

for
SEC FORM 20-IS

	A	S	0	9	6	0	1	2	9	5
--	---	---	---	---	---	---	---	---	---	---

[illegible][illegible]

2	0	1	S
---	---	---	---

S	E	C	
---	---	---	--

--	--	--	--

legal@alcantaragroup.com

982 - 3000

1,833

November 20

December 31

Angel M. Esguerra III

legal@alcantaragroup.com

8982-3000

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.

ACR MINING CORPORATION
Notice of the Annual Meeting of the Stockholders

To All Stockholders:

Please be notified that the annual meeting of the stockholders of **ACR MINING CORPORATION** will be held on Friday, November 20, 2020 at 2:00 p.m. The “venue” will be at the Company’s offices at the Alsons Building, 2286 Chino Roces Avenue, Makati City, but the meeting will be conducted virtually and can be accessed at the link to be provided by the Company to all stockholders of record as of October 10, 2020, or to the proxy holders of such stockholders, who will duly register to attend the meeting. The following is the agenda of the meeting:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on September 26, 2019;
4. Approval of the Annual Report, and the 2019 Audited Financial Statements;
5. Ratification of Acts of the Board and Management;
6. Appointment of External Auditors;
7. Election of Directors (including Independent Directors);
8. Other business that may properly be brought before the Meeting; and
9. Adjournment

Attached to this Notice, as Annex “A”, is a brief statement of the rationale and explanation for each item in the agenda that requires the stockholders’ approval. The Information Statement contains more detail regarding the rationale and explanation for each such item.

The electronic copy of the said Statement, and the Company's Management Report, SEC Form 17-A, and other documents pertinent to the stockholder’s attendance of the meeting may all be downloaded by scanning the QR Code on this Notice. The said Statement, and documents, are also available at the Company's website at:

[https://acrmc.com.ph/acrmc/dis/Filings/2020 DIS \(SEC Form 20-IS\).pdf](https://acrmc.com.ph/acrmc/dis/Filings/2020%20DIS%20(SEC%20Form%2017-A).pdf)

The stockholders are meeting virtually, and not physically, due to the continuing COVID-19 pandemic. Only stockholders of record as of October 10, 2020, or proxy holders of such stockholders, are entitled to attend, and to vote at, the meeting.

Individual stockholders who wish to attend the virtual meeting must email their request to attend to acrmc-annual@alcantaragroup.com not later than the close of business on November 15, 2020. Stockholders who wish to be represented at the virtual meeting by proxy must either: (a) submit an original, duly signed, and accomplished proxy, a form for which is set forth in the Information Statement, by post or courier to the Office of the Corporate Secretary at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila; or (b) email a copy of the said proxy in an appropriate format to acrmc-annual@alcantaragroup.com, not later than the close of business on November 15, 2020. The Company will validate the requests, and the proxies, and email the stockholders, and proxy holders, instructions on how to access the virtual meeting.

Makati City, October 15, 2020.



A handwritten signature in blue ink, appearing to read 'Angel M. Esguerra, III'.

Angel M. Esguerra, III
Corporate Secretary

Additional Instructions

To access or view the Company's 2020 SEC Form 20-IS (Definitive Information Statement), you may use any of the following modes:

1. VIA ACRMC WEBSITE

[https://acrmc.com.ph/acrmc/dis/Filings/2020 DIS \(SEC Form 20-IS\).pdf](https://acrmc.com.ph/acrmc/dis/Filings/2020%20DIS%20(SEC%20Form%20IS).pdf)

2. REQUEST FOR A SOFT OR HARD COPY

Copy of the 2020 SEC Form 20-IS shall be made available to the stockholders of record upon receipt of a written request addressed to the Corporate Secretary, 3/F Alsons Building, 2286 Chino Roces Avenue, 1231 Makati City, Philippines.

- For a *soft copy*, please provide your complete name and valid email address. If you hold shares through a broker or other entity, please indicate the name of the broker or other entity.
- For a *hard copy*, please provide your complete name and valid mailing address. If you hold shares through a broker or other entity, please indicate the name of the broker or other entity.

3. THROUGH SCANNING THE QR CODE

- Go to your mobile app store (App Store or Play Store) using your smartphone
- Search for a free QR Code Reader app by typing in QR Code Reader
- Click on the app you want to download and click “Install App”
- Once installed, simply open the app, point the camera and scan the QR Code
- Once the QR Code is in focus, the app will automatically connect to the 2020 SEC Form 20-IS

Annex “A” to Notice

EXPLANATION AND RATIONALE

For each item on the Agenda of the 2020 Annual Stockholders' Meeting

1. Call to Order

The Chairman, Mr. Nicasio I. Alcantara, will formally call the 2020 Annual Stockholders' Meeting to order, and introduce the Directors and Officers attending the Meeting.

2. Certification of Notice and Quorum

The Corporate Secretary will certify that the Company timely and duly sent the Notice pursuant to the rules of the Securities & Exchange Commission (S.E.C.), and made the Information Statement available to all stockholders of record. He will attest on whether a quorum is present for the Meeting.

3. Approval of the Minutes of the Annual Meeting of the Stockholders held on September 26, 2019

Copies of the draft minutes have been made available to the stockholders on the Company's website at <https://acrmc.com.ph/>. The Chairman will ask the stockholders to approve the draft minutes, and adopt the following resolution:

“RESOLVED, That the minutes of the Annual Meeting of the Stockholders of ACR Mining Corporation, held on September 26, 2019, be, as they are hereby, approved.”

4. Annual Report, and the 2019 Audited Financial Statements

The Deputy Chief Financial Officer, Mr. Philip Edward B. Sagun, will present the Company's Annual Report, and the Audited Financial Statements for the year ended December 31, 2019, which were audited by the Company's independent external auditors, SyCip Gorres Velayo & Company (SGV), and approved by the Audit Committee, and the Board. In compliance with regulations, Management also submitted the Audited Financial Statements to the S.E.C., and the Bureau of Internal Revenue. The Chairman will ask the stockholders to approve the reports, and the Audited Financial Statements, and adopt the following resolution:

“RESOLVED, That the Annual Report of Management, as presented by the Chairman and President, and Management, and the Company's Audited Financial Statements for the year ended December 31, 2019, be, as they are hereby, approved.”

5. Ratification of the Acts of the Board and Management

The Company's performance was the result of the acts, contracts, and/or resolutions by the Board, and Management, and the Chairman will ask the stockholders to ratify the same, and adopt the following resolution:

“RESOLVED, That all acts, contracts, resolutions and actions, authorized and entered into by the Board of Directors and Management of the Company from the date of the last stockholders' meeting up to the present be, as they are hereby, approved, ratified and confirmed.”

6. Appointment of External Auditors

Upon the favorable recommendation by the Audit Committee, Management proposes that the Company reappoint SGV as its independent external auditors for 2020, and adopt the following resolution:

“RESOLVED, That the audit firm of SyCip Gorres Velayo & Co., be, as it is hereby, appointed as the Company's independent external auditors for the year 2020 -2021.”

7. Election of Directors, including Independent Directors

Management proposes to re-elect five (5) regular directors and two (2) independent directors, and has filed an Information Statement in support of its proposal. The biographical profiles of the directors-nominees are in the Information Statement that has been posted in the Company's website at <https://acrmc.com.ph/>. The nominees are the following:

For Regular Directors:

- (1) Tomas I. Alcantara
- (2) Editha I. Alcantara
- (3) Nicasio I. Alcantara

- (4) Conrado Rafael C. Alcantara
- (5) Tirso G. Santillan, Jr.

For Independent Directors

- (6) Benjamin R. Almario
- (7) Ramil L. Villanueva

8. Other Matters

Management may address questions sent in by the stockholders.

9. Adjournment

After all matters in the agenda have been taken up, the Chairman will adjourn the Meeting.

**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

☒ Definitive Information Statement

2. Name of Registrant as specified in its charter:

ACR MINING CORPORATION

3. Province, country or other jurisdiction of incorporation or organization: Philippines

4. SEC Identification Number: 59366

5. BIR Tax Identification Code : 001-748-412

6. Address of principal office : Alsons Building, 2286 Don Chino Roces Avenue (formerly Pasong Tamo Extension), Makati City 1231, Philippines

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

8. Date, time and place of the meeting of security holders:

**November 20, 2020 at 2:00 p.m. The meeting will be held
via Zoom, with "place" or "venue" of meeting "at" the Alsons Building, 2286 Chino Roces
Avenue, Makati City, Metro Manila**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: October 29, 2020

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) 8982-3000

11. Securities registered pursuant to Sections 8 and 12 of the SRC (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 for 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 November 20, 2020 (the "Annual Stockholders' Meeting" or "Meeting"), via Zoom, but with the "place" or "venue" of the meeting being the Company's principal office at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Philippines.

