COVER SHEET
for
INFORMATION STATEMENT
SEC FORM 20-IS

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 Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, Philippines

Form Type	Department requiring the report	Secondary License Type, If Applicable
20IS	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
legal2@alcantaragroup.com	982 - 3000	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,833	Last Friday of Sept.	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
Robert F. Yenko	rfy@alcantaragroup.com	982-3000	

Contact Person's Address

Alsons Building, 2286 Chino Roces Avenue, Makati City

Note: 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.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

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: **AS096-001295**
5. BIR Tax Identification Code: **004-836-604**
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 21, 2017 at 2:00 p.m.
   Manila Polo Club,
   McKinley Road, Forbes Park, Makati City, Philippines 1220

9. Approximate date on which the Information Statement is first to be sent or given to security holders: August 31, 2017
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 31, 2017 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 21, 2017 (the "Annual Stockholders' Meeting" or "Meeting"), Manila Polo Club, McKinley Road, Forbes Park, Makati City, Philippines 1220.

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 2016 annual meeting;
4. Management & Annual Report;
5. Approval of the 2016 Audited Financial Statements;
6. Ratification of Acts of the Board and Management;
7. Election of Directors (including Independent Directors); for independent directors, and audit, nomination and elections, and other committees;
8. Appointment of External Auditors;
9. Other business that may properly be brought before the meeting;
10. 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, 2016 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, 2016 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 September 7, 2017 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 3 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 21, 2017 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, 2017, 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 August 4, 2017, 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 21, 2017.

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, 2017, 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, 2017:

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	Nicasio I. Alcantara	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%

[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.

Sub-total		**700 (d)**		**0.00%**
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	Nicasio I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director	Tirso G. Santillan, Jr.	Filipino
Director	Esperidion D. Develos, Jr.	Filipino

Tomas I. Alcantara, 70, Filipino, became the Chairman of the Board of Directors 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.

Nicasio I. Alcantara, 74, Filipino, is the President and nominee for the Board of Directors to replace Mr. Dominguez. Mr. Alacantara was appointed as a Non-Executive Director on March 29, 2017 and also serves as a Director in the Alcantara Group of Companies. He has over 45 years of involvement in both public and private companies, and in diverse industries that include manufacturing, banking and finance, property, information technology, agriculture, and power and energy, financial services, agriculture and diversified holdings. He was Petron Corporation's chairman from July 2001 to January 2009 as well as the company's chief executive officer from July 2002 to July 2003 and also from 2006 to January 2009. Mr. Alcantara is also a director of Seafront Resources Corporation, Philodril Corporation and Site Group International Limited.

He obtained his Business Administration degree from the Ateneo de Manila University and his Masters debree in Business Administration from Sta. Clara University, California U.S.A.

Editha I. Alcantara, 68, 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., 73, 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., 69, 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.

Benjamin R. Almario, 80, 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, 47, 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.

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 President	Nicasio I. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Chief Financial Officer	Robert F. Yenko	Filipino
Corporate Secretary	Angel M. Esguerra III	Filipino

Robert F. Yenko, 56, Filipino, became the Company's Chief Financial Officer on January 25, 2017 following the retirement of Mr. Luis R. Ymson, Jr. Mr. Yenko previously served as Regionl Treasurer and Finance Director of Intel Singapore for 25 years. He obtained his BS Management degree from the Ateneo de Manila University in 1981, and his MBA at the University of the Philippines in 1991. He also currently serves as the Vice-President for Finance and Administration of the Power Business Unit of the Alcantara Group.

Angel M. Esguerra III, 55, 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, Mr. Nicasio I. Alcantara and Ms. Editha I. Alcantara are siblings 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 24, 2017 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. Nicasio I. Alcantara
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.

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, 2016 and 2015 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 2016 and 2015.

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, 2016 and 2015 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. Robert F. Yenko
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 on September 9, 2016. Other matters for the forthcoming Annual Stockholders Meeting include the approval of the Audited Financial Statements for the year ended December 31, 2016, 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, 2016, 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. Other Proposed Action

There are no further actions required which would need disclosure.

Item 18. Voting Procedures

Stockholders as of August 4, 2017 may vote at the Annual Stockholders' Meeting on September 21, 2017. 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 21, 2017.

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 August 4, 2017 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 31, 2017 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 0 4 2017, 2017.

ACR MINING CORPORATION
Issuer

By: ______________________________ **Date:** AUG 0 4 2017

ROBERT F. YENKO
Chief Financial Officer and
Compliance Officer

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 **Manila Polo Club,** McKinley Road, Forbes Park, Makati City, Philippines 1220 on September 21, 2017 at 2:00 p.m. and at any of continuation thereof for the purpose of acting on the following matters:

1. Approval of the Minutes of the 2016 Annual meeting ; Yes No Abstain 2. Approval of the Management & Annual Reports; Yes No Abstain 3. Approval of the 2016 Audited Financial Statements; Yes No Abstain 4. Ratification of the Acts of the Board & Management; Yes No Abstain 5. Appointment of Sycip Gorres & Velayo as independent external auditors; Yes No Abstain	6. Election of Directors (including Independent Directors); Vote for all nominees below: 1. Tomas I. Alcantara 2. Nicasio I. Alcantara 3. Editha I. Alcantara 4. Tirso G. Santillan, Jr. 5. Esperidion D. Develos 6. Benjamin R. Almario (Independent Director) 7. Ramil L. Villanueva (Independent Director) Withhold authority to vote for all nominees listed above Withhold authority to vote for the nominees listed below __________ __________ __________ __________ __________ __________
	7. 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 SEPTEMBER 7, 2017, 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
2017 Annual Meeting of Stockholders
Pursuant to SRC Rule 20[4] [B]

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

REVIEW OF CURRENT YEAR 2016

The 2017 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, 2016 and 2015

	2016	2015
Current Ratio	0.02:1	0.02:1
Asset to Equity	1.22:1	1.17:1
Interest Coverage Ratio	-	-
Debt to Equity Ratio	0.22:1	0.17:1

Commitment for Capital Expenditure

Registrant plan to continue expenditure 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, 2016 and 2015.

