SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2017**
2. SEC Identification Number: **25844** 3. BIR Tax Identification No. **000-375-930**

4. Exact name of issuer as specified in its charter

ABRA MINING AND INDUSTRIAL CORPORATION (AMIC)

5. **Philippines**.. 6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization — Industry Classification Code:

6. **Brgy., Lipcann, Bangued Abra** — 7. **2800**
Address of principal office — Postal Code

8. **(632) 925-1605 to 10**
Issuer's telephone number, including area code

9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of shares of Common Stock Outstanding and Amount
Common Stock, P0.01 par value	199,294,584,200

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

Yes [x] No [ ]

Philippine Stock Exchange **Common Stock**

If yes, state the name of such stock exchange and the classes of securities listed therein:

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No [ ]

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

Yes [ ] No [x]

13. Aggregate market value of the voting stock held by non-affiliates: not applicable

PART I - BUSINESS AND GENERAL INFORMATION

Item I. Business

Abra Mining and Industrial Corporation (AMIC) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 28, 1964. AMIC listed its shares of stock in the Philippine Stock Exchange (PSE) on December 24, 1969.

The Company is licensed to engage in the exploration, development, exploitation, processing, manufacture, extraction, milling and sale of cement and metal concentrate, marble, building materials and other minerals such as copper, gold, silver, iron, lead, etc. processing and manufacture of non-metals for industrial and commercial purposes at wholesale only.

The Company's registered principal office address is located at Lipcann, Bangued, Province of Abra, and the business office is located at 103 West Avenue, Quezon City.

2. Business of the Issuer

(i) Principal products, markets and revenue contribution
Registrant has a number of lines of business, the commercial utilization of limestone, lime, shale, silica, sand, gold, silver, copper, zinc, Magnetite Iron Sand and other mineral deposits existing within the contract area.

(ii) Percentage of revenues and net income contributed by foreign markets
Registrant has not started its commercial operations hence, it has not generated income and revenues

(iii) Distribution Methods
Registrant has not adopted any distribution methods.

(iv) Status of publicly announced products
No new products were announced this year.

(v) Competition
The company has not competed in the market distribution of its products

(vi) Sources and availability of raw materials
There are no raw materials needed.

(vii) Dependence on major customers
Upon full commercial operations, Abra will sell directly its products to customer and it will not be dependent on a few major customers.

(viii) Transaction with and/or dependence on related parties.
The company does not depend or transact entirely with any corporation or entity.

(ix) Patents, trademarks & licenses
The company does not have any patent or trademarks.

(x) Effect of existing or probable governmental regulations on the business
There is no government agency that approves the principal products of the company.

(xi) Government Regulation
The Department of Environment and Natural Resources (DENR) thru its Bureau arm Mines & Geo-science Bureau (MGB) issues and regulates all mining companies in the Philippines. The ECC granted by the Department of Environment and Natural Resources (DENR) is still valid as of this date

(xii) Research and Development
For the year under review the Corporation has not undergone any research and development

(xiii) Cost and effect of compliance with the 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.

(xiv) Total Number of employees

In 2017, Registrant has 12 employees broken down as follows:

Administrative	2
Technical	3
Operations	5
Finance	2
Total	**12**

For the ensuing twelve months period, the Company has no intention of hiring new technical and skilled employees for its mining operations.

The Company has no Collective Bargaining Agreement with employees.

(xv) Major risk/s involved in each of the businesses of the company and subsidiaries.
No major risks involved in the businesses of the company.

(b) Additional Requirements for Mining

Registrant has four (4) approved mining claims covered by a duly approved Mineral Production Sharing Agreement (MPSA) with the Department of Environment and Natural Resources (DENR)

The four (4) mining claims are:

1) **Bucay Baticang Limestone and Alluvial Gold Magnetite Project**- covered by and approved Mineral Production Sharing Agreement, MPSA No. 143-99 CAR. The MPSA comprised the parcel areas with an aggregate area of 128 hectares (two parcel areas of 64 hectares each) for Limestone Claim Deposit.

   MPSA 143-99 under mine development ready for commercial operations .

2) **Capcapo Gold Copper Project** . The mineral property is located at Sitios of Capcapo, Singit, Masisiat, Patagui and Tala-ay, Municipal District of Licuan-Baay, Province of Abra. It is situated within the northeast oriented foothills of Central Cordillera Mountain range. It is covered by approved Mineral Production Sharing Agreement, MPSA No. 144-99 CAR. The MPSA comprised mineral claim areas with aggregate area of 756 hectares..