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 Annual Meeting of the Stockholders held on September 26, 2019;
4. Approval of the Annual Report, and the 2019 Audited Financial Statements;
5. Ratification of Acts of the Board and Management;
6. Election of Directors (including Independent Directors);
7. Appointment of External Auditors;
8. Other business that may properly be brought before the Meeting;
9. Adjournment

There will be an opportunity for questions by the stockholders to be answered by the officers before the approval of the Management & Annual Report and the Audited Financial Statements for the year ended December 31, 2019 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, 2019 are attached to this Information Statement. The Annual Report under Securities and Exchange Commission ("SEC") Form 17-A is available upon written request of a shareholder, the Company shall furnish such shareholder with a copy of the said Annual Report or 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 before the close of business on November 15, 2020 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 communicated to the stockholders, or their proxy holders, before the start of the Meeting. Cumulative voting is allowed; please refer to Item 4, page 2 and Item 19, page 11 for an explanation of cumulative voting.

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

Item 2. Dissenters' Right of Appraisal

Any stockholder of the Corporation may exercise his appraisal right against proposed actions under Title X of the Revised Corporation Code of the Philippines. However, there are no matters to be taken up during the Meeting on November 20, 2020 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 October 10, 2020, there are 34,650,000 outstanding common shares entitled to notice and to vote for 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 October 10, 2020, acting in person or by proxy on the day of the Meeting, are entitled to vote at the Annual Meeting to be held November 20, 2020.

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 23 of the Revised Corporation Code. Section 23 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 of 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 October 10, 2020, 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 Corporation¹ (AC) Alsons Bldg, 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. Alsons Bldg., 2286 Don Chino Roces, Avenue Makati City	None	ACR	Filipino	3,191,813	9.21%

2. Security Ownership of Management

The next tables show the securities beneficially owned by all Directors, nominees, and Executive Officers of ACRMC as of October 10, 2020:

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	Nicasio I. Alcantara	100 (d)	Filipino	0.00%
Common	Conrado C. Alcantara	100 (d)	Filipino	0.00%
Common	Tomas 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	Benjamin R. Almario	100 (d)	Filipino	0.00%
Common	Ramil L. Villanueva	100 (d)	Filipino	0.00%
Sub-total		700 (d)		0.00%
Officers:				
Common	Nicasio I. Alcantara	Chairman	Filipino	0.00%

¹ Nicasio I. Alcantara, is the Chairman of the Board of Directors of the Company while Conrado C. Alcantara is the President of the Company.

² The Alcantara Family beneficially owns AC, APHC and ADIC, and these stockholders will be represented at the Meeting by Mr. Nicasio I. Alcantara.

Common	Conrado C. Alcantara	President	Filipino	0.00%
	Philip Edward B. Sagun	Deputy CFO	Filipino	0.00%
	Angel M. Esguerra III	Corporate Secretary	Filipino	0.00%

Voting Trust Holders

No person holds any issued and outstanding shares of stocks of the Company under a voting trust or similar agreement.

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 or her successor is duly elected and qualified.

The following are the current Directors and Officers of the Company, and their respective business experience for at least the last five years:

Table 3 – Board of Directors

Office	Name	Nationality
Director and Chairman of the Board	Nicasio I. Alcantara	Filipino
Director and President	Conrado C. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Director	Tomas I. Alcantara	Filipino
Director	Tirso G. Santillan, Jr.	Filipino
Director - Independent	Benjamin R. Almario	Filipino
Director - Independent	Ramil L. Villanueva	Filipino

Nicasio I. Alcantara, 77, Filipino, is the Chairman of the Board of Directors. Mr. Alcantara 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, 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 degree in Business Administration from Sta. Clara University, California U.S.A.

Conrado C. Alcantara, 47, Filipino, has served as Director of the Company in September 2018 and appointed as President of the Company on the same date. He graduated from the Boston University with a degree in Political Science and attended a Post Baccalaureate Program in Management at Harvard University. He presently serves as a Director and President of Infinicor, Inc. He also became a Director of Alsons Land Corporation in July 2009 and Alsons Consolidated Resources, Inc. in 2010.

Editha I. Alcantara, 71, Filipino, has served as Director of the Company since February 6, 1996. She holds a Business Administration degree from Maryknoll College and a 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.

Tomas I. Alcantara, 73, Filipino, used to be the Chairman of the Board of Directors of the Company. 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.

Tirso G. Santillan Jr., 76, 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.

Benjamin R. Almario, 83, 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, 50, 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 Entrepreneurship" at the

Asian Institute of Management (AIM) and the “Program on Corporate Management for Southeast 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: Advances World Systems, Inc. since June 2005 and Advances World Solutions, Inc. since August 2006.

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	Nicasio I. Alcantara	Filipino
Director and President	Conrado C. Alcantara	Filipino
Director and Treasurer	Editha I. Alcantara	Filipino
Deputy Chief Financial Officer	Philip Edward B. Sagun	Filipino
Corporate Secretary	Angel M. Esguerra III	Filipino

Philip Edward B. Sagun, 46, Filipino, became the Company's Deputy Chief Financial Officer with effect from March 1, 2020. He holds a Master of Science in Finance from the University of the Philippines, and is an Affiliate in Development Bank Management from the Asia Pacific Institute of Development Finance. He received his Bachelor of Arts Degree in Social Sciences from the Ateneo de Manila University.

Mr. Sagun currently heads the Alcantara Group's Corporate Finance and Treasury Departments. He previously headed the treasury departments of First Philippine Electric Corp. and Philippine Export-Import Credit Agency as well as various positions in Philippine Bank of Communications and Australia-New Zealand Bank.”

Angel M. Esguerra III, 59, 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, while Mr. Conrado C. Alcantara is their nephew. 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

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 September 30, 2020 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 September 30, 2020 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

Except for *per diems*, Directors and/or Executive Officers do not receive compensation from the Company at present.

A Director's compensation consists solely of a per diem of ₱10,000 for every meeting of the Board of Directors, and Executive Committee or Audit Committee, as authorized by the Company's Amended By-laws.

The aggregate amounts paid by the Company to its Directors and Executive Officers were ₱140,000 and ₱80,000 for the years 2019 and 2018, and ₱80,000 in 2017, respectively. For 2020, the Company estimates that it will pay an aggregate amount of ₱150,000 as compensation to its Directors and Executive Officers.

Table 1 - Summary of Compensation of Directors and Executive Officers

Name and Principal Position(s)	Year (with 2020 Estimates)	Bonus (₱)	Other Annual Compensation Income (₱)
1. Nicasio I. Alcantara - Chairman	2020	-	20,000
	2019	-	20,000
	2018	-	10,000
	2017	-	10,000
2. Conrado C. Alcantara - Director and President	2020	-	20,000
	2019	-	10,000
	2018	-	10,000
	2017	-	-
3. Tomas I. Alcantara – Director	2020	-	10,000
	2019	-	-
	2018	-	-
	2017	-	10,000
4. Tirso G. Santillan, Jr. – Director, EVP, and COO	2020	-	20,000
	2019	-	20,000
	2018	-	10,000
	2017	-	10,000
5. Benjami R. Almario - Director	2020	-	20,000
	2019	-	20,000
	2018	-	10,000
	2017	-	10,000
6. All other Officers and Directors, as a group unnamed	2020	-	60,000
	2019	-	60,000
	2018	-	40,000
	2017	-	40,000

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. Nicasio I. Alcantara
2. Conrado C. Alcantara
3. Tomas I. Alcantara

4. Editha I. Alcantara
5. Tirso G. Santillan, Jr.
6. Benjamin R. Almario (independent)
7. Ramil L. Villanueva (independent)

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. Nicasio I. Alcantara | - Director and Committee Chairman |
| 2. Benjamin R. Almario | - Independent Director |
| 3. Ramil L. Villanueva | - 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	Benjamin R. Almario

Item 7. 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, 2019 and 2018 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. The fees and services were approved by management in compliance with the Code of Corporate Governance.

In 2019 and 2018, SGV has no other separate engagement except for the regular financial audit as stated above.

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 2016.
3. There have been no disagreements with SGV 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 8. 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, 2019 and 2018 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:

**Atty. Angel M. Esguerra, III
Corporate Secretary and Compliance Officer
ACR Mining Corporation
3/F Alsons Building, 2286 Don Chino Roces Avenue
Makati City, 1231 Metro Manila, Philippines**

Item 9. 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 10. 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 26, 2019. Other matters for the forthcoming Annual Stockholders Meeting include the approval of the Audited Financial Statements for the year ended December 31, 2019, 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, 2019, 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 11. 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 12. Other Proposed Action

There are no further actions required which would need disclosure.

Item 13. Voting Procedures

Stockholders as of October 10, 2020 may vote at the Annual Stockholders' Meeting on November 20, 2020. Stockholders have the right to vote by remote communication, in absentia, virtually, or by proxy.

Registration of stockholders and proxies who will attend the Meeting by remote communication, or virtually, will start on November 15, 2020.

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 October 10, 2020 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 October 30, 2020, the Notice, the Information Statement, the proxy form, and other documents. 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 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 done virtually, or in absentia. Before the meeting, the Company will give all stockholders who wish to vote instructions on how to vote on line upon registration. In the case of proxies submitted prior to the meeting, the proxy designated by the stockholder to represent him or her at the Meeting will be also be provided instructions on how to vote on line upon registration in accordance with the stockholder's instructions, as indicated in the proxy.

On-line votes 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 before 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.