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, 2016 and 2015 based on undiscounted payments:

2016

	On Demand	120 days or More	Total
Accrued expenses and other payables	4,706,916		4,706,916
Advances from affiliates	44,426,012		44,426,012

2015

	On Demand	120 days or More	Total
Accrued expenses and other payables	4,564,604		4,564,604
Advances from affiliates	33,779,821		33,779,821

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 ₱267,161 and ₱364,990 as of December 31, 2016 and 2015, 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 financial statements of ACRMC for the years ended December 31, 2016 and 2015 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

Current Year 2016

1. Cash and cash equivalents, 15% 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, 492% Increase

   The increase is due to the timing of liquidation of cash advances.

3. Property and Equipment, 77% Decrease

   The depreciation recognized during the year resulted to the decrease in property and equipment account.

4. Deferred Min Exploration Costs, 13% 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. 3% 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. 32% 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.

Previous Year 2015

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, 2016.

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, 2016, 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
2016	10,282,457	-
2015	36,448,128	-
2014	6,234,444	-

(vii) Employees

As of December 31, 2016, 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.

On February 17, 2017, the Company received a Show Cause Order (SCO) dated February 13, 2017 from the Department of Environment and Natural Resources (DENR). The SCO directed the Company to provide reasons why the DENR should not cancel its MPSA. On February 20, 207, the Company through its Counsel, responded to the DENR stating that it has not committed any violation that would warrant cancellation of the Company's MPSA. As of July 15, the DENR has not yet responded to the Company's reply.

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, 2017, 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

In compliance with the Securities Exchange Commission (SEC) Memorandum No. 9, Series of 2014, the Board of Directors and Executive Officer approved its Manual on Corporate Governance, *please refer to the attached Revised Manual on Corporate Governance.*

Annex "B"

ACR Mining Corporation

Financial Statements
December 31, 2016 and 2015

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	CRMD	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)**
1,802	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
Jose D. Saldivar, Jr.	jsaldivar@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

Alsons Bldg., 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 including the schedules attached therein, for the years ended December 31, 2016 and 2015, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

TOMAS I. ALCANTARA	NICASIO I. ALCANTARA	ROBERT F. YENKO
Chairman of the Board	President	Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 07 2017 of affiants exhibiting to me their Identifications, as follows:

Name	Identification No.	Date	Place of Issue
Tomas I. Alcantara	EB8610644	07-09-13	DFA Manila
Nicasio I. Alcantara	P2285039A	03-13-17	DFA Manila
Robert F. Yenko	DL#N01-16-031117	10-12-16	LTO San Juan

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Book No. III
Series of 2017

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. 5943493; 01/23/17; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City

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

SECRETARY'S CERTIFICATE

I, **ANGEL M. ESGUERRA, III**, Filipino, of legal age, with address at the 3rd Floor, Alsons Building, 2286 Chino Roces Avenue, Makati City, as the Corporate Secretary of **ACR MINING CORPORATION** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, do hereby certify, based on the Corporation's official records, that:

1. At the the Meeting of the Board of Directors of the Corporation held on the 1st day of March 2017, the following resolutions were adopted and approved, among others:

BOARD RESOLUTION NO. ACRMC 2017/I-01

RESOLVED, That the Company accept the retirement of Mr. Luis "Jun" R. Ymson, Jr. as the Company's Chief Financial Officer;

RESOLVED FURTHER, That the Company appoint as its new Chief Financial Officer Mr. Robert F. Yenko effective immediately;

RESOLVED FURTHER, That Mr. Robert F. Yenko be made an authorized signatory for and on behalf of the Company in all of its bank accounts where the Chief Financial Officer is an authorized signatory, and any and all resolutions authorizing signatories for bank accounts are hereby amended accordingly.

RESOLVED FINALLY, That Mr. Robert F. Yenko is authorized to sign the Statement of Management's Responsibility in the Audited Financial Statements of the Company.

2. The foregoing is consistent with the official records of the Corporation in the custody of the undersigned.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of March 2017 at Makati City, Metro Manila.

ANGEL M. ESGUERRA, III
Corporate Secretary

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the City of Makati, Philippines, this 21st day of March 2017, affiant who is personally known to me and whose identity I have confirmed through his Passport ID with No. P0613689A, issued on 12 October 2016, at DFA, NCR South, bearing the affiant's photograph and signature.

IRENEO U. GACAD, JR.
Notary Public for Makati City
Commission No. M-154
Until December 31, 2017
PTR OR No. 5943494; 01-23-17; Makati City
IBP No. 1055491; 01-23-17; Manila 1 Chapter
Roll No. 22596
Unit 304, Guadalupe Commercial Complex
Guadalupe Nuevo, Makati City

Doc. No. 228;
Page No. 47;
Book No LXI;
Series of 2017.
jqi/acrmc/403/17-1-01

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 AUDITOR'S 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 Audit of the Financial Statements

Opinion

We have audited the financial statements of ACR Mining Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2016 and 2015, 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, 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and 2015, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2016 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A and SEC Form 20-IS (Definitive Information Statement) for the year ended December 31, 2016 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report for the year ended December 31, 2016, which is expected to be made available to us after that date.

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

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements to the date of our auditor's report.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 16 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.

Manolito R. Elle

Manolito R. Elle
Partner
CPA Certificate No. 106471
SEC Accreditation No. 1618-A (Group A),
March 16, 2017, valid until March 15, 2020
Tax Identification No. 220-881-929
BIR Accreditation No. 08-001998-128-2017,
February 9, 2017, valid until February 8, 2020
PTR No. 5908693, January 3, 2017, Makati City

March 29, 2017

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8 - MAKATI
RECEIVED
2017

ACR MINING CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash (Note 7)	**₱552,161**	₱649,990
Receivables (Note 8)	**311,062**	52,500
Total Current Assets	**863,223**	702,490
Noncurrent Assets		
Mining rights (Note 9)	**195,000,000**	195,000,000
Deferred mine exploration costs (Notes 9 and 11)	**81,780,861**	71,498,404
Transportation and office equipment	**3,125**	13,488
Total Noncurrent Assets	**276,783,986**	266,511,892
TOTAL ASSETS	**₱277,647,209**	₱267,214,382
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 10)	**₱4,706,916**	₱4,564,604
Due to related parties (Note 11)	**44,426,012**	33,779,821
Total Liabilities	**49,132,928**	38,344,425
Equity (Note 12)		
Capital stock	**34,650,000**	34,650,000
Additional paid-in capital	**195,000,000**	195,000,000
Deficit	**(1,135,719)**	(780,043)
Total Equity	**228,514,281**	228,869,957
TOTAL LIABILITIES AND EQUITY	**₱277,647,209**	₱267,214,382