   MPSA 144-99 CAR is under exploration by the foreign Partner Olympus Pacific Minerals, Inc. (OYM)

3) **Patok Gold Silver Copper Project (MPSA 141-99 CAR)**. The property is located at Licuan-Baay, Province of Abra. It has stopped operations and under study for re-opening. It is open for additional funding/investment.
4) **The Sanvig Alluvial Gold and Magnetite Iron Sand Deposits** - The property is the extension of the Abra river with an area of 2,673 hectares and covered by MPSA No. 175-2002-1. Detailed exploration was undertaken and the status of the project is open for additional funding and investment.

Item 2. Properties

Majority of the Properties of the company , such as Plant, Properties, and Mining Equipment are all located in Abra. Said properties are all in good, working and serviceable condition and wholly owned by the company free from any encumbrance or liens. The company does not lease any property and has no property on mortgage.

Property	Location
Land and Improvements	Abra
Buildings	Abra
Office Equipment	Abra and Quezon City
Transportation Equipment	Abra and Quezon City
Laboratory Equipment	Abra
Assay Equipment	Abra
Heavy Equipment	Abra
Mining Equipment	Abra
Survey Equipment	Abra
Agricultural Equipment	Abra
Fabrication Equipment	Abra
Maintenance Equipment	Abra
Miscellaneous Equipment	Abra

Registrant has no intention of acquiring additional properties, plant and equipment for the next twelve month

Item 3. Legal Proceedings

The directors and executive officers of the company have not been involved in any legal proceedings and no property of the Company is subject to any pending material legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

1. Market Information

The shares of the company are listed at the Philippine Stock Exchange. Summary of the high and low sales prices of the common equity for the past three (3) years are as follows:

Calendar Period	*Prices per share (in pesos)*	
	High	***Low***
	2017	
First Quarter	0.0032	0.0030
2nd Quarter	0.0029	0.0027
3rd Quarter	0.0025	0.0024
4th quarter	0.0031	0.0022

	2016	
First Quarter	0.0046	0.0044
2nd Quarter	0.0044	0.0041
3rd Quarter	0.0040	0.0037
4th quarter	0.0050	0.0049
	2015	
First Quarter	0.0056	0.0030
Second Quarter	0.0051	0.0044
Third Quarter	0.0049	0.0043
Fourth Quarter	0.0050	0.0049

2. Holders

Registrant has 865 holders of the company's outstanding shares of common stock and the following are the top twenty (20) holders of said shares as of December 31, 2017:

	Name of Stockholders	*Outstanding shares held*	*% of Total Shares Held*
1.	*PCD Nominee Corporation*	*134,441,466,755*	*67.45*
2.	*Jabel Corporation*	*61,150,000,000*	*30.68*
3.	*Discovery Mines, Inc.*	*1,250,000,000*	*0.627*
4.	*Lu Ben Hua*	*380,000,000*	*0.1906*
5.	*Li Chih Hui*	*200,000,000*	*0.1003*
6.	*Bartholome W. Dybuncio Young*	*180,000,000*	*0.0903*
7.	*Mariano O. Chua*	*167,000,000*	*0.0837*
8.	*Antonia So Ngu*	*156,000,000*	*0.0782*
9.	*Anselmo C. Roque*	*143,000,000*	*0.0717*
10.	*Tansengco & Co., Inc.*	*134,320,000*	*0.0673*
11.	*Jeremias B. Beloy*	*100,600,000*	*0.0504*
12.	*Ferdinand U. Callado*	*100,000,000*	*0.0501*
13	*James G. Beloy*	*100,000,000*	*0.0501*
14.	*Elma Laguinia*	*100,000,000*	*0.0501*
15.	*Amelia G. Beloy*	*88,300,000*	*0.0443*
16.	*Sammy Ngu*	*70,000,000*	*0.0501*
17.	*Tiu Ka Siong*	*30,000,000*	*0.015*
18.	*Delani Realty, Inc.*	*30,000,000*	*0.015*
19.	*Pio Jualo Logo*	*25,000,000*	*0.000*
20.	*Edward M. Tipton*	*21,000,000*	*0.000*

3. Dividends

No dividends have been declared by the company.

4. Recent Sales of Unregistered Securities

Registrant has not issued additional shares.

5. Description of Registrant's Securities

Registrant's 72,946,882,574 common shares are listed and traded at the Philippine Stock Exchange.