Below are the Rules of Conduct and Voting Procedure for the Meeting that the Company will also provide the stockholders, or their proxies, before the Meeting:

**ACR Mining Corporation
Rules of Conduct and Voting Procedure
for the November 20, 2020
Virtual Annual Stockholders Meeting**

For the 20 November 2020 Virtual Annual Stockholders' Meeting (the "Meeting") of ACR Mining Corporation (the "Company"), the Company will ask the stockholders to observe the following Rules of Conduct and Voting Procedure:

1. The Revised Corporation Code, the issuances by the Securities & Exchange Commission, and Company's By-Laws impose requirements for meetings by the stockholders, and the Company will cause the Meeting to be conducted consistently with those requirements.
2. The Chairman of the Board will serve as chairman of the meeting, and has the authority to make any and all determinations with respect to the conduct of the Meeting and procedures to be followed.
3. Only stockholders as of October 10, 2020, the record date, will be recognized and allowed to attend, and/or vote at, by proxy or by remote communication, the Meeting. To validate the stockholders' identities, and ensure that only the legitimate stockholders of record, or their authorized representatives, can participate in the said Meeting, the stockholders of record who wish to attend the virtual meeting must email their request to attend to acrmc-annual@alcantaragroup.com not later than the close of business on November 15, 2020. The Company will validate the requests, and the proxies, and email the stockholders, and proxy holders, instructions on how to access the virtual meeting.
4. Stockholders who wish to be represented at the Meeting by proxy must either: (a) submit an original, duly signed, and accomplished proxy, a form for which is set forth in the Information Statement, by post or courier to the Office of the Corporate Secretary at Alsons Building, 2286 Chino Roces Avenue, Makati City; or (b) email a copy of the said proxy in an appropriate format to acrmc-annual@alcantaragroup.com, not later than the close of business on November 15, 2020. Proxy forms will be made available with the Information Statement, which will be uploaded to the Company's website.
5. Proxy forms submitted by stockholders on or before November 15, 2020 will be validated by a special committee of inspectors from the Office of the Corporate Secretary.

6. Before proceeding with the registration, the stockholders will be asked for their consent for the Company to process, release and retain their personal information and for a waiver of some data privacy rights. After a successful registration, the stockholders will be directed to a link containing the matters that require their votes in the Meeting. The stockholders will be asked to click and/or submit their votes at least one day before the day of the Meeting to allow sufficient time for the Company to tally their votes.
7. The attendance of stockholders, or their respective proxy, constituting a majority of the outstanding capital stock shall constitute a quorum for the transaction of business.
8. The Chairman will follow the Agenda for the Meeting. As each item in the agenda is taken up, the Corporate Secretary will report on the results of the tabulation of votes which will also be reflected in the minutes of the meeting.
9. As stated in the Information Statement, each share is entitled one vote. To approve an item on the agenda, the affirmative vote of at least a majority of the shares present is required. There is no item on the agenda that requires a higher vote as provided in the Revised Corporation Code. For the election of directors, the stockholders are entitled to cumulate their votes.
10. Stockholders attending this Meeting who want to ask any question, make any motion, or present any resolution, should email to the Company their questions, motions, or resolutions not later than the close of business of November 18, 2020. After all the reports have been presented, the Officers will answer as many of the questions emailed to the Company as time will allow. The Officers will also address the proper motions, and relevant resolutions, if time permits.
11. In case of any difficulty accessing the Meeting during the registration, or at the Meeting itself, please contact technical support at 8982-3000. If you have questions that were not answered during the Meeting, please feel free to contact the Office of the Corporate Secretary at 8982-3061 or contact us by emailing legal@alcantaragroup.com.
12. An audio archive of the Meeting, including the question and answer session, will be available at the request of any attending stockholder within a few days after adjournment of the Meeting.

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 October 28, 2020.

ACR MINING CORPORATION

Issuer

By:



Date:

October 28, 2020

ANGEL M. ESGUERRA, III
Corporate Secretary

PART II.

PLEASE FILL UP AND SIGN THE PROXY AND
RETURN IMMEDIATELY TO THE CORPORATE
SECRETARY.

The undersigned stockholder of ACR MINING CORPORATION (the "Company") hereby appoints the Chairman of the Company's Board of Directors, Mr. Nicasio I. Alcantara, or in his absence, the President of the Company, Mr. Conrado C. 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 on November 20, 2020 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 2019 Annual Meeting; ☐ Yes ☐ No ☐ Abstain	5. Election of Directors (including Independent Directors); ☐ Vote for all nominees below: Nicasio I. Alcantara Tomas I. Alcantara Editha I. Alcantara Conrado C. Alcantara Tirso G. Santillan, Jr. Benjamin R. Almario (Independent Director) Ramil L. Villanueva (Independent Director) ☐ Withhold authority to vote for all nominees listed above ☐ Withhold authority to vote for the nominees listed below
2. Approval of the Management Report, and the 2019 Audited Financial Statements; ☐ Yes ☐ No ☐ Abstain	
3. Ratification of the Acts of the Board & Management; ☐ Yes ☐ No ☐ Abstain	
4. Appointment of SyCip Gorres & Velayo as independent auditors; ☐ Yes ☐ No ☐ Abstain	
6. 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'S SECRETARY SHOULD RECEIVE THIS ON OR BEFORE NOVEMBER 15, 2020, 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) 8982 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.

ACR MINING CORPORATION

MANAGEMENT REPORT

for the
2020 Annual Meeting of Stockholders
Pursuant to SRC Rule 20[4] [B]

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**REVIEW OF CURRENT YEAR 2019**

The 2019 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, 2019 and 2018

	2019	2018
Current Ratio	0.02:1	0.03:1
Asset to Equity	1.30:1	1.27:1
Interest Coverage Ratio	-	-
Debt to Equity Ratio	0.30:1	0.27:1

Commitment for Capital Expenditure

For 2020, the Company plans to continue expenditure for pre-exploration requirements and will work on the transfer of the MPSA to the Company from Alsons Development and Investment Corporation (ALDEVINCO).

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 cyclicity 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.

ALDEVINCO received a letter dated February 13, 2017 from the DENR directing ALDEVINCO to show cause why its MPSA No. 094-97-XI (MPSA) should not be cancelled. The Company and ALDEVINCO's reply to DENR letter is summarized below.

1. Contrary to the DENR's assertion, the MPSA is not within a protected area, or a watershed. As defined in Section 19 of the Philippine Mining Act of 1995, Republic Act No. 9742.
2. The DENR did not comply with the procedure under Section 5 of the National Integrated Protected Areas System Act of 1992, Republic Act No. 7586, wherein an area is proclaimed a watershed. The assertion by the DENR Secretary that an area is a watershed is not enough to make such an area a watershed.
3. The cancellation undermines a valid contract entered into by the Government.
4. Under existing law, the "ground" relied upon is not one of the grounds for the cancellation of the MPSA.

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, 2018 and 2017.

Since ACRMC is exposed to a variety of risks such as liquidity risk and credit risk, the Board of Directors make it a 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, 2019, 2018 and 2017 based on undiscounted payments:

2019

	On Demand	120 days or More	Total
Accrued expenses and other payables	4,545,170		4,545,170
Advances from affiliates	62,950,716		62,950,716

2018

	On Demand	120 days or More	Total
Accrued expenses and other payables	4,950,377		4,950,377
Advances from affiliates	57,363,236		57,363,236

2017

	On Demand	120 days or More	Total
Accrued expenses and other payables	4,689,576		4,689,576
Advances from affiliates	50,435,396		50,435,396

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 ₱815,176 and ₱1,707,961 as of December 31, 2019 and 2018, 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 cyclical 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, 2019 and 2018 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 cyclicalities.

Material Changes in Balance Sheet Accounts by 5% or More

Current Year 2019

1. Cash and cash equivalents, 52% Decrease

The decrease in cash was due mainly to the usage of funds for pre-exploration expenses during the year.

2. Receivables, 25% Decrease

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

3. Property and Equipment, 100% Decrease

The decrease was due to the full recognition of depreciation expense of the equipment during the year.

4. Deferred Mine Exploration Costs, 6% Increase

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

5. Due to related parties, 8% 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.

Current Year 2018

6. Cash and cash equivalents, 66% Increase

The increase in cash was due mainly to the additional availment of related party advances used for pre-exploration expenses during the year.

7. Receivables, 144% Decrease

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

8. Property and Equipment, 273% Increase

The increase was due to the acquisition of new additional equipment during the year.

9. Deferred Mine Exploration Costs, 6% Increase

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

10. Accounts payable and other current liabilities, 6% Increase

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

11. Due to related parties, 14% 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 2017

1. Cash and cash equivalents, 87% Increase

The increase in cash was due mainly to the additional availment of related party advances used for pre-exploration expenses during the year.

2. Receivables, 862% Decrease

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

3. Property and Equipment, 12% Decrease

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

4. Deferred Mine Exploration Costs, 7% 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, 0.4% Decrease

The decrease is due mainly to the timing of settlement of payables incurred for the deferred mine exploration cost during the year.

6. Due to related parties, 14% 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.

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, 2018.

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 September 30, 2020, 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 contractual 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
2019	5,566,989	-
2018	5,655,655	-
2017	5,319,608	-

(vii) Employees

As of December 31, 2018, 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 of 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 proceedings.