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2016	2015	2014
REVENUE			
Interest income (Note 7)	**₱1,517**	₱1,707	₱1,464
EXPENSES			
Documentation and filing fees	**246,875**	242,910	–
Professional fees	**80,000**	11,667	51,520
Depreciation	**17,863**	56,772	–
Taxes and licenses	**13,989**	7,919	7,390
Bank charges	**1,150**	100	1,100
Miscellaneous	–	–	14,082
	359,877	319,368	74,092
FOREIGN EXCHANGE GAIN	**2,684**	2,353	327
LOSS BEFORE INCOME TAX	**(355,676)**	(315,308)	(72,301)
BENEFIT FROM DEFERRED INCOME TAX (Note 13)	–	(98)	(907)
NET LOSS	**(355,676)**	(315,210)	(71,394)
OTHER COMPREHENSIVE INCOME	–	–	–
TOTAL COMPREHENSIVE LOSS	**(₱355,676)**	(₱315,210)	(₱71,394)
Basic/diluted loss per share (Note 12)	**(₱0.010)**	(₱0.014)	(₱0.385)

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	Capital Stock (Notes 11 and 12)						
	Issued and Fully Paid	Subscribed	Subscription Receivable	Net	Additional Paid-in Capital	Deficit	Total
BALANCES AS AT DECEMBER 31, 2013	**₱700**	**₱1,249,300**	**₱925,000**	**₱324,300**	**₱–**	**(₱393,439)**	**(₱68,439)**
Net loss for the year	–	–	–	–	–	(71,394)	(71,394)
Other comprehensive income	–	–	–	–	–	–	–
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 12)	–	–	–	–	195,000,000	–	195,000,000
BALANCES AS AT DECEMBER 31, 2014	**1,250,000**	**–**	**–**	**–**	**195,000,000**	**(464,833)**	**195,785,167**
Net loss for the year	–	–	–	–	–	(315,210)	(315,210)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	–	(315,210)	(315,210)
Conversion of deposit for future stock subscription to capital stock (Note 12)	33,400,000	–	–	–	–	–	33,400,000
BALANCES AS AT DECEMBER 31, 2015	**34,650,000**	**–**	**–**	**–**	**195,000,000**	**(780,043)**	**228,869,957**
Net loss for the year	–	–	–	–	–	(355,676)	(355,676)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	–	(355,676)	(355,676)
BALANCES AS AT DECEMBER 31, 2016	**₱34,650,000**	**₱–**	**₱–**	**₱–**	**₱195,000,000**	**(₱1,135,719)**	**₱228,514,281**

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**(₱355,676)**	(₱315,308)	(₱72,301)
Adjustments for:			
Depreciation	**17,863**	56,772	–
Interest income	**(1,517)**	(1,707)	(1,464)
Unrealized foreign exchange gain	**(2,684)**	(2,353)	(327)
Operating loss before working capital changes	**(342,014)**	(262,596)	(74,092)
Decrease (increase) in receivables	**(258,562)**	165,322	279,278
Increase (decrease) in accounts payable and other current liabilities	**142,312**	(181,835)	(94,774)
Cash generated from (used in) operations	**(458,264)**	(279,109)	110,412
Interest received	**1,517**	1,707	1,464
Net cash from (used in) operating activities	**(456,747)**	(277,402)	111,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to deferred mine exploration costs (Notes 9 and 11)	**(6,500,056)**	(5,225,463)	(6,158,314)
Acquisition of office equipment	**(7,500)**	(70,260)	–
Cash used in investing activities	**(6,507,556)**	(5,295,723)	(6,158,314)
CASH FLOWS FROM FINANCING ACTIVITY			
Additional advances from related parties (Note 11)	**6,863,790**	5,041,144	5,962,476
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**2,684**	2,353	327
NET DECREASE IN CASH	**(97,829)**	(529,628)	(83,635)
CASH AT BEGINNING OF YEAR	**649,990**	1,179,618	1,263,253
CASH AT END OF YEAR (Note 7)	**₱552,161**	₱649,990	₱1,179,618

See accompanying 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. ACR'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 March 29, 2017.

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-XI 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, 2016 and 2015, the Manat MPSA is in the exploration phase of development (see Note 9).

On February 17, 2017, the Company received a Show Cause Order (SCO) dated February 13, 2017 from the Department of Environment and Natural Resources (DENR). The SCO directed the Company to provide reasons why the DENR should not cancel its MPSA Serial

No. 094-97-XI. Consequently, on February 20, 2017, the Company responded to the DENR stating that they have not committed any violation that would warrant cancellation of the Company's MPSA. As of March 29, 2017, the DENR has not yet responded to the Company's reply.

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).

4. Changes in Accounting Policies and Disclosures

New Standards Effective Starting January 1, 2016
The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new standard and amendments to existing standards starting January 1, 2016. Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance.

- Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28, *Investments in Associates and Joint Ventures*, *Investment Entities: Applying the Consolidation Exception*
- Amendments to PFRS 11, *Joint Arrangements*: *Accounting for Acquisitions of Interests in Joint Operations*
- PFRS 14, *Regulatory Deferral Accounts*
- Amendments to PAS 1, *Presentation of Financial Statements*: *Disclosure Initiative*
- Amendments to PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets*, *Clarification of Acceptable Methods of Depreciation and Amortization*
- Amendments to PAS 16 and PAS 41, *Agriculture: Bearer Plants*
- Amendments to PAS 27, *Separate Financial Statements*, *Equity Method in Separate Financial Statements*
- Annual Improvements to PFRSs 2012 - 2014 Cycle
  - Amendment to PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations: Changes in Methods of Disposal*
  - Amendment to PFRS 7, *Financial Instruments: Disclosures: Servicing Contracts*
  - Amendment to PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  - Amendment to PAS 19, *Employee Benefits, Discount Rate: Regional Market Issue*
  - Amendment to PAS 34, *Interim Financial Reporting*: *Disclosure of Information 'Elsewhere in the Interim Financial Report'*

Standards Issued but not yet Effective
The following are the new and revised standards and interpretations that will become effective subsequent to December 31, 2016. 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 beginning on or after January 1, 2017
- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)
- Amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*
- Amendments to PAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*

Effective beginning on or after January 1, 2018
- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*
- Amendments to PFRS 4, *Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4*
- PFRS 15, *Revenue from Contracts with Customers*
- PFRS 9, *Financial Instruments*
- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)
- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*
- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

Effective beginning on or after January 1, 2019
- PFRS 16, *Leases*

Deferred effectivity
- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2016. 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

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statement of financial position based on current or noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities.

