as SECO earned 50% participating interest, SECO and Aldevinco shall register the joint venture as a partnership to qualify it to hold legal title to the Manat Claims and other properties acquired by the Joint Venture. This joint venture agreement does not fall as joint venture arrangement under PFRS 11.

In 2007, the Company acquired Aldevinco's 75% participating interest in the Joint Venture for ₱195.0 million. The participating interest of the Company in the Joint Venture with SECO is 75% as of June 30, 2016 and December 31, 2015.

The carrying value of the mining rights as of June 30, 2016 and December 31, 2015 to ₱195.0 million.

11. Deferred Mine Exploration Costs

This account consists of deferred mine exploration costs incurred by the Company for the mineral deposits in the Manat Claims (see Note 8). As of June 30, 2016, the Manat MPSA is still in the exploration phase of development. The carrying value of deferred mine exploration costs as of June 30, 2016 and December 31, 2015 amounted to ₱73.7 million and ₱71.5 million, respectively.

12. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include (a) enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual. Affiliate refers to an entity, that is neither a parent, subsidiary, nor an associate, with stockholders common to the Alcantara Group or under common control.

Related party transactions consist of cash advances. Outstanding balances at year-end are interest free and payable within 30 day period. Outstanding balances as at June 30, 2016 and December 31, 2015 are shown as "Due to related parties" account in the balance sheets.

13. Capital Stock and Deposit for Future Stock Subscription

a. Capital stock

The Company has an authorized capital stock of 5,000,000 shares with par value of ₱1 a share. The movement of issued capital stock follows:

	2016		2015	
	Number of Shares	**Amount**	Number of Shares	Amount
Beginning balance	**1,250,000**	**₱1,250,000**	1,250,000	₱1,250,000
Additional issuances:				
Conversion of advances (Note 10)	33,400,000	33,400,000	33,400,000	33,400,000
Ending balance	**34,650,000**	**₱34,650,000**	34,650,000	₱34,650,000

On November 7, 2014, the BOD approved the increase in the Company's authorized capital stock from ₱5.0 million divided into 5 million shares to ₱500.0 million divided into 500 million shares with par value of ₱1 per share.

14. Income Taxes

a. There is no provision for current income tax since the Company is in a tax loss position.

b. The Company recognized deferred income tax assets to the extent of the deferred income liability arising from unrealized foreign exchange gain amounting to 92 as of June 30, 2016 and 607 as of December 31, 2015.

c. The Company did not recognize deferred income tax asset on carryforward benefits of NOLCO amounting to ₱530,098 and ₱505,045 as of June 30, 2016 and December 31, 2015, respectively, since management believes that it is not probable that sufficient future taxable income will be available to allow the NOLCO to be utilized.

Year Incurred	Available Until	Amount
2016	2019	₱23,027
2015	2018	318,714
2014	2017	70,742
2013	2016	117,615
		₱530,098

15. Financial Risk Management Objectives and Policies

The Company's principal financial instruments are composed of cash, receivables, accounts payable and other current liabilities and due to related parties. The main purpose of these financial instruments is to raise finances for the Company's operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company's BOD and management review and agree on the policies for managing each of these risks and they are summarized below.

Credit risk
Credit risk arise from default of the counterparty to make payments when due. The maximum exposure to credit risk for the Company's financial asset is represented by the carrying amount of cash in bank amounting to P0.51 million and P0.36 million as of June 30, 2016 and December 31, 2015, respectively. The Company's financial asset as of June 30, 2016 and December 31, 2015 is neither past due nor impaired.

The credit quality of the Company's financial asset based ib historical experience with the corresponding third party is high grade.

High grade financial assets pertain to those investments to counterparties with good credit standing or loans and receivables that are consistently paid before the maturity.

Cash in bank is deposited in a reputable bank in the Philippines, hence, considered high grade.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, the Company closely

monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due.

The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information.