On February 17, 2017, ALDEVINCO received a Show Cause Order (SCO) dated February 13, 2017 from the Department of Environment and Natural Resources (DENR). The SCO directed ALDEVINCO to provide reasons why the DENR should not cancel its MPSA. On February 20, 2017, ALDEVINCO, and the Company, through their Counsel, responded to the DENR stating that they have not committed any violation of any law that would warrant cancellation of the MPSA. As of July 30, 2019 the DENR has not yet responded to the 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 October 10 2020, 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

	<u>Name</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
1.	Alsons Corporation	12,962,620	37.41%
2.	Alsons Power Holdings Corp.	6,249,998	18.04%
3.	Alsons Development and Investment Corp.	5,942,620	17.15%
4.	Alsons Consolidated Resources, Inc.	3,191,813	9.21%
5.	First Integrated Capital Securities, Inc.	871,821	2.52%
6.	United Coconut Planters Life Assurance Corp.	379,373	1.09%
7.	Papa Securities Corporation	336,018	0.97%
8.	Mandarin Securities Corporation	287,285	0.83%
9.	Solar Securities, Inc.	235,995	0.68%
10.	Raymund T. Yu	203,000	0.58%
11.	United Fund, Inc.	180,000	0.52%
13.	Joel Mendoza	179,443	0.52%
12.	Abacus Securities Corporation	169,783	0.49%
14.	L Hirondelle Holdings, Inc.	162,885	0.47%

15.	First Metro Securities Brokerage Corp.	128,242	0.37%
16.	Papa Securities Corporation	119,729	0.35%
17.	Dimensional Emerg Mkts Value Fund	105,455	0.30%
18.	Juan Chukeo	100,315	0.29%
19.	BPI Securities Corporation	98,200	0.28%
20.	Roberto Tiu	89,500	0.26%
Total shares of top 20		31,993,095	92.33%

(3) Dividends

No dividends have been declared by the Company.

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

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

CORPORATE GOVERNANCE

The Company complies with issuances by the Securities Exchange Commission (SEC) on Corporate Governance. The Board of Directors and Executive Officers are in the process of formulating a new Manual of Corporate Governance, and other Corporate Governance documents to comply with such SEC issuances.

ACR Mining Corporation

Financial Statements
December 31, 2019 and 2018

And

Independent Auditors Report

FS FOR FILING WITH SEC COVER SHEET

AFTER THE BIR HAS DULY
STAMPED "RECEIVED. AU

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	6	0	0	1	2	9	5
---	---	---	---	---	---	---	---	---	---	---

COMPANY NAME

[illegible]

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

A	l	s	o	n	s	B	l	d	g	.	,	2	2	8	6	C	h	i	n	o	R	o	c	e	s
A	v	e	.	,	M	a	k	a	t	i	C	i	t	y	,	M	e	t	r	o					
M	a	n	i	l	a	,	P	h	i	l	i	p	p	i	n	e	s								

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

	N	A	
--	---	---	--

COMPANY INFORMATION

Company's Email Address

legal@alcantaragroup.com

Company's Telephone Number

(02) 8982 - 3000

Mobile Number

N/A

No. of Stockholders

1,827

Annual Meeting (Month / Day)

September 26

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Jose D. Saldivar, Jr.

Email Address

jsaldivar@alcantaragroup.com

Telephone Number/s

(02) 8982 - 3000

Mobile Number

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.

JUN 11 2020

BUREAU OF INTERNAL REVENUE
REVENUE REGION 12 - MAKATI CITY
REVENUE DISTRICT OFFICE NO. 48
WEST MAKATI

RECEIVED

INITIAL: _____ DATE: _____
RPO NAME: ALAMMUN BAIT ABULLAH RPO CODE 0848



ACR MINING CORPORATION

Alsons Bldg., 2286 Chino Roces Ave., Makati City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

SECURITIES AND EXCHANGE COMMISSION,
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City

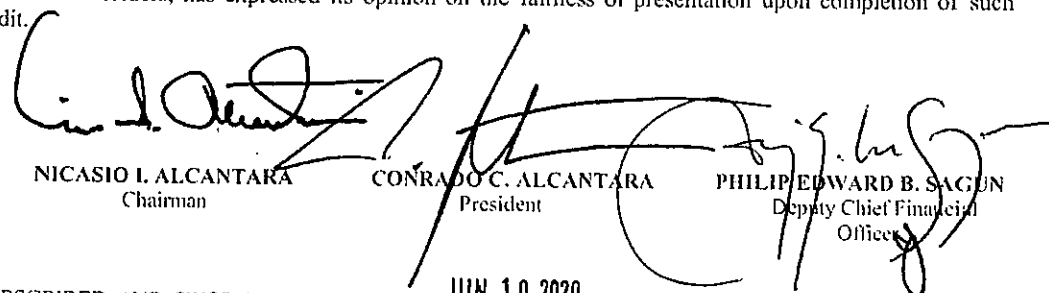
The management of ACR Mining Corporation, is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and 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.

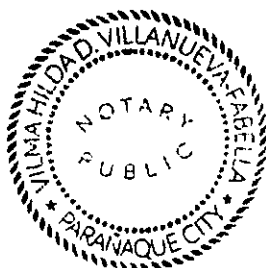
SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion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

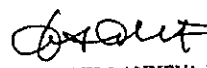

NICASIO I. ALCANTARA Chairman
CONRADO C. ALCANTARA President
PHILIP EDWARD B. SAGUN Deputy Chief Financial Officer

SUBSCRIBED AND SWORN to before me this JUN 10 2020 at _____, alliants exhibiting to me their Identifications, as follows:

Name	Identification No.	Date	Place of Issue
Nicasio I. Alcantara	P2285039A	03-13-17	DFA Manila
Conrado C. Alcantara	X01-97-037019	09-24-22	LTO
Philip Edward B. Sagun	N01-94-161072	11-10-22	LTO

Doc No. 302
Page No. 62
Book No. 68
Series of 2020




ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31, 2020
IBP No. 101004-1-01-2020/PPLM
PTR No. 22162754-02-2020/Paranaque
Roll No. 41901
Not. Com. No. 119-2019/1-07-2019
55 Molave Ave., Merville, Paranaque City

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, 2019 and 2018, 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, 2019, 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, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

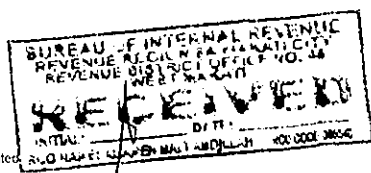
We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with 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.

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

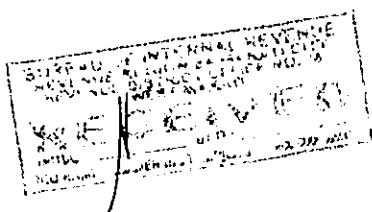
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

JUN 11 2020



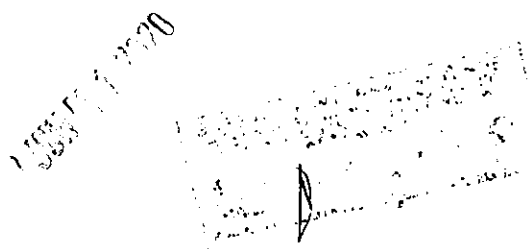


Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 17 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue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

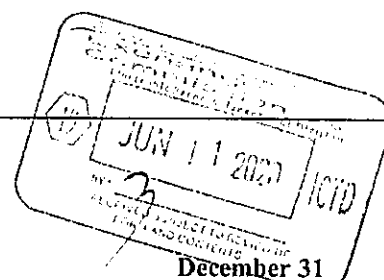
Manohar Ken

PTR No. 8125233, January 7, 2020, Makati City

March 26, 2020



ACR MINING CORPORATION
STATEMENTS OF FINANCIAL POSITION



	2019	2018
ASSETS		
Current Assets		
Cash (Note 7)	₱815,176	₱1,707,960
Receivables (Note 8)	78,493	103,998
Prepayments (Note 9)	319,200	319,200
Total Current Assets	1,212,869	2,131,158
Noncurrent Assets		
Mining rights (Note 10)	195,000,000	195,000,000
Deferred mine exploration costs (Note 10)	98,323,113	92,756,124
Transportation and office equipment	—	10,260
Total Noncurrent Assets	293,323,113	287,766,384
TOTAL ASSETS	₱294,535,982	₱289,897,542
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	₱4,545,170	₱4,950,377
Due to related parties (Note 12)	62,950,716	57,363,236
Total Liabilities	67,495,886	62,313,613
Equity (Note 13)		
Capital stock	34,650,000	34,650,000
Additional paid-in capital	195,000,000	195,000,000
Deficit	(2,609,904)	(2,066,071)
Total Equity	227,040,096	227,583,929
TOTAL LIABILITIES AND EQUITY	₱294,535,982	₱289,897,542

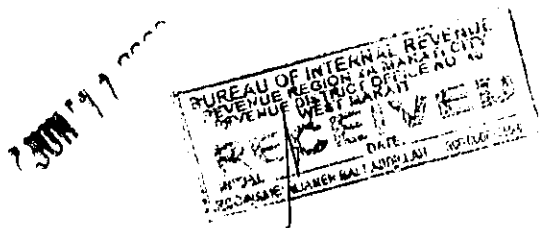
See accompanying Notes to Financial Statements.