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 statement of financial position 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 profit or loss 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 profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference 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, 2016 and 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 measured at amortized cost using the effective interest 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. 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 profit or loss.

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

<u>Derecognition of Financial Assets and Liabilities</u>
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 profit or loss.

Impairment of Financial Assets
The Company assesses at the end of each reporting period 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 profit or loss. 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 profit or loss.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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.

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 included under "Deferred mine exploration costs" account in profit or loss. 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 the end of each reporting period 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 the end of each reporting period 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 profit or loss 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 the end of the reporting period.

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 the end of each reporting period 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 the end of the reporting period.

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.

Related Party Transactions and Relationships

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. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

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 End of Reporting Period
Events after the end of the reporting period 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. Events after the end of the reporting period 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 end of reporting period. 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:
  - the legal form of the separate vehicle;
  - the terms of the contractual arrangement; and
  - 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 Southern Exploration Corporation (SECO) is not a joint arrangement under PFRS 11 (see Note 9).

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.

As discussed in Note 2, the Company received an SCO from the DENR directing them to provide reasons why the Company's MPSA Serial No. 094-97-XI should not be cancelled. Based on management's evaluation and in coordination with its internal and legal counsels, the Company has not committed any violation that would warrant the cancellation of the Company's MPSA.

In 2016 and 2015, based on management's assessment, the Company did not identify any indicators of impairment that would trigger an impairment review. Moreover, management concluded that the receipt of the SCO does not represent an indicator of possible impairment of the Company's mining rights and deferred mine exploration costs. The carrying amount of mining rights and deferred mine exploration costs amounted to ₱276.8 million and ₱266.5 million as of December 31, 2016 and 2015, respectively (see Note 9).

Recognition of deferred income tax asset
The Company's assessment on the recognition of deferred income tax assets on the carryforward benefits of NOLCO 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, 2016 and 2015, the Company did not recognize deferred income tax asset on the carryforward benefits of NOLCO amounting to ₱746,649 and ₱505,048, 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 13).

7. Cash

	2016	2015
Cash on hand	**₱285,000**	₱285,000
Cash in bank	**267,161**	364,990
	₱552,161	₱649,990

Cash in bank earns interest at the respective interest rate per annum. Interest income earned in 2016 and 2015 amounted to ₱1,517 and ₱1,707, respectively.

8. Receivables

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

9. 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 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, 2016 and 2015.

The carrying value of the mining rights as of December 31, 2016 and 2015 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, 2016 and 2015, the Manat MPSA is still in the exploration phase of development. The carrying value of deferred mine exploration costs as of December 31, 2016 and 2015 amounted to ₱81.8 million and ₱71.5 million, respectively.

10. Accounts Payable and Other Current Liabilities

	2016	2015
Accounts payable and accrued expenses	**₱4,696,416**	₱4,559,173
Withholding taxes payable	**10,500**	5,431
	₱4,706,916	₱4,564,604

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.

11. Related Party Transactions

Related party transactions consist of cash advances. Outstanding balances at year-end are non-interest bearing, payable on demand, and are settled in cash. Outstanding balances as at December 31, 2016 and 2015 are shown as "Due to related parties" account in the statements of financial position.

Outstanding balances with related parties are as follows:

		Advances During the Year	Outstanding Balances	Terms and Condition
Affiliates				
Conal Corporation	**2016**	**₱3,780,000**	**₱31,168,439**	Due and demandable, non-interest bearing, unsecured
	2015	27,388,439	27,388,439	
Alsons Power Holdings Corporation	**2016**	**4,661,790**	**4,661,790**	- do -
	2015	–	–	
AC	**2016**	**1,622,000**	**1,622,000**	- do -
	2015	–	–	
ACR	**2016**	**580,540**	**6,971,922**	- do -
	2015	6,391,382	6,391,382	
Alsons Land Corporation (ALC)	**2016**	**1,861**	**1,861**	- do -
	2015	–	–	
	2016	**₱10,646,191**	**₱44,426,012**	
	2015	₱33,779,821	₱33,779,821	

Conal Corporation and ACR paid on behalf of the Company certain expenditures for exploration works on mining properties totaling to ₱3.8 million and ₱27.4 million in 2016 and 2015, respectively. These transactions are treated as non-cash financing activity in the statements of cash flows.

Compensation of Key Management Personnel
The Company does not have compensation for key management personnel in 2016 and 2015. The management, accounting, statutory reporting and compliance services are provided by a related party, at no cost to the Company.

12. Capital Stock and Earnings Per Share

a. Capital stock

	December 31, 2016		December 31, 2015	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized - ₱1 par value				
Beginning balance	**125,000,000**	**₱125,000,000**	5,000,000	₱5,000,000
Addition	–	–	120,000,000	120,000,000
Ending balance	**125,000,000**	**₱125,000,000**	125,000,000	₱125,000,000
Issued				
Beginning balance	**34,650,000**	**₱34,650,000**	1,250,000	1,250,000
Conversion of deposits for future stock subscriptions	–	–	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 with par value of ₱1 per share.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.

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.

b. Basic/Diluted Loss Per Share

	2016	2015	2014
Net loss	**(₱355,676)**	(₱315,210)	(₱71,394)
Divided by the average number of common shares outstanding during the year	**34,650,000**	23,208,219	185,526
Basic/Diluted loss per share	**(₱0.010)**	(₱0.014)	(₱0.385)

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.