Based on the Company's assessment, the carrying values of its cash in bank as of June 30, 2016 and December 31, 2015 are readily available for liquidity purposes. As of June 30, 2016 and December 31, 2015, the Company's accounts payable and other current liabilities, excluding withholding tax payable, amounting to ₱4.28 million and ₱4.56 million, respectively, are payable within a year.

Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, return capital to stockholders or issue new shares. The Company is not subject to any externally imposed capital requirements.
No changes were made in the objectives, policies or processes during the period ended June 30, 2016 and December 31, 2015.

The amount of capital is the total equity balance as of June 30, 2016 and December 31, 2015 as shown in the balance sheets.

Fair Value

The carrying value of cash, receivables, accounts payable and other current liabilities and due to related parties approximates their fair values as of balance sheet dates due to the short-term nature of the related transactions.

16. Supplementary Information Required Under Revenue Regulations No. 15-2010

The following include information on taxes, duties and licenses paid or accrued in 2015:

Taxes and licenses
The details of taxes and licenses for the year ended December 31, 2015 are as follows:

Business permit	₱6,919
Community tax certificate	500
Others	500
Total	₱7,919

Withholding taxes
The expanded withholding taxes paid or accrued for the year ended December 31, 2015 amounted to ₱83,817.

Tax Assessments and cases
The Company has not received any Final Assessment Notice or Formal Letter of Demand from the Bureau of Internal Revenue for its open years. Likewise, the Company has no other pending tax cases outside the administration of the BIR as at December 31, 2015.

ANNEX D

The minutes of the Annual Meeting of the Stockholders and the relevant resolutions approved by the Board of Directors in 2015.

ACR MINING CORPORATION
MINUTES OF THE SPECIAL MEETING OF THE STOCKHOLDERS
Held on 22 May 2015
at ALSONS Building, 2286 Chino Roces Avenue,
Makati City, Philippines

Call to Order

The President and Chairman of the Board of Directors called the meeting to order and presided over the same.

Notice and Quorum

The Acting Secretary then certified that all stockholders entitled to vote, and holding all issued and outstanding shares of the capital stock, waived the requisite notices for the meeting, and were in attendance in person or by proxy, and therefore, the required quorum existed for the transaction of business.

Ratification of the Acts of the Board of Directors and Officers

The Chairman then stated that the next matter on the agenda was the ratification of the acts of the Board of Directors and officers of the Corporation. On motion duly made and seconded, it was resolved that all acts, contracts, resolutions and actions by the Board of Directors and officers of the Corporation, from the last annual stockholders' meeting to date be ratified.

Election of Directors

Upon motion made and seconded, the following were elected for the year 2015 and until their successors have been duly elected and qualified:

1. Tomas I. Alcantara
2. Editha I. Alcantara
3. Paul G. Dominguez
4. Esperidion D. Develos, Jr.
5. Tirso G. Santillan, Jr.

Adjournment

There being no further business to transact, the meeting was, on motion duly seconded, adjourned.

Angel M. Esguerra, III
Corporate Secretary

ATTEST:

TOMAS I. ALCANTARA
Chairman of the Board

ANNEX E

The draft of the Amended By-laws approved by the Board of Directors and to be submitted to the stockholders for their approval and/or confirmation

<u>AMENDED</u>
BY-LAWS
OF

<u>ACR MINING CORPORATION</u>

(Formerly, ACR MANAGEMENT CORPORATION)
(As amended, November 17, 2006)

ARTICLE I

SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

SECTION 1. SUBSCRIPTIONS - Subscribers to the capital stock of the corporation shall pay to the corporation the subscription value or price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

SECTION 2. CERTIFICATES - Each stockholder shall be entitled to one or more certificates for such fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificates, which must be issued in consecutive order, shall bear the signature of the President, manually countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

SECTION 3. TRANSFER OF SHARES - Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, ceded, assigned or pledged by delivery of the certificates duly endorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation, cancellation of the certificate surrendered to the Secretary, and issuance of a new certificate to the transferee.