ACR MINING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2019	2018	2017
INTEREST INCOME (Note 7)	₱2,039	₱2,468	₱1,444
EXPENSES			
Documentation, filing and other fees	183,656	193,684	202,098
Directors fees and bonuses	140,000	80,000	80,000
Professional fees	108,795	104,043	98,866
Postage and courier charges	59,486	48,276	45,522
Taxes and licenses	17,014	20,450	8,939
Depreciation expense	10,260	6,815	5,875
Others	24,692	20,678	21,906
	543,903	473,946	463,206
FOREIGN EXCHANGE GAIN (LOSS) - Net	(1,969)	2,675	213
NET LOSS	(543,833)	(468,803)	(461,549)
OTHER COMPREHENSIVE INCOME	-	-	-
TOTAL COMPREHENSIVE LOSS	(₱543,833)	(₱468,803)	(₱461,549)
Basic/Diluted Loss Per Share (Note 13)	(₱0.016)	(₱0.014)	(₱0.013)

See accompanying Notes to Financial Statements.



ACR MINING CORPORATION**STATEMENTS OF CHANGES IN EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017**

	Capital Stock (Note 13)	Additional Paid-in Capital	Deficit	Total
BALANCES AS AT				
DECEMBER 31, 2016	₱34,650,000	₱195,000,000	(₱1,135,719)	₱228,514,281
Net loss/Total comprehensive loss	--	—	(461,549)	(461,549)
BALANCES AS AT				
DECEMBER 31, 2017	34,650,000	195,000,000	(1,597,268)	228,052,732
Net loss/Total comprehensive loss	—	—	(468,803)	(468,803)
BALANCES AS AT				
DECEMBER 31, 2018	34,650,000	195,000,000	(2,066,071)	227,583,929
Net loss/Total comprehensive loss	—	—	(543,833)	(543,833)
BALANCES AS AT				
DECEMBER 31, 2019	₱34,650,000	₱195,000,000	(₱2,609,904)	₱227,040,096

See accompanying Notes to Financial Statements.

JUN 11 2020

BUREAU OF INTERNAL REVENUE
REGIONAL OFFICE
WEST MANILA

ACR MINING CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(P543,833)	(P468,803)	(P461,549)
Adjustments for:			
Depreciation	10,260	6,815	5,875
Unrealized foreign exchange loss (gains) - net	1,969	(2,675)	(213)
Interest income (Note 7)	(2,039)	(2,468)	(1,444)
Operating loss before working capital changes	(533,643)	(467,131)	(457,331)
Decrease (increase) in:			
Receivables	25,506	(61,379)	268,443
Prepayments	—	(319,200)	—
Increase (decrease) in accounts payable and other current liabilities	(405,207)	260,801	(17,340)
Cash used in operations	(913,345)	(586,909)	(206,228)
Interest received	2,039	2,468	1,444
Net cash used in operating activities	(911,306)	(584,441)	(204,784)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to deferred mine exploration costs (Note 10)	(5,566,989)	(5,655,655)	(5,319,608)
Acquisition of office equipment	—	(14,325)	(5,500)
Cash used in investing activities	(5,566,989)	(5,669,980)	(5,325,108)
CASH FLOWS FROM FINANCING ACTIVITY			
Additional advances from related parties (Note 12)	5,587,480	6,927,840	6,009,384
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1,969)	2,675	213
NET INCREASE (DECREASE) IN CASH	(892,784)	676,094	479,705
CASH AT BEGINNING OF YEAR	1,707,960	1,031,866	552,161
CASH AT END OF YEAR (Note 7)	P815,176	P1,707,960	P1,031,866

See accompanying Notes to Financial Statements.

1,800,000 2019

ACR MINING CORPORATION
 STATEMENTS OF CASH FLOWS
 2019



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.

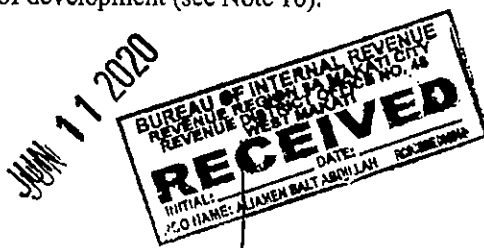
Previously, the Company was a wholly owned subsidiary of Alsons Consolidated Resources, Inc. (ACR), a publicly-listed company in the Philippines. ACR's investment in the Company was declared as property dividend in May 2015. As a result, the Company became a public company under Rule 3 (M) of the Amended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

Approval and Authorization for the Issuance of the Financial Statements

The financial statements as at December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019, were approved and authorized for issuance by the Board of Directors (BOD) on March 26, 2020.

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 at December 31, 2019 and 2018, the Manat MPSA is in the exploration phase of development (see Note 10).



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 at March 26, 2020, 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 accordance with Philippine Financial Reporting Standards (PFRSs).

4. Changes in Accounting Policies and Disclosures

New Standards Effective Starting January 1, 2019

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new pronouncements starting January 1, 2019. Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance, unless otherwise indicated. Additional disclosures have been included in the notes to financial statements, as applicable.

- PFRS 16, *Leases*
- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*
- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*
- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*
- *Annual Improvements to PFRSs 2015-2017 Cycle*
 - Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*
 - Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*
- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact in the Company's financial statements.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*
- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*



Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2019. 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 and Financial Reporting 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.

Fair Value Measurement

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.

Financial Assets

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.



In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash and receivables.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company applied lifetime ECL calculation on its financial assets. The Company determines probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.



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

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially recognized at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payable and other current liabilities and due to related parties.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in profit or loss.

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 right to receive cash flows from the asset has expired;
- the Company retains the right 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 right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, 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 and 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 liability. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are



substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of Financial 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.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distributions, correction of prior year errors, effects of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

Interest Income

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.

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 Judgments, Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with PFRSs 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 10).

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 2019 and 2018, 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 ₱293,323,113 and ₱287,756,124 as at December 31, 2019 and 2018, respectively (see Note 10).

Recognition of deferred income tax asset

The Company's assessment on the recognition of deferred income tax assets on the carryforward benefits of NOLCO and unrealized foreign exchange loss 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 at December 31, 2019 and 2018, the Company did not recognize deferred income tax assets on the carryforward benefits of NOLCO and unrealized foreign exchange loss amounting to ₱1,474,724 and ₱1,288,729, respectively, since management believes that it is more likely that the Company will not have sufficient future taxable profits against which the deferred income tax asset can be utilized (see Note 14).

7. Cash

	2019	2018
Cash on hand	₱106,053	₱285,000
Cash in bank	709,123	1,422,960
	₱815,176	₱1,707,960

Cash in bank earns interest at the respective interest rate per annum. Interest income earned in 2019, 2018 and 2017 amounted to ₱2,039, ₱2,468, and ₱1,444, respectively.

8. Receivables

Receivables consist of noninterest-bearing advances for business expenses which are normally liquidated within a year. As at December 31, 2019 and 2018, the receivables amounted to ₱78,493 and ₱103,998, respectively.

9. Prepayments

Prepayments consist of the 50% downpayment amounting to ₱319,200 which pertains to the technical assistance contract related to the transfer of Manat MPSA under the name of the Company.



10. Mining Rights and Deferred Mine Exploration Costs

Mining Rights

In 1997, ADIC, a stockholder of Alsons Corporation (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 ₱195,000,000. The participating interest of the Company in the Joint Venture with SECO is 75% as at December 31, 2019 and 2018.

The carrying value of the mining rights as at December 31, 2019 and 2018 amounted to ₱195,000,000.

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 at December 31, 2019 and 2018, the Manat MPSA is still in the exploration phase of development. The carrying value of deferred mine exploration costs as at December 31, 2019 and 2018 amounted to ₱98,323,113 and ₱92,756,124, respectively.

11. Accounts Payable and Other Current Liabilities

Accounts payable and accrued expenses are non-interest bearing and are normally settled within a year. As at December 31, 2019 and 2018, the payables amounted to ₱4,545,170 and ₱4,950,377, respectively.

Accrued expenses consist mainly of accrual for professional fees.

12. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include (a) 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.

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, 2019 and 2018 are shown as "Due to related parties" account in the statements of financial position.

Outstanding balances with related parties are as follows:

		Transactions During the Year	Outstanding Balances	Terms and Condition
Affiliates				
Conal Corporation	2019	P-	P31,168,439	Due on demand, noninterest- bearing, unsecured, payable in cash
	2018	P-	P31,168,439	
Alsons Power Holdings Corporation	2019	-	4,661,790	- do -
	2018	-	4,661,790	
AC	2019	-	11,652,500	- do -
	2018	4,607,000	11,652,500	
ACR	2019	8,000	6,983,507	- do -
	2018	840	6,975,507	
Alsons Land Corporation	2019	4,480	4,480	- do -
	2018	-	-	
ADIC	2019	5,575,000	8,480,000	- do -
	2018	2,320,000	2,905,000	
Total	2019	P5,587,480	P62,950,716	
	2018	P6,927,840	P57,363,236	

Compensation of Key Management Personnel

The Company does not have compensation for key management personnel in 2019 and 2018. The management, accounting, statutory reporting and compliance services are provided by a related party, at no cost to the Company.