13. 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 ₱805 and ₱607 as of December 31, 2016 and 2015, respectively.

c. The Company did not recognize deferred income tax asset on the carryforward benefits of NOLCO amounting to ₱746,649 and ₱505,045 as of December 31, 2016 and 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.

As of December 31, 2016, the Company's NOLCO that can be carried forward and claimed as deduction against future taxable income are as follows:

Year Incurred	Available Until	Balance as at December 31, 2015	Addition (Expiration)	Balance as at December 31, 2016
2013	2016	₱117,615	(₱117,615)	₱–
2014	2017	70,742	–	70,742
2015	2018	318,714	–	318,714
2016	2019	–	359,877	359,877
		₱507,071	₱242,262	₱749,333

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

	2016	2015	2014
Income tax computed at 30%	(₱106,703)	(₱94,592)	(₱21,690)
Adjustments resulting from:			
NOLCO for which no deferred income tax asset was recognized	107,158	95,006	21,222
Interest income subjected to final tax	(455)	(512)	(439)
Benefit from deferred income tax	₱–	(₱98)	(₱907)

14. 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 ₱0.27 million and ₱0.36 million as of December 31, 2016 and 2015, respectively. The Company's financial asset as of December 31, 2016 and 2015 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 as of December 31, 2016 and 2015 are readily available for liquidity purposes. As of December 31, 2016 and 2015, the Company's accounts payable and other current liabilities, excluding withholding taxes payable, amounting to ₱4.70 million and ₱4.56 million, respectively, are payable within a year.

Due to related parties amounting to ₱44.43 million and ₱33.78 million as of December 31, 2016 2015, respectively, 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, 2016 and 2015.

The amount of capital is the total equity balance as of December 31, 2016 and 2015 as shown in the statements of financial position.

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 at the end of reporting period due to the short-term nature of these financial instruments.

15. 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:

	2016	2015	2014
Interest income	**₱1,517**	₱1,707	₱1,464
Benefit from deferred income tax	–	(98)	(907)
Net loss	**(355,676)**	(315,210)	(71,394)

Other Information:

	2016	2015
Segment assets	**₱277,647,209**	₱267,214,382
Segment liabilities	**(49,132,928)**	(38,344,425)
Capital expenditures	**(7,500)**	(70,260)

Cash Flow Information:

	2016	2015	2014
Operating activities	**(₱456,747)**	(₱277,075)	₱111,876
Investing activities	**(6,507,556)**	(5,295,723)	(6,158,314)
Financing activity	**6,863,790**	5,041,144	5,962,476

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

The following include information on taxes and licenses paid or accrued in 2016:

Taxes and Licenses
The details of taxes and licenses for the year ended December 31, 2016 are as follows:

Business permit	₱11,289
Community tax certificate	500
Others	2,200
	₱13,989

Documentary Stamp Tax
The Company did not pay any documentary stamp tax during the year ended December 31, 2016.

Withholding Taxes
The expanded withholding taxes paid/accrued for the year follow:

Withholding taxes on compensation and benefits	₱88,009
Expanded withholding taxes	21,000
	₱109,009

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, 2016.

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 AUDITOR'S 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, 2016 and 2015 and for each of the three years in the period ended December 31, 2016, included in this Form 17-A and have issued our report thereon dated March 29, 2017. 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.

Manolito R. Elle

Manolito R. Elle
Partner
CPA Certificate No. 106471
SEC Accreditation No. 1618-A (Group A),
March 16, 2017, valid until March 15, 2020
Tax Identification No. 220-881-929
BIR Accreditation No. 08-001998-128-2017,
February 9, 2017, valid until February 8, 2020
PTR No. 5908693, January 3, 2017, Makati City

March 29, 2017

ACR MINING CORPORATION

SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS

DECEMBER 31, 2016

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRS 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			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions		✓	
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			✓
	Amendments to PFRS 4: Applying PFRS 9 with PFRS 4		✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		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, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception			✓
	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			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Early Adopted	Not Applicable
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendment to PFRS 12, Clarification of the Scope of the Standard		✓	
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			✓
PFRS 15	Revenue from Contracts with Customers		✓	
PFRS 16	Leases		✓	
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 Initiative	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative		✓	
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	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses		✓	
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			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Early Adopted	Not Applicable
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			✓
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: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28: Investment Entities			✓
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
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'			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Early Adopted	Not Applicable
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			✓
	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			✓
	Amendments to PAS 40: Transfers of Investment Property		✓	
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Early Adopted	Not Applicable
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			✓
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	✓		
IFRIC 22	Foreign Currency Transactions and Advance Consideration			✓
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	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Early Adopted	Not Applicable
Philippine Interpretations				
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			✓

Annex "C"

ACR Mining Corporation

Interim Financial Statements
Six Months Ended June 30,2017 with Comparative Figures as of June 30,2016 and Year and December 31,2016

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 as of and for the quarters ended June 30, 2017 and 2016 is submitted as part of this report. 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, 2016.

Item 2. Management's Discussion and Results of Operations

<u>Results and Status of Operations</u>

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.

<u>Financial Conditions</u>

Comparative financial conditions as of June 30, 2017 and December 31, 2016 are presented below:

	June 30, 2017	December 31, 2016
Total Current Assets	1,009,595	863,223
Total Noncurrent Assets	279,174,598	276,783,986
Total Assets	280,184,193	277,647,209
Current Liabilities	51,680,569	49,132,928

<u>June 30, 2017 vs. December 31, 2016</u>

Cash increased by 17% from ₱863,223 to ₱1,009,595 due mainly additional related party availed during the period.

Receivable increased by 21% from ₱311,062 to ₱377,406 due to the additional advances to employees for community related expenses that remain unliquidated as of the period ended June 30, 2017.

Transportation and office equipment decreased by 76% due to depreciation expense recognized during the period.

Due to related parties increased by 6% from ₱44.4 million to ₱47.3 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, 2016.

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, 2017 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, 2016.

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

	A	S	0	9	6	0	1	2	9	5

Company Name

ACR MINING CORPORATION

Principal Office (No./Street/Barangay/City/Town/Province)

Alsons Building 2286 Don Chino Roces Avenue Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	N.A.