Item 6. Management's Discussion and Analysis or Plan of Operation

Management plans

The 2016 Management Plan is the continuity of the integrated five-tiered long-term Management Program of Abra Mining that is fitting and responsive to the present challenges of the mining industry. Even though the mining industry in our country is presently experiencing uncertainty and unprecedented regulatory scrutiny aggravated by the adverse effect of depressed commodities prices and consequences of the cyclical economic downturns, calamities and financial collapse of other industries, we still foresee the forthcoming bright future of our country's mining industry.

Priorities in its five-year management program have been updated to fast-track a commercial operations with the least gestation period starting with the Baticang Lime Kiln Plant in Bucay, Abra. The construction shall commence upon availability of funds to use the company's Limestone Deposit for the production of Lime ($CACO_3$), Ground Calcium Carbonate (GCC) and Precipitated Calcium Carbonate (PCC). The primary objective of the project is to commission the operation to make productive use of its proven limestone resources and the feasibility study has already been completed including the necessary market research for the commercialization of these limestone products. This project was largely isolated from the rest to provide the Company with high returns at the least capital cost and notably with plant construction and commissioning much faster than the hard rock projects. The project has already been designed and plant construction will commence upon availability of funds which is presently under negotiation with a none-operating equity participating foreign funder. This lime project becomes an integral part of the Patok reopening in that it will also supply the lime requirements of the Patok plant. In the meantime, the Baticang plant can supply the lime requirements of the surrounding areas, being the only producer in Northern Luzon where all the other mines in the Baguio Mining District can procure their supplies including the agricultural and aquaculture requirements of the northern region.

Simultaneously, with the emergence of the Baticang Lime Plant another project in the vicinity is the newly constructed and installed Baticang Magnetite and Gold-Copper Plant that can be put in operation with minimal fund retooling. This project has been envisioned to last longer mainly due to the demand for steel and iron derivatives. Though the viability of the company's mineral tenement has been ascertained years before, the company launched a more detailed exploration program to ascertain the feasibility of the reserve compliant with international standards as regards the content of indispensable quantity of the black material Magnetite Iron Sand and the Precious Metals. In the past, the magnetite sand industry was in a booming market in the late 70's and early 80's which gave hope to the company's vision of regaining its heydays of mining. The Company's integrated plans of large scale Magnetite Operation, will run on multiple dredging operation to produce 200 mtpd of magnetite iron sand in its initial stages gradually expanding to bigger capacities. This production shift would be considered reticent enough to relaunch the operations and focus the research activities to recover the finer gold values and other precious metals by centrifugal gravity separation without use of toxic chemicals. In its pilot operation the company's efforts have been focused on maximizing the alluvial mineral resources to recover not only Magnetite Iron Sand but also the more valuable Precious Metal values. Although the recovery of the very fine gold is very difficult. Management plan is to implement a more efficient recovery of the magnetite iron sand and that of the finer gold particles. The company therefore engaged in an endless research and analysis with constant monitoring for the perpetual refinement and improvement of plant design for these type of deposits. This is just one way the Company can stay ahead in conjunction with the implementation of the essential recovery plant expansion program spread-out over the years as aided by engineering research, analysis and innovation. Efforts have also been made to contact buyers of the ever increasing stockpile of R & D magnetite. Due to the depressed price of iron ore, the company has ventured to advance its R & D by conversion of the magnetite iron sand into pellets and/or pig iron in pursuit of higher values for its product thereby resulting in additional cash flow.

The third tier in the company's five-year management plan is the re-opening of the *Patok Gold Operation that can be commissioned immediately upon availability of funds*. This Patok Gold Project was the main Company operation back in the late 70's and early 80's when it was sidetracked due primarily to the unsettling oil embargo of the 80's when at one point in our history fuel was being rationed. The Patok property is targeted to be likely at the third or even at the second level of our management program pending hefty capital infusion and budget availability. The Patok project enjoys a relatively easier and faster development in that an ores of high grade have already been blocked and readily accessible by reopening the previous tunnel. Another windfall factor is that it qualifies for the government program for *"Certificate of Non-Coverage"*. This program entitles old mines to immediately restart operation by allowing them to run while their ECC papers are being processed. Time is of the essence in that it takes quite a long time to secure the ECC approval, seven years to be exact, as in the Company's Alluvial Project. The Patok property is just a few aerial kilometers southwest of the Capcapo Copper-Gold Mine.

The five-year management plan has been modified to conform with the new development of the Capcapo Copper-Gold Project where AMIC signed a Joint Venture Agreement ("JVA") with a Canadian Strategic Partner, formerly Olympus Pacific Minerals, Inc. now Besra Gold Incorporated (BESRA). The aforementioned JVA was finally terminated by both Parties due to inability of BESRA to properly pursue and actively launch the detailed