13. Capital Stock and Earnings Per Share

a. Capital stock

	December 31, 2019		December 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Authorized - P1 par value	125,000,000		125,000,000	
Issued and outstanding	34,650,000	P34,650,000	34,650,000	P34,650,000
Ending balance		P34,650,000		P34,650,000

On November 7, 2014, the BOD approved the increase in the Company's authorized capital stock from P5.0 million divided into 5 million shares with par value of P1 per share to P500.0 million divided into 500 million shares with par value of P1 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, 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.

b. Basic/Diluted Loss Per Share

	2019	2018	2017
Net loss	(₱543,833)	(₱468,803)	(₱461,549)
Divided by the average number of common shares outstanding during the year	34,650,000	34,650,000	34,650,000
Basic/Diluted loss per share	(₱0.016)	(₱0.014)	(₱0.013)

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

14. Income Taxes

- There is no provision for current income tax since the Company is in a tax loss position.
- The Company recognized deferred income tax asset to the extent of deferred income tax liability arising from unrealized foreign exchange gain amounting to ₱803 as at December 31, 2018 (nil in 2019).
- The Company did not recognize deferred income tax assets on the carryforward benefits of NOLCO and unrealized foreign exchange loss totaling to ₱1,474,724 and ₱1,288,729 as at December 31, 2019 and 2018, respectively, since management believes that it is not probable that sufficient future taxable income will be available to allow the deferred income tax asset to be utilized.
- As at December 31, 2019, 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, 2018	Addition (Expiration)	Balance as at December 31, 2019
2016	2019	₱359,877	(₱359,877)	₱-
2017	2020	457,581	-	457,581
2018	2021	473,946	-	473,946
2019	2022	-	541,228	541,228
		₱1,291,404	₱181,351	₱1,472,755



- e. 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:

	2019	2018	2017
Income tax computed at 30%	(P163,150)	(P140,641)	(P138,465)
Adjustments resulting from:			
NOLCO and unrealized foreign exchange loss for which no deferred income tax asset was recognized	163,762	141,381	137,210
Interest income subjected to final tax	(612)	(740)	(433)
Non-deductible expenses	—	—	1,688
Benefit from income tax	P—	P—	P—

15. Financial Risk Management Objectives and Policies

The Company's financial instruments are composed of cash, 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 P587,923 and P1,422,960 as at December 31, 2019 and 2018, respectively (see Note 7). The Company's financial asset as at December 31, 2019 and 2018 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 considered as high quality financial assets.

High quality 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 as high quality financial asset.

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 at December 31, 2019 and 2018 are readily available for liquidity purposes. As at December 31, 2019 and 2018, the Company's accounts payable and other current liabilities amounting to ₱4,423,969 and ₱4,950,377, respectively, are payable within a year (see Note 11).

Due to related parties amounting to ₱62,950,716 and ₱57,363,236 as at December 31, 2019 and 2018, respectively, is due and demandable (see Note 12).

The Company believes that the creditors, especially related parties, will not immediately demand for payment. In the event that these are demanded for payment, the Company can access financing through borrowings and support from its stockholders.

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 years ended December 31, 2019 and 2018.

The amount of capital is the total equity balance as at December 31, 2019 and 2018 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.

16. Segment Information

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

Earnings Information:

	2019	2018	2017
Interest income	₱2,039	₱2,468	₱1,444
Net loss	(543,833)	(468,803)	(461,549)



Other Information:

	2019	2018
Segment assets	₱294,535,982	₱289,897,542
Segment liabilities	(67,495,886)	(62,313,613)
Capital expenditures	-	(14,325)

Cash Flow Information:

	2019	2018	2017
Operating activities	(₱911,306)	(₱584,441)	(₱204,784)
Investing activities	(5,566,989)	(5,669,980)	(5,325,108)
Financing activity	5,587,480	6,927,840	6,009,384

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

The following include information on taxes and licenses paid or accrued in 2019:

Taxes and Licenses

The details of taxes and licenses for the year ended December 31, 2019 are as follows:

License and permit fee	₱13,814
Barangay clearance	2,200
Community tax certificate	500
Annual registration fee	500
	<u>₱17,014</u>

Documentary Stamp Tax

The Company had no documentary stamp tax during the year ended December 31, 2019.

Withholding Taxes

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

Expanded withholding taxes	₱140,000
Withholding taxes on compensation and benefits	5,384
	<u>₱145,384</u>

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, 2019.





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,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

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 (the Company) as at December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019 and have issued our report thereon dated March 26, 2020. 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 the Revised Securities Regulation Code Rule 68, 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 financial 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

Partner

CPA Certificate No. 106471

SEC Accreditation No. 1618-AR-1 (Group A),

November 11, 2019, valid until November 10, 2022

Tax Identification No. 220-881-929

BIR Accreditation No. 08-001998-128-2019,

November 27, 2019, valid until November 26, 2022

PTR No. 8125233, January 7, 2020, Makati City

March 26, 2020



ACR Mining Corporation

Interim Financial Statements

Nine Months Ended September 30, 2020 with Comparative Figures as of September 30, 2019 and Year Ended December 31, 2019

And

Management Report and Analysis of Results of Operations and Financial Condition

PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

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

A copy of the comparative financial statements for the three months period ended September 30, 2020 and 2019 is submitted as part of Information Statement. The financial statements were prepared in accordance with the accounting standards generally accepted in the Philippines. The accounting policies and methods of computations followed in the interim financial statements are the same methods used in the audited financial statements for the year ended December 31, 2019.

Item 2. Management's Discussion and Results of Operations

Results and Status of Operations

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

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 caused by Covid-19 Pandemic and political uncertainties on the future of our country's mining projects.

Commitment for Capital Expenditure

For 2020, the Company plans to continue expenditure for pre-exploration requirements in spite of some issues with the DENR. The major shareholders of the Company are continue to be committed, that in the event of Commercial Operations is to start, the necessary capital outlay is available in the form of "equity call". Listing with the Philippine Stock Exchange is also an option to raise funds when Commercial Operations is to resume.

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 cyclicity 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.

Financial Conditions

Comparative financial conditions as of September 30, 2020 and December 31, 2019 are presented below:

	September 30, 2020	December 31, 2019
Total Current Assets	₱1,447,232	₱1,212,869
Total Noncurrent Assets	295,501,040	293,323,113
Total Assets	296,948,272	294,535,982
Current Liabilities	₱70,074,836	₱67,495,886

September 30, 2020 vs. December 31, 2019

Cash increased by 35% from ₱815,176 to ₱1,099,018 due mainly to additional advances from related parties during the period.

Receivable decreased by 63% from ₱78,493 to ₱29,014 due to the lower advances to employees for community related expenses for the period ended September 30, 2020.

Accounts payable and accrues expenses decreased by 6% from ₱4,545,170 to ₱4,316,200 due mainly to payment made during the period for pre-exploration expenses.

Financial Conditions

Comparative financial conditions as of September 30, 2019 and December 31, 2018 are presented below:

	September 30, 2019	December 31, 2018
Total Current Assets	₱2,173,226	₱2,131,158
Total Noncurrent Assets	291,021,572	287,766,384
Total Assets	293,194,798	289,897,542
Current Liabilities	₱65,921,038	₱62,313,613

September 30, 2019 vs. December 31, 2018

Cash decreased by 25% from ₱1,707,960 to ₱1,288,026 due mainly to payment of payables during the period.

Receivable increased by 83% from ₱103,998 to ₱566,000 due to the additional advances to employees for community related expenses that remain unliquidated as of the period ended September 30, 2019.

Transportation and office equipment decreased by 81% due to depreciation expense recognized during the period.

Due to related parties increased by 7% from ₱57.4 million to ₱61.6 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, 2019.
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 September 30, 2020 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, 2019.
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.