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
Legal@alcantaragroup.com	9823000	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,833		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
Robert F. Yenko	rfy@alcantaragroup.com	9823000	

Contact Person's Address

Alsons Building 2286 Don Chino Roces Avenue Makati City

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.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended __30 June 2017__

2. SEC Identification Number __AS09601295__

3. BIR Tax Identification Number -

4. Exact name of registrant as specified in its charter: __ACR MINING CORPORATON__

5. __Philippines__
   Province, Country or other jurisdiction of incorporation or organization

6. Industry Classification Code:________________ (SEC Use Only)

7. Alsons Bldg., 2286 Pasong Tamo Extension, __Makati City__ Address of principal office
   __1231__ Postal Code

8. __(632) 982-3000__
   Registrant's telephone number, including area code

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

10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P 1.00 par value	**34,600,000 Shares**

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

    Yes [ ] No [x]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Check whether the registrant:

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

    Yes [X] No [ ]

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

    Yes [X] No [ ]

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ACR Mining Corporation

Unaudited Interim Financial Statements
As at June 30, 2017 and for the Six-Month Periods Ended
June 30, 2016

(With Comparative Audited Balance Sheet
as at December 31, 2016)

ACR MINING CORPORATION
BALANCE SHEETS

	June 30 2017	December 31 2016
ASSETS		
Current Assets		
Cash (Note 7)	₱632,189	₱552,161
Receivables (Note 8)	377,406	311,062
Total Current Assets	1,009,595	863,223
Noncurrent Assets		
Transportation and office equipment (Note 9)	5,500	3,125
Mining rights (Note 10)	195,000,000	195,000,000
Deferred mine exploration costs (Notes 10 and 11)	84,169,098	81,780,861
Total Noncurrent Assets	279,174,598	276,783,986
TOTAL ASSETS	₱280,184,193	₱277,647,209
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	₱4,427,918	₱4,706,916
Due to related parties (Note 12)	47,252,651	44,426,012
Total Current Liabilities	51,680,569	49,132,928
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	(1,146,376)	(1,135,719)
Total Equity	228,503,624	228,514,281
TOTAL LIABILITIES AND EQUITY	₱280,184,193	₱277,647,209

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30	
	2017	2016
REVENUE		
Interest income (Note 7)	**₱700**	₱700
EXPENSES		
Depreciation expense	**3,125**	14,112
Taxes and licenses	**8,939**	8,939
Bank charges	**50**	1,100
Miscellaneous	**-**	-
	12,114	24,151
FOREIGN EXCHANGE GAIN	**757**	-
NET LOSS	**(10,657)**	(23,451)
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE LOSS	**(₱10,657)**	(₱23,451)
Basic / diluted loss per share (Note 13)	**(₱0.000)**	(₱0.0001)

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND DECEMBER 31, 2016

	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, 2015	34,650,000	–	₱–	₱–	₱195,000,000	(₱780,043)	₱228,869,957
Net loss for the period	–	–	–	–	–	(23,451)	(23,451)
Conversion of deposit for future stock subscription	-	-	-	-	-	-	-
BALANCE AS AT JUNE 30, 2016	34,654,000	-	-	-	195,000,000	(₱803,494)	₱228,846,506
BALANCES AS AT DECEMBER 31, 2016	**₱34,650,000**	₱–	₱–	₱–	**₱195,000,000**	**(₱1,135,719)**	**₱228,514,281**
Net loss for the period	–	–	–	–	–	**(10,657)**	**(10,657)**
BALANCES AS AT JUNE 30, 2017	**₱34,650,000**	₱–	₱–	₱–	**₱195,000,000**	**(₱1,146,376)**	**₱228,503,624**

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF CASH FLOWS

	Six Months Ended June 30	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱10,657)**	(₱23,451)
Adjustments for:		
Depreciation (Note 7)	**3,125**	14,112
Interest income	**(700)**	(700)
Unrealized foreign exchange gain	**757**	-
Operating loss before working capital changes	**(7,475)**	(10,039)
Increase in receivables	**(66,344)**	(537,500)
Decrease in accounts payable and other current liabilities	**(278,998)**	(281,547)
Cash used in operations	**(352,817)**	(829,086)
Interest received	**700**	700
Net cash used in operating activities	**(352,117)**	(828,386)
CASH FLOWS FROM INVESTING ACTIVITY		
Increase in other noncurrent assets	**(2,388,237)**	(2,425,571)
Acquisition of office equipment	**(5,500)**	(7,500)
Net cash used in investing activities	**(2,393,737)**	(2,433,071)
CASH FLOWS FROM FINANCING ACTIVITY		
Additional advances from related parties (Note 14)	**2,826,639**	3,382,900
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	**(757)**	-
NET INCREASE (DECEASE) IN CASH	**80,028**	121,443
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	**552,161**	649,990
CASH ON HAND AND IN BANKS AT END OF YEAR	**₱632,189**	₱771,433

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 June 30, 2017, the Manat MPSA is in the exploration phase of development.

On February 17, 2017, the Company received a Show Cause Order (SCO) dated February 12, 2017 from the Department of Environment and Natural Resources (DENR). The SCO directed the Company to provide reasons why the DENR should not cancel its MPSA Serial No. 094-97-XI. Consequently, on February 20, 2017, the Company responded to the DENR stating that they have not committed any violation that would warrant cancellation of the Company's MPSA. As of June 30, 2017, the DENR has not yet responded to the Company's reply.

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

New Standards Effective Starting January 1, 2016
the accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following new standard and amendments to existing standards starting January 1, 2016. Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance.