No share of stock against which the corporation holds unpaid claim shall be transferable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

SECTION 4. LOST CERTIFICATES - In case any certificate for the capital stock of the corporation is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

ARTICLE II

MEETING OF STOCKHOLDERS

SECTION 1. REGULAR MEETINGS - The regular meetings of stockholders, for the purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on any day of **September** of each year. (as amended, July 5, 2016)

SECTION 2. SPECIAL MEETING - The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock; b) President.

SECTION 3. PLACE OF MEETING - Stockholders' meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.

SECTION 4. NOTICE OF MEETING - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by telefax transmission or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known post office address. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. No notice of any meeting need be published in any newspaper. In case of special meetings, only matters stated in the notice can be the subject of motions or deliberations at such meeting.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

SECTION 5. QUORUM - Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

SECTION 6. CONDUCT OF MEETING - Meeting of the stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, of if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders. The Secretary, shall act as Secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.

SECTION 7. MANNER OF VOTING - At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the secretary.

All proxies must be in the hands of the secretary before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their personal presence at the meeting.

SECTION 8. CLOSING OF TRANSFER BOOKS OF FIXING OF RECORD DATE - For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, or of making a determination of stockholders for any other proper purpose, the Board of Directors may provide that the stock and transfer books be closed for a stated period, but not to exceed, in any case, twenty (20) days. If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) working days immediately preceding such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date shall in no case be more than twenty (20) days prior to the date on which the particular action requiring such determination of stockholders is to be taken, except in instance where applicable rules and regulations provide otherwise.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. POWERS OF THE BOARD - Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following express powers:

a) From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;

b) To purchase, receive, take or otherwise acquire in any lawful manner, for and in the name of the corporation, any and all properties, rights, interest or privileges, including securities and bonds of other corporations, as the transaction of the business of the corporation may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board may deem proper or convenient.

c) To invest the funds of the corporation in another corporation or business or for any other purposes other than those for which the corporation was organized, whenever in the judgment of the Board of Directors the interests of the corporation would thereby be promoted, subject to such stockholders' approval as may be required by law;

d) To incur such indebtedness as the Board may deem necessary and, for such purpose, to make and issue evidence of such indebtedness including, without limitation, notes, deeds of trust, instruments, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties and rights of the corporation;

e) To guarantee, for and in behalf of the corporation obligations of other corporations or entities in which it has lawful interest;

f) To make provisions of the discharge of the obligations of the corporation as they mature, including payment for any property, or in stocks, bonds, debentures, or other securities of the corporation lawfully issued for the purpose;

g) To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the corporation whenever in the Board's judgment, the corporation's interest would thereby be promoted;

h) To established pension, retirement, bonus, profit- sharing, or other types of incentives or compensation plans for the employees, including officers and directors, of the corporation and to determine the persons to participate in any such plans and the amount of their respective participation;

I) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officers are either plaintiffs or defendants in connection with the business of the corporation, and likewise, to grant installments for the payments or settlement of whatsoever debts are payment to the corporation;

j) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business or businesses of the corporation to any standing or special committee or to any officer or agent and to appoint any persons to be agents of the corporation with such powers (including the power to sub-delegate), and upon such terms, as may be deemed fit;

k) To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under any existing law, rules or regulation.

SECTION 2. NOMINATION AND ELECTION OF INDEPENDENT DIRECTORS.[1]

2.1 The Corporation shall have such number of independent directors as may be required by law.[1]

2.2 Stockholders shall submit their nominations for independent directors to the Corporation's Nominations Committee not later than thirty (30) days before the date of the stockholders' meeting. The nomination form shall contain the name of the nominee for independent director and all information that may be required by the Securities and Exchange Commission under its rules and regulations. The nomination form should be signed by the nominating stockholder and have the signed conformity of the nominee.[1]

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1 (As amended during the Regular Meeting of the Board of Directors and the Special Stockholders' Meeting held on July 5, 2016)

2.3 The Nomination Committee shall only review those nominations with complete requirements. After screening the qualifications of all nominees, the Nominations Committee shall prepare the final list of candidates for independent director and the information required under the existing rules of the Commission.[1]