ACR Mining Corporation

Unaudited Interim Financial Statements
As at September 30, 2020 and for the Nine-Month Periods
Ended September 30, 2019

*(With Comparative Audited Balance Sheet
as at December 31, 2019)*

ACR MINING CORPORATION
BALANCE SHEETS

	September 30 2020	December 31 2019
ASSETS		
Current Assets		
Cash (Note 7)	₱1,099,018	₱815,176
Receivables (Note 8)	29,014	78,493
Prepayments	319,200	319,200
Total Current Assets	1,447,232	1,212,869
Noncurrent Assets		
Transportation and office equipment (Note 9)	20,065	-
Mining rights (Note 10)	195,000,000	195,000,000
Deferred mine exploration costs (Notes 10 and 11)	100,480,975	98,323,113
Total Noncurrent Assets	295,501,040	293,323,113
TOTAL ASSETS	₱296,948,272	₱294,535,982
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	₱4,316,200	₱4,545,170
Due to related parties (Note 12)	65,758,636	62,950,716
Total Current Liabilities	70,074,836	67,495,886
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	(2,776,564)	(2,609,904)
Total Equity	226,873,436	227,040,096
TOTAL LIABILITIES AND EQUITY	₱296,948,272	₱294,535,982

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30	
	2020	2019
REVENUE		
Interest income (Note 7)	₱1,483	₱1,549
EXPENSES		
Directors fees	80,000	140,000
Professional fees	19,460	21,295
Taxes and licenses	7,014	17,014
Office supplies	25,904	59,569
Bank charges	250	1,600
Depreciation		8,352
Miscellaneous	33,334	63,128
	165,962	310,959
FOREIGN EXCHANGE GAIN (LOSS)	(2,181)	(759)
NET LOSS	(166,660)	(310,168)
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE LOSS	(₱166,660)	(₱310,168)
Basic / diluted loss per share (Note 13)	(₱0.005)	(₱0.009)

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

	Capital Stock (Notes 10 and 11)				
	Issued and Fully Paid	Subscribed	Subscription Receivable	Net Paid-in Capital	Additional
BALANCES AS AT DECEMBER 31, 2019	34,650,000	-	P-	P-	P195,000,000 (P2,609,904) P227,040,096
Net loss for the period	-	-	-	-	(166,660) (166,660)
Conversion of deposit for future stock subscription	-	-	-	-	- -
BALANCE AS AT SEPTEMBER 31, 2020	34,650,000	-	-	-	195,000,000 (P2,776,564) P226,873,436
BALANCES AS AT DECEMBER 31, 2018	P34,650,000	P-	P-	P-	P195,000,000 (P2,066,071) P227,583,929
Net loss for the period	-	-	-	-	(310,168) (310,168)
BALANCES AS AT SEPTEMBER 30, 2019	P34,650,000	P-	P-	P-	P195,000,000 (P2,376,239) P227,273,761

See accompanying Notes to Financial Statements.

ACR MINING CORPORATION
STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P166,660)	(P310,168)
Adjustments for:		
Depreciation (Note 7)	-	8,352
Interest income	(1,483)	(1,549)
Unrealized foreign exchange loss	2,181	(759)
Operating loss before working capital changes	(165,962)	(304,124)
Decrease (increase) in receivables	49,479	(462,002)
Decrease in accounts payable and other current liabilities	(228,970)	667,740
Cash used in operations	(345,453)	(1,433,866)
Interest received	1,483	1,549
Net cash used in operating activities	(343,970)	(1,432,317)
CASH FLOWS FROM INVESTING ACTIVITY		
Increase in other noncurrent assets	(2,157,862)	(3,263,540)
Acquisition of office equipment	(20,065)	-
Net cash used in investing activities	(2,177,927)	(3,263,540)
CASH FLOWS FROM FINANCING ACTIVITY		
Additional advances from related parties (Note 14)	2,807,920	4,275,165
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	(2,181)	759
NET INCREASE (DECREASE) IN CASH	283,842	(419,934)
CASH ON HAND AND IN BANKS AT BEGINNING OF PERIOD	815,176	1,707,960
CASH ON HAND AND IN BANKS AT END OF PERIOD	P1,099,018	P1,288,026

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 September 30, 2020, 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 September 30, 2020, 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, 2020

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements have no significant impact in the Company's financial statements.

- Amendments to PFRS 3, *Definition of a Business*
- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

Future Standards

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to December 31, 2020. 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 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 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.

Financial Instruments - initial recognition and subsequent measurement effective January 1, 2018

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVTOCI, and FVTPL. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash and receivables

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will

include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company applied lifetime ECL calculation on its financial assets. The Company determines probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company triggers its assessment whether its financial asset is in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to

receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Instruments - initial recognition and subsequent measurement prior to January 1, 2018

Date of recognition

The Company recognizes a financial asset 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. Derivatives are recognized on a trade date basis.

Initial recognition of financial instrument

Financial instruments are recognized initially at fair value. Except for financial assets and financial liabilities at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, 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.

Categories of financial instruments

The Company classifies its financial assets in the following categories: financial assets at FVTPL, loans and receivables, available-for-sale (AFS) financial assets and held-to-maturity (HTM) investments. Financial liabilities are further classified as financial liabilities at FVTPL 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.

Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These 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 FVTPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Included in this category are the Company's cash in banks and receivables.

Accounting policies applicable to all periods presented

Other financial liabilities

Other financial liabilities are liabilities that are neither held-for-trading nor designated at FVPL upon the inception of the liability. These are initially recognized at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization for any related premium, discount and any directly attributable transaction cost.

Gains and losses are recognized in the statement of comprehensive income when these other financial liabilities are derecognized, as well as through the amortization process.

Included in this category are the Company's accounts payable and other current liabilities (excluding statutory payables) 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 right to receive cash flows from the asset has expired;
- the Company retains the right 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 right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, 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 and 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 liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where 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 income.

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.

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.

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.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distributions, correction of prior year errors, effects of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

Interest Income

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.

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 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 ₱295.48 million and ₱293.32 million as of September 30, 2020 and December 31, 2019, respectively, is not impaired.

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 September 30, 2020 and December 31, 2019 amounted to ₱912,611 and ₱746,649.

7. Cash

	September 30, 2020	December 31, 2019
Cash on hand	₱205,000	₱106,053
Cash in bank	894,018	709,123
	₱1,099,018	₱815,176

Cash in bank earns interest at the respective interest rate per annum. Interest income earned as of September 30, 2020 and 2019 amounted to ₱1,483 and ₱1,549 for both periods.

8. Receivables

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

9. 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 September 30, 2020 and December 31, 2019.

The carrying value of the mining rights as of September 30, 2020 and December 31, 2019 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 (see Note 8). As of September 30, 2020, the Manat MPSA is still in the exploration phase of development. The carrying value of deferred mine exploration costs as of September 30, 2020 and December 31, 2019 amounted to ₱100.5 million and ₱98.3 million, respectively.

10. 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 September 30, 2020 and December 31, 2019 are shown as "Due to related parties" account in the balance sheets.

Outstanding balances with related parties are as follows:

		Transactions During the Year	Outstanding Balances	Terms and Conditions
Affiliates				
Conal Corporation	2020		31,168,439	Due on demand, noninterest
	2019		31,168,439	
APHC	2020		4,661,790	-do-
	2019		4,661,790	-do-
AC	2020	2,070,000	13,722,500	-do-
	2019		11,652,500	-do-
ACR	2020		6,983,507	-do-
	2019		6,983,507	-do-
Alsons Land	2020	17,920	22,400	-do-
	2019		4,480	-do-
ADIC	2020	720,000	9,200,000	-do-
	2019		8,480,000	-do-
	2020	2,807,920	65,758,636	
	2019		62,950,716	

11. 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:

	2020		2019	
	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 ₱125.0 million divided into 125 million shares with par value of ₱1 per share.

12. Income Taxes

- There is no provision for current income tax since the Company is in a tax loss position.
- The Company did not recognize deferred income tax asset on carryforward benefits of NOLCO amounting to ₱1,474,724 as of September 30, 2020 and December 31, 2019, 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
2020	2025	₱165,962
2019	2022	₱541,228
2018	2021	473,946
2017	2020	457,581
		₱1,638,717

13. 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 ₱0.89 million and ₱0.71 million as of September 30, 2020 and December 31, 2019, respectively. The Company's financial asset as of September 30, 2020 and December 31, 2019, is neither past due nor impaired.

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

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

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

Liquidity risk

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

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

Based on the Company's assessment, the carrying values of its cash in bank as of September 30, 2020 and December 31, 2019 are readily available for liquidity purposes. As of September 30, 2020 and December 31, 2019, the Company's accounts payable and other current liabilities, excluding withholding tax payable, amounting to ₱4.32 million and ₱4.55 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 September 30, 2020 and December 31, 2019.

The amount of capital is the total equity balance as of September 30, 2020 and December 31, 2019 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.

14. **COVID-19 outbreak**

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential

Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Company addressed the negative impact of this pandemic by allowing employees to have a work-from-home arrangements. The Company is not yet in a commercial operation, as such the impact of this pandemic is minimal.

ACR Mining Corporation
Schedule of Financial Soundness

Financial KPI	Definition	Nine Months Period Ended September 30	
		2020	2019
Liquidity Current Ratio / Liquity Ratio	Current Assets Current Liabilities	0.02:1	0.03:1
Solvency Debt to Equity Ratio / Solvency Ratio	Total Debt Total Equity	0.31:1	0.29:1
Profitability Ratio Return on Equity	Net Income Total Average Stockhodlers' Equity	-0.001:1	-0.001:1
Asset-to-Equity Ratio Asset-to-Equity Ratio	Total Assets Total Equity	1.31:1	1.29:1

ANNEX D

The minutes of the Annual Meeting of the Stockholders and the relevant resolutions approved by the Board of Directors in 2019.

ACR MINING CORPORATION
MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
Held at the Hotel at Green Sun, Focus Room 3, 2285 Chino Roces Ave.
Makati City, on September 26, 2019 at 2:00 p.m.