- Amendment to PFRS 10, *consolidated Financial Statements,* PFRS 12, *Disclosure of Interest in Other Entities,* and PAS 28, *Investments in Associates and Joint Ventures, Investment Entities: Applying Consolidation Exception*
- Amendment to PFRS 11, *Joint Arrangements : Accounting for Acquisitins of Interest in Joint Operations*
- PFRS 14, *Regulatory Deferral Account*
- Amendments to PAS 1, *Presentation of Financial Statements:* Disclosure Initiative
- Amendments to PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets, Clarification of Acceptable Methods of Depreciation and Amortization*
- Amendments to PAS 16 and PAS 41, *Agriculture: Bearer Plants*
- Amendments to PAS 27, *Separate Financial Statements, Equity Method in Separate Financial Statements*
- Annual Improvements to PFRSs 2012 – 2014 Cycle
    - Amendment to PFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations:*
      Changes in Methods of Disposal
    - Amendment to PFRS 7 – *Financial Instruments: Disclosures: Servicing Contracts*
    - Amendment to PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
    - Amendment to PAS 19, *Employee Benefits, Discount Rate: Regional Market Issue*
    - Amendment to PAS 34, *Interim Financial Reporting: Disclosure Information Elsewhere in the Interim Report'*

Standards Issued but not yet Effective
The following are the new and revised standards and interpretations that will become effective subsequent to December 31, 2016. 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 beginning on or after, January 1, 2017
- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of Annual Improvements to PFRSs 2014 – 2016 Cycle)
- Amendments to PAS 7, *Statements of Cash Flows, Disclosure Initiative*
- Amendments to PAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*

Effective beginning on or after, January 1, 2018
- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based payment Transactions*
- Amendment to PFRS 4, *Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4.*
- PFRS 15, *Revenue from Contracts with Customers*
- PFRS 9, *Financial Instruments*
- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value (*Part of *Annual Improvements to PFRSs 2014 – 2016 Cycle)*
- Amendments to PAS 40, *Investment Properyt, Tansfers of Investment Property*
- Philippine Interpretations IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

Effective beginning on or January 1, 2019
- PFRS 16, *Leases*

Deferred effectivity
- *Amendments to PFRS 10 and PAS 28, Sale or Contribution to Assets between an Investor and its Associate or Joint Venture*

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2016. 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**

Current versus Noncurrent Classification
The Company presents assets and liabilities in the statements of financial position on current or noncurrent classification. An asset is current when it is:
- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading,
- expected to be realized within twelve months after the reporting periods; or
- cash or cash equivalent unless restricted from being exchanged r used to settle a liability for at least twelve months after the reporting period,

All other assets are classified as noncurrent.

A liability is current when it is:
- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading,
- expected to be settled within twelve months after the reporting periods; or

- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

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 June 30, 2016 and December 31, 2016.

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.

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 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.

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 ₱279.17 million and ₱276.78 million as of June 30, 2017 and December 31, 2016, 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, 2016 amounted to ₱746,649.

7. Cash

	June 30, 2017	December 31, 2016
Cash on hank	₱285,000	₱285,000
Cash in bank	327,189	267,161
	₱632,189	₱552,161

Cash in bank earns interest at the respective interest rate per annum. Interest income earned as of June 30, in 2017 and 2016 amounted to ₱1,707 and ₱700, 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, 2017 and December 31, 2016.

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, 2017 and December 31, 2016.

The carrying value of the mining rights as of June 30, 2017 and December 31, 2016 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, 2017, the Manat MPSA is still in the exploration phase of development. The carrying value of deferred mine exploration costs as of June 30, 2017 and December 31, 2016 amounted to ₱81.8 million and ₱ 84.2 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, 2017 and December 31, 2016 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:

	2017		2016	
	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, 2017 and 607 as of December 31, 2016.

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, 2017 and December 31, 2016, 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	₱359,877
2015	2018	318,714
2014	2017	70,742
		₱749,333

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, 2017 and December 31, 2016, respectively. The Company's financial asset as of June 30, 2017 and December 31, 2016, 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, 2017 and December 31, 2016 are readily available for liquidity purposes. As of June 30, 2016 and December 31, 2016, 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, 2017 and December 31, 2016.

The amount of capital is the total equity balance as of June 30, 2017 and December 31, 2016 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 2016:

Taxes and licenses
The details of taxes and licenses for the year ended December 31, 2016 are as follows:

Business permit	₱11,289
Community tax certificate	500
Others	2,200
Total	₱13,989

Withholding taxes
The expanded withholding taxes paid or accrued for the year ended December 31, 2016 amounted to ₱109,009.

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, 2016.

ANNEX D

The Minutes of the Annual Meeting of the Stockholders and the relevant resolutions approved by the Board of Directors in 2016.

ACR MINING CORPORATION

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
Held at the Makati Sports Club, L.P. Leviste corner Gallardo Streets
Salcedo Village, Makati City, Philippines
on 09 September 2016 at 2:00 p.m.

CALL TO ORDER

The Chairman of the Board of Directors, Mr. Tomas I. Alcantara,[1] called the meeting to order and presided over the same.

The Chairman informed the stockholders of the attendance of the other directors at the meeting: Editha I. Alcantara; Tirso G. Santillan, Jr.; Esperidion D. Develos, Jr.; Ramil L. Villanueva (Independent Director)[2] and Benjamin R. Almario (Independent Director). The Corporate Secretary, Atty. Angel M. Esguerra, III, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that he sent notices of the meeting sent to all stockholders in compliance with the By-laws, and stockholders representing 82% of the outstanding capital stock were present, in person or by proxy, at the meeting, and that a quorum was present for the transaction of business. He then informed the stockholders of the voting procedures and general protocol of the meeting.

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Chairman stated that the next matter on the agenda was the approval of the minutes of the annual stockholders' meeting held on 24 May 2015, copies of which had been earlier distributed to the stockholders. On motion duly made and seconded, it was resolved that the reading of said minutes be dispensed with and that the same be approved without reading.

ANNUAL REPORT

The Chairman delivered his message to the shareholders. Thereafter, Ms. Ma. Concepcion F. de Claro reported on the Company's financial condition and presented the audited financial statements for the year ended 31 December 2015, the interim financial statements for the first quarter of 2016 and the revenue forecast for the full year 2016.

After the report, questions were entertained from the floor.

After some discussion, on motion made and duly seconded, the stockholders representing at least 28,413,613 common shares or 82% of the outstanding capital stock approved the Annual Report of Management and the financial statements as of 31 December 2015 and interim financial statements for the first quarter of 2016, were noted and made part of the records of the Corporation.

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.

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1 Mr. Tomas I. Alcantara is the Chairman of the Board, Chairman of the Nomination and Election Committee and Chairman of the Compensation Committee.