2.4 The final list of candidates for independent director and related information required under the current rules of the Commission shall be made available to the Commission and all stockholders through the filing and distribution of the Corporation's information or proxy statement. The name of the nominating stockholder and his relation to the nominee shall be mentioned in the report.[1]

2.5 Only nominees whose names appear on the final list of candidates shall be eligible for election as independent director. No other nominations shall be entertained after the final list has been prepared. No further nominations shall be entertained or allowed on the floor during the actual meeting.[1]

2.6 Except as required under the current regulations of the Commission and existing laws, the conduct of election of independent directors shall be in accordance with the standard election procedures of the Corporation or its by-laws.[1]

2.7 The Chairman of the Meeting, shall inform all stockholders in attendance of the mandatory requirement of electing independent directors.[1]

2.8 Specific slots for the independent directors shall not be filled up by unqualified nominees.[1]

2.9 In case of resignation, disqualification or cessation of an independent director, the Commission shall be notified of such fact within five (5) days of the resignation, disqualification, or cessation. The vacancy shall thereafter be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee. Otherwise, the vacancy shall be filled by the stockholders in a regular or special meeting called for the purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.[1]

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[1] (As amended during the Regular Meeting of the Board of Directors and the Special Stockholders' Meeting held on July 5, 2016)

SECTION 3.[1] ELECTION AND TERM - The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

SECTION 4.[1] VACANCIES - Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or at a special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase of directors if so stated in the notice of the meeting.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at any special meeting of stockholders called for the purpose, after giving notice as prescribed in this by-laws.

SECTION 5.[1] MEETINGS - Regular meetings of the Board of Directors shall be held once every quarter of the year on such dates and at such times and places as the Chairman of the Board, or in his absence, the President, or upon the request of a majority of the directors and shall be held at such places as may be designated in the notice.

SECTION 6.[1] NOTICE - Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telefax, telex, telegram, or by written or oral message. A director may waive this requirement, either expressly or impliedly.

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1 (As amended during the Regular Meeting of the Board of Directors and the Special Stockholders' Meeting held on July 5, 2016)

SECTION 7.[1] QUORUM - A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

SECTION 8.[1] CONDUCT OF THE MEETINGS - Meetings of the Board of Directors shall be presided over the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by any other director chosen by the Board. The Secretary, shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

SECTION 9.[1] COMPENSATION - By resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

ARTICLE IV

OFFICERS

SECTION 1. ELECTION/APPOINTMENT - Immediately after their election, the Board of Directors shall formally organize by electing the Chairman, the President, one or more Vice-President, the Treasurer, and the Secretary, at said meeting. The Board of Directors may designate any Vice- President as an Executive Vice-President.

The Board may, from time to time, appoint such other officers as it may determine to be necessary or proper.

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[1] (As amended during the Regular Meeting of the Board of Directors and the Special Stockholders' Meeting held on July 5, 2016)

Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

SECTION 2. CHAIRMAN OF THE BOARD - The Chairman of the Board of Directors shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him.

SECTION 3. PRESIDENT - The President, who shall be a director, shall be the Chief Executive Officer of the corporation and shall also have administration and direction of the day-to-day business affairs of the corporation. However, the President can also be appointed as Chief Operating Officer. In which event the Chairman shall be the Chief Executive Officer. The President shall exercise the following functions:

a) To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman of the Board of Directors;

b) To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;

c) To have general supervision and management of the business affairs and property of the corporation;

d) To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;

e) Subject to guidelines prescribed by law, to appoint remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;

f) To oversee the preparation of the budgets and the statements of accounts of the corporation;

g) To prepare such statements and reports of the corporation as may be required of him by law;

h) To represent the corporation at all functions and proceedings;

i) To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;

j) To make reports to the Board of Directors and stockholders;

k) To sign certificates of stock;

l) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

The President may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officers(s), subject always to his supervision and control.