1. Call to Order; Certification of Notice and Quorum

The Chairman of the Board of Directors, Mr. Nicasio I. Alcantara, called the meeting to order, presided over the same, and then introduced the other directors present at the meeting: (1) Editha I. Alcantara; (2) Tirso G. Santillan, Jr.; (3) Ramil L. Villanueva; (4) Conrad Rafael C. Alcantara and (5) Benjamin R. Almario. The Secretary, Angel M. Esguerra, III, recorded the minutes. He also certified: that he had timely sent the Notices, and the Definitive Information Statement (DIS), to all stockholders; that at least 28,464,333 shares, of the 34,650,000 entitled to vote, or 82.15% thereof, were present at the meeting in person or by proxy; and that a quorum was present. He then informed the stockholders of the voting procedures and general protocol of the meeting.

2. Approval of the Minutes of the Previous Meeting

Regarding the minutes of the annual stockholders' meeting of on 20 September 2018, copies of which had been earlier distributed to the stockholders, on motion duly seconded, the stockholders resolved to dispense with the reading of said minutes, and to approve the same.

3. Management Report and 2018 Audited Financial Statements

The Chief Financial Officer and Treasurer, Robert F. Yenko, then presented the Management Report, and the Audited Financial Statements for 2018. After discussion, on motion duly seconded, stockholders representing at least 82.15% of the outstanding capital stock approved the said Report, and the Audited Financial Statements for 2018.

4. Ratification of the Acts of the Board of Directors and Officers

On motion duly seconded, the stockholders approved, confirmed, and ratified all acts, contracts, resolutions and actions by the Board, and officers, since the last annual stockholders' meeting.

5. Appointment of External Auditors

Anent the external auditors, on motion duly seconded, stockholders representing 82.15% of the outstanding capital stock, reappointed Sycip Gorres Velayo & Co. as the Company's external auditor for 2019-2020.

6. Election of Directors and

On the election of the Directors, the Secretary explained that in accordance with the applicable laws and rules, the following were nominated for directors: (1) Tomas I. Alcantara; (2) Editha I. Alcantara; (3) Nicasio I. Alcantara; (4) Conrad Rafael C. Alcantara; (5) Tirso G. Santillan, Jr.; (6) Benjamin R. Almario (Independent); (7) Ramil L. Villanueva (Independent). On motion, duly seconded, the stockholders directed the Secretary to cast all votes equally among all the 7 nominees. The Chairman subsequently declared the 7 nominees as the duly elected directors of the Corporation for 2019-2020, and acknowledged Messrs. Almario and Villanueva as the independent directors.

7. 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:

Nicasio I. Alcantara
Chairman of the Board

CERTIFICATION OF INDEPENDENT DIRECTORS

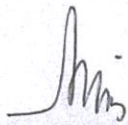
I, **BENJAMIN R. ALMARIO**, Filipino, of legal age and a resident of 33 Legaspi St., Alabang Hills Subd., Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

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

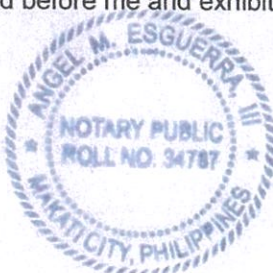
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ACR MINING CORPORATION, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission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

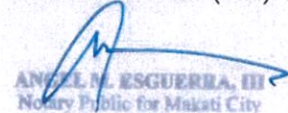
Done, this OCT 24 2020 at Makati City.


BENJAMIN R. ALMARIO
Affiant

SUBSCRIBED AND SWORN to before me this OCT 24 2020 at Makati City, affiant personally appeared before me and exhibited to me his Tax Identification No. (TIN) 113-379-128.

Doc. No. 211 ;
Page No. 44 ;
Book No. V ;
Series of 2020.




ANGEL M. ESGUERRA, III
Notary Public for Makati City
Commission No. M-218
Roll No. 34787; 06/01/1987
Until December 31, 2021
IBP Lifetime No. 00259; 06/01/1995; Pasay Chapter
PTR No. 8121644; 01/06/2020; Makati City
Alsons Bldg., 2286 Chino Roces Ave., Makati City

CERTIFICATION OF INDEPENDENT DIRECTORS

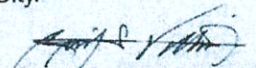
I, **RAMIL L. VILLANUEVA**, Filipino, of legal age and a resident of B67 L36 Norte Dame St., Village 3 Metro South Subdivision, after having been duly sworn to in accordance with law do hereby declare that:

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/VP for Strategic 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.

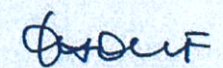
Done, this OCT 24 2020 at Parañaque City.


RAMIL L. VILLANUEVA
Affiant

SUBSCRIBED AND SWORN to before me this OCT 24 2020 at Parañaque City, affiant personally appeared before me and exhibited to me his Tax Identification No. (TIN) 146-391-829.

Doc. No. 499;
Page No. 101;
Book No. 08;
Series of 2020.
10013.




ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31, 2020
IBP No. 101004/1-03-2020/PPLM
PTR No. 2216225/1-02-2020/Parañaque
Roll No. 41901
Not. Com. No. 119-2019/1-07-2019
55 Molave Ave., Merville, Parañaque City

REPUBLIC OF THE PHILIPPINES }
PARAÑAQUE CITY, METRO MANILA } S. S.

AFFIDAVIT OF CONSENT

I, **ANGEL M. ESGUERRA, III**, Filipino, of legal age, and with office address at the 3rd floor, Alsons Building, 2286 Chino Roces Avenue, Makati City, Metro Manila, having been duly sworn in accordance with law, hereby depose and say that:

- 1) I am the Corporate Secretary of ACR Mining Corporation, a Philippine corporation with Securities & Exchange Commission (SEC) Registration Number AS096-001295, and principal office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila (the "Company").
- 2) I am aware that the SEC's Corporate Governance and Finance Department (CGFD), should be sending notices, letters, orders, decisions, and any other communication to the Company, and the Company should be replying, electronically *via* email, without prejudice to other modes of service when deemed necessary by CGFD.
- 3) On behalf of the Company, I hereby agree and declare that for the purposes mentioned above, the following contact information shall be used for receiving and sending of documents *via* email:

Name of Contact Person: Ms. Laura D. Tumala
Position: Legal Assistant
Email address: legal2@alcantaragroup.com

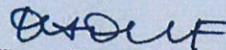
- 4) In case of any change with respect to the contact information provided above, the Company undertakes to submit an Affidavit of Consent reflecting such changes within five (5) business days after any such change.
- 5) I am executing this Affidavit to attest to the truthfulness of the foregoing facts, and for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of October 2020 at Parañaque City, Metro Manila.



ANGEL M. ESGUERRA, III
Affiant

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the City of Parañaque, Philippines, this 14th day of October 2020, whose identity I have confirmed through his Passport No P0613689A, issued on 12 October 2016, at DFA, NCR South, bearing the affiant's photograph and signature.



ATTY. VILMA HILDA VILLANUEVA-FABELLA
Notary Public

Until December 31, 2020

IBP No. 101004/1-03-2020/PPLM

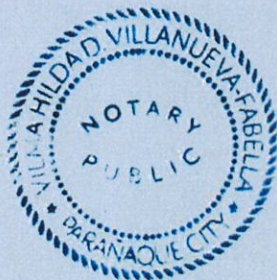
PTR No. 2216225/1-02-2020/Parañaque

Roll No. 41901

Not. Com. No. 119-2019/1-07-2019

55 Molave Ave., Merville, Parañaque City

Doc. No. 489;
Page No. 09;
Book No. 08;
Series of 2020.



CERTIFICATION

I, **ANGEL M. ESGUERRA, III**, Filipino, of legal age, and with an office at the 3rd Floor, Alsons Building, 2286 Chino Roces Avenue, Makati City, 1231 Metro Manila, being the duly elected Secretary of **ACR MINING CORPORATION**, a Philippine corporation with Securities & Exchange Commission (SEC) Registration Number AS096-001295, and principal office address at the Alsons Building, 2286 Chino Roces Avenue, Makati City 1231 Metro Manila (the "Corporation"), do hereby certify, based on the Corporation's official records in my possession, that:

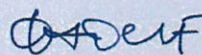
1. On behalf of the Corporation, I prepared the preceding letter;
2. I read and understood its contents, which are true and correct of my own personal knowledge and/or based on true records;
3. The Corporation will comply with the requirements set forth in SEC Notices for a complete and official submission of reports and/or documents through electronic mail; and
4. I am fully aware that the SEC requires a pre-evaluation, and/or processing, fee for certain documents, and the SEC shall consider such documents completely and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October 2020, at Parañaque City, Metro Manila.



ANGEL M. ESGUERRA, III
Corporate Secretary

SUBSCRIBED AND SWORN to before me, a Notary Public for and in Parañaque City, Philippines, this 6th day of October 2020, affiant, whose identity I have confirmed through his Passport ID with No. P0613689A issued on October 12, 2016 at DFA, NCR South, bearing his photograph and signature.



ATTY. VILMA HILDA VILLANUEVA-FABELLA

Notary Public

Until December 31, 2020

IBP No. 101004/1-03-2020/PPLM

PTR No. 2216225/1-02-2020/Parañaque

Roll No. 41901

Not. Com. No. 119-2019/1-07-2019

55 Molave Avenue, Merville, Parañaque City

Doc. No. 480
Page No. 97
Book No. 08
Series of 2020.