2 Mr. Ramil L. Villanueva is the Chairman of the Audit Committee.

AMENDMENT OF THE BY-LAWS

The next matter on the agenda was for the stockholders ratification and approval of the resolutions by the Board of Directors, adopted at their July 5th meeting, amending: (1) Article II, Section 1, of the By-Laws by changing the month for the Annual Stockholders' Meeting from April to September; and (2) Article III of the By-Laws by inserting as Section 2 provisions creating a Nomination and Election Committee for the Election of Regular and Independent Directors, and renumbering the succeeding sections of Article III to reflect that the former Section 2 will now be renumbered Section 3 and son on up to Section 9 which was formerly Section 8.

After some discussion, on motion made and duly seconded, the stockholders representing at least 28,413,613 common shares or 82% of the outstanding capital stock approved, ratified and confirmed the Amendment of By-Laws of the Corporation.

APPOINTMENT OF ELECTION INSPECTORS

The next matter on the agenda was the appointment of the election inspectors of the Corporation. Upon motion duly made and seconded, the Secretary and the Stock and Transfer Agent were constituted as a Committee of Inspectors to inspect and validate the proxies and the ballots.

ELECTION OF DIRECTORS

The next matter on the agenda was the election of the members of the Board of Directors. The Corporate Secretary explained that in accordance with the Company's Corporate Governance Manual, all nominations for directors were reviewed and approved by the Nominations Committee. Under SEC rules, only nominees whose names have been submitted to and evaluated by the Nomination and Election Committee, and whose names appear in the Final List of Candidates set forth in the Definitive Information Statement, shall be eligible for election as Independent Directors.

The Chairman stated that there are seven (7) board seats under the Corporation's By-laws, and that the Nomination and Election Committee received and evaluated the nominations of a total of seven (7) candidates consisting of five (5) candidates for regular directors and two (2) candidates for independent directors. He then announced that the table was open for nominations and the following were nominated:

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

Thereafter, it was moved, seconded and unanimously resolved to close the nominations. There being only seven (7) nominees to the positions for seven (7) directors, the stockholders, upon motion, duly seconded, declared the seven (7) nominees to be the duly elected directors of the Corporation for the current term and until their successors shall have been elected and qualified as provided in the By-Laws

The Chairman also acknowledged the election of Messrs. Benjamin R. Almario and Ramil L. Villanueva as the Corporation's independent directors.

APPOINTMENT OF EXTERNAL AUDITORS

The next matter on the agenda was the appointment of the external auditors of the Corporation. Upon motion duly made and seconded, the stockholders representing at least 8,413,613 common shares or 82% of the outstanding capital stock approved the reappointment of auditing firm SyCip Gorres Velayo & Co. as the Company's external auditor for the current year 2016-2017.

ADJOURNMENT

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

ANGEL M. ESGUERRA, III
Corporate Secretary

ATTESTED:

TOMAS I. ALCANTARA
Chairman of the Board

ACR Mining Corporation
Revised Manual on Corporate Goverance

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SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	AS96001295
Company Name	ACR MGT. CORP.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	109212016002180
Document Type	MANUAL ON CORPORATE GOVERNANCE
Document Code	MCG
Period Covered	September 09, 2016
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

AS096001295
S.E.C. Registration Number

ACR MINING CORPORATION

(Company's Full Name)

2286 CHINO ROCES AVENUE
MAKATI CITY METRO MANILA
(Business Address: No. Street City / Town / Province)

ANGEL M. ESGUERRA, III
Contact Person

(02) 982-3000
Company Telephone Number

12	31
Month	*Day*

Fiscal Year

Corporate Governance

Manual
FORM TYPE

ANY DAY OF APRIL
Month *Day*
Annual Meeting

RS
Secondary License Type, If Applicable

CFD
Dept. Requiring this Doc.

N.A.
Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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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, SEP 09 2016.

Signed:

ACR MINING CORPORATION
By:

TOMAS I. ALCANTARA
Chairman of the Board

PAUL G. DOMINGUEZ
President

Securities and Exchange Commission
Electronic Records Management Division
AUG 0 7 2017
BY
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **BENJAMIN R. ALMARIO**, Filipino, of legal age and a resident of 33 Legaspi St., Alabang Hills Subd., Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **ACR MINING CORPORATION,** and have been its independent director since September 9, 2016.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
Eagle Ridge Golf & Country Club, Inc.	Independent Director	since year 2002
Kumassie Plantation Co., Inc.	Chairman-Director	present
Stoneworks Specialists International Inc.	Corporate Secretary	present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ACR MINING CORPORATION, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission (SEC).

4. I am not related to any / director/ officer/ substantial shareholder of ACR MINING CORPORATION and its subsidiaries and affiliates other than the relationship provide under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of ACR MINING CORPORATION of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 0 4 2017 at Makati City.

BENJAMIN R. ALMARIO
Affiant

SUBSCRIBED AND SWORN to before me this AUG 0 4 2017 at Makati City, affiant personally appeared before me and exhibited to me his Tax Identification No. (TIN) 113-379-128.

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Page No. 75;
Book No. III;
Series of 2017.

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; 06-01-1987
IBP No. 00259; 06-01-1995; Pasay Chapter
PTR No. 5943493; 01-23-2017; Makati City
Alsons Bldg., 2286 Chino Roces Extension, Makati City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RAMIL L. VILLANUEVA**, Filipino, of legal age and a resident of B67 L36 Norte Dame St., Village 3 Metro South Subdivision , after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **ACR MINING CORPORATION,** and have been Its independent director since September 9, 2016.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
Advanced World Systems, Inc.	Board of Director/AVP Corporate Planning	2002 - present
Alsons/AWS Information Systems, Inc.	Board of Director	1997 - present
Advanced World Solutions, Inc.	Board of Director	2013 - present
Eagle Ridge Golf & Country Club, Inc.	Independent Director	2008 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ACR MINING CORPORATION, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission (SEC).

4. I am not related to any / director/ officer/ substantial shareholder of ACR MINING CORPORATION and its subsidiaries and affiliates other than the relationship provide under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of ACR MINING CORPORATION of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 04 2017 at Makati City.

RAMIL L. VILLANUEVA
Affiant

SUBSCRIBED AND SWORN to before me this AUG 04 2017 at Makati City, affiant personally appeared before me and exhibited to me his Tax Identification No. (TIN) 146-391-829.

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Page No. 75;
Book No. III;
Series of 2017.

ANGEL M. ESGUERRA, III
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