SECTION 4. THE VICE-PRESIDENT(S) - If one or more Vice-Presidents are appointed, he/they shall have such powers and shall perform such duties as may from time to time be assigned to him/them by the Board of Directors or by the President.

SECTION 5. THE SECRETARY - The Secretary must be a resident and a citizen of the Philippines. He shall be the custodian of and shall maintain the corporate books and record and shall be the recorder of the corporation's formal actions and transactions. He shall have the following specific powers and duties;

a) To record or see to the proper recording of the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;

b) To keep or cause to be kept record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;

c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;

d) To attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;

e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations.

f) To act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote. The Secretary may assign the exercise or performance of any or all of the foregoing duties, powers and functions to any other person or persons, subject always to his supervision and control.

g) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

SECTION 6. THE TREASURER - The Treasurer of the corporation shall be its chief fiscal officer and the custodian of its funds, securities and property. The Treasurer shall have the following duties:

a) To keep full and accurate accounts of receipts and disbursements in the books of the corporation;

b) To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;

c) To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;

d) To render an annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, the Chairman, or the President may, from time to time require;

e) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;

f) To exercise such powers and perform such duties and functions as may be assigned to him by the President.

SECTION 7. TERM OF OFFICE - The term of office of all officers shall be for a period of one (1) year and until their successors are duly elected and qualified. Such officers may however be sooner removed for cause.

SECTION 8. VACANCIES - If any of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

SECTION 9. COMPENSATION - The by-laws officers shall receive such remuneration as the Board of Directors may determine. All other officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.

ARTICLE V

OFFICES

SECTION 1. The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate or as the business of the corporation may, from time to time, require.

ARTICLE VI

AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

SECTION 1. EXTERNAL AUDITORS - At the regular stockholders' meeting, the external auditor or auditors of the corporation for the ensuing year shall be appointed. The external auditor or auditors shall examine, verify and report on the earnings and expenses of the corporation and shall certify the remuneration of the external auditor or auditors as determined by the Board of Directors.

SECTION 2. FISCAL YEAR - The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

SECTION 3. DIVIDENDS - Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

ARTICLE VII

AMENDMENTS

SECTION 1. These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of the stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

ARTICLE VIII

SEAL

SECTION 1. FORM AND INSCRIPTIONS - The corporate seal shall be determined by the Board of Directors.

ARTICLE IX

ADOPTION CLAUSE

The foregoing by-laws was adopted by all the stockholders of the corporation on December 15, 1995 at the principal office of the corporation.

IN WITNESS WHEREOF, we, the undersigned stockholders present at said meeting and voting thereat in favor of the adoption of said by-laws, have hereunto subscribed our names this 15th day of December 1995 at Makati City, Metro Manila.

(SGD.) **NICASIO I. ALCANTARA**

(SGD.) **EDITHA I. ALCANTARA**

(SGD.) **LEANDRO D. JAVIER**

(SGD.) **PAULINO G. GARCIA, JR.**

(SGD.) **ROBERTO Z. SISON**

(SGD.) **LAWRENCE M. JALBUENA**

(SGD.) **ESPERIDION D. DEVELOS, JR.**

(SGD.) **MELDIN AL G. ROY**

(SGD.) **TIRSO G. SANTILLAN, JR.**

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ACR MINING CORPORATION
REVISED MANUAL ON CORPORATE GOVERNANCE
(Revised in Compliance with SEC Memorandum No. 9, Series of 2014)

The Board of Directors and Management, i.e. officers and staff, of ACR Mining Corporation (the "Corporation") hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of our corporate goals. As our operating subsidiaries are also instrumental in the attainment of our corporate goals this Manual to the extent applicable shall also serve as a guide in their management and operations.

OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

Article 1: Definition of Terms

a) Code – The Corporate Governance Code promulgated by the Securities and Exchange Commission, as amended.

b) Corporate Governance – the framework of rules, systems and processes in the Corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to the stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates ;

c) Board of Directors – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties;

d) Exchange – an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities;

e) Management – the body given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Corporation;

f) Independent director – a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director;

g) Executive director – a director who is also the head of a department or unit of the Corporation or performs any work related to its operation;

h) Non-executive director – a director who is not the head of a department or unit of the Corporation nor performs any work related to its operation;

i) Non-audit work – the other services offered by an external auditor to a Corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor;

j) Internal control – the system established by the Board of Directors and Management for the accomplishment of the Corporation's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules;

k) Internal control system – the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Corporation is exposed;

l) Internal audit – an independent and objective assurance activity designed to add value to and improve the Corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes;

m) Internal audit department – a department or unit of the Corporation and its consultants, if any, that provide independent and objective assurance services in order to add value to and improve the Corporation's operations;

n) Internal Auditor – the highest position in the Corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.

o) Commission – refers to the Securities and Exchange Commission (SEC).

Article 2: Rules of Interpretation

A) All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.

B) All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation.

Article 3: Board Governance

The Board of Directors (the "Board") is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

A. Composition of the Board

The Board shall be composed of such number of directors as provided in the Corporation's Articles of Incorporation subject to their election and qualification.

The Board shall have at least two (2) independent Directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

B. Multiple Board Seats

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

The Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

C. The Chair and Chief Executive Officer

The roles of Chair and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chair and CEO upon their election.

If the positions of Chair and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The duties and responsibilities of the Chair in relation to the Board may include, among others, the following:

i. Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;

ii. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and

iii. Maintain qualitative and timely lines of communication and information between the Board and Management.

D. Qualifications of Directors

In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following:

i. College education or equivalent academic degree;

ii. Practical understanding of the business of the Corporation;

iii. Membership in good standing in relevant industry, business or professional organizations; and

iv. Previous business experience.

E. Disqualification of Directors

i. Permanent Disqualification

The following shall be grounds for the permanent disqualification of a director:

a) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

c) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

d) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;

e) Any person earlier elected as independent director who becomes an officer, employee or consultant of the Corporation;

f) Any person judicially declared as insolvent;

g) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of facts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (I) to (v) above;

h) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

ii. Temporary Disqualification

The Board may provide for the temporary disqualification of a director for any of the following reasons:

a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.

b) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.

c) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.

d) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.

e) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the qualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

F. Responsibilities, Duties and Functions of the Board

i. General Responsibility

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

ii. Duties and Functions

To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

a) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.

b) Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.

c) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.

d) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.

e) Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.

f) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness.

g) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.

h) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint venture, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.

i) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.

j) Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.

k) Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.

l) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.

m) Appoint a Compliance Officer who shall have the rank of at least vice president. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

G. Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.

A director should observe the following norms of conduct:

i. Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.

   The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests.

   He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.

ii. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.

A director should devote sufficient time to familiarize himself with the Corporation's business. He should be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

iii. Act judiciously.

Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

iv. Exercise independent judgment.

A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he thinks are beneficial to the Corporation.

v. Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.

A director should also keep abreast with industry developments and business trends in order to promote the Corporation's competitiveness.

vi. Observe confidentiality.

A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

H. Internal Control Responsibilities of the Board

The control environment of the Corporation consists of (a) the Board which ensures that the Corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

i. The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

   a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Corporation's organizational and operational controls;

   b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;

   c) Evaluation of proposed senior management appointments;

   d) Selection and appointment of qualified and competent management officers; and

   e) Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

ii. The scope and particulars of the systems of effective organizational and operational controls may differ among corporations depending on, among others, the following factors: nature and complexity of the business and the business culture, volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.

iii. The Corporation may establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The internal audit system may include the establishment of an internal audit process in the subsidiaries to support the internal audit requirements of the Corporation. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

I. Board Meetings and Quorum Requirement

The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

Independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one independent director in all its meetings.

To monitor the directors' compliance with the attendance requirements, corporations shall submit to the Commission, on or before January 30 of the following year, a sworn certification about the directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing.

J. Remuneration of Directors and Officers

The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

Corporations may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Corporation. No director should participate in deciding on his remuneration.

The Corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

To protect the funds of a corporation, the Commission may, in exceptional cases, e.g. when a corporation is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe to its directors and officers.

K. Board Committees

The Board shall constitute the proper committees to assist it in good corporate governance.

i. The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director. The committee shall have the following functions:

   a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;

   b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

   c) Perform oversight functions over the Corporation's internal and external auditors. It should ensure that the internal and external auditors act are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

   d) Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it;

e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination of more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

g) Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;

h) Review the reports submitted by the internal and external auditors;

i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Major judgmental areas
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements.

j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;

k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report;

l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

ii. The Board may also organize the following committees:

a) A Nomination Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;

b) A Compensation or Remuneration Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.

L. The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He should -

i. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Corporation; such responsibility may be delegated to the legal department of the Corporation.

ii. Be loyal to the mission, vision and objectives of the Corporation;

iii. Work fairly and objectively with the Board, Management and stockholders and other stakeholders;

iv. Have appropriate administrative and interpersonal skills;

v. If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;

vi. Have a working knowledge of the operations of the Corporation;

vii. Inform the members of the Board, in accordance with the by-laws of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

viii. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;

ix. Ensure that all Board procedures, rules and regulations are strictly followed by the members; and

x. If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Code.

M. The Compliance Officer

The Board shall appoint a Compliance Officer who shall report directly to the Chair of the Board. He shall perform the following duties:

i. Monitor compliance by the Corporation with this Code and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;

ii. Appear before the Commission when summoned in relation to compliance with this Code; and

iii. Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Code for the completed year and, if there are any deviations, explain the reason for such deviation.

Article 4: Adequate and Timely Information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the Corporation's expense.

Article 5: Accountability and Audit

A) The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the Corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

i. The extent of its responsibility in the preparation of the financial statements of the Corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;

ii. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Corporation for the benefit of all stockholders and other stakeholders;

iii. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

iv. The Corporation should consistently comply with the financial reporting requirements of the Commission;

v. The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

B) The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the Corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the Corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the Corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the Corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Corporation to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

Article 6: Stockholders' Rights and Protection of Minority Stockholders' Interests

A. The Board shall respect the rights of the stockholders as provided for in the Corporation's Articles of Incorporation and the Corporation Code; namely:

i. Right to vote on all matters that require their consent or approval;

ii. Right to inspect corporate books and records;

iii. Right to information;

iv. Right to dividends; and

v. Appraisal right.

The pre-emptive right is denied under the Corporation's Articles of Incorporation.

B. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be appraised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholders' favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, minority stockholders may request in writing the holding of meetings and the items for discussion in the agenda that relate directly to a legitimate purpose and the business of the Corporation, subject to the requirement under the By-laws that such requesting stockholder is the holder of record of not less than one-fourth of the outstanding voting capital stock of the Corporation.

Article 7: Governance Self-Rating System

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Manual.

The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Corporation's annual report.

Article 8: Disclosure and Transparency

The essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.

It is therefore essential that all material information about the Corporation which could adversely affect its viability or the interests of its stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

The Board shall therefore commit at all times to full disclose of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

Article 9: Commitment to Good Corporate Governance

The corporate governance rules that the Corporation may establish and implement in accordance with the Code shall be embodied in a Manual that can be used as reference by the members of the Board and Management.

The Manual shall be made available for inspection by any shareholder at reasonable hours on business days.

Article 10: Regular Review of the Code and the Scorecard

To monitor compliance with this Manual, the Corporation will accomplish annually a scorecard on the scope, nature and extent of the actions which have been taken to meet the objectives of this Code.

Article 11: Administrative Sanctions

Any violation of the mandatory provisions of this Manual shall be subject to the sanctions provided under the Code, as may be amended from the time to time.

Makati City, July 5, 2016.

Signed:

ACR MINING CORPORATION
By:

TOMAS I. ALCANTARA
Chairman of the Board

PAUL G. DOMINGUEZ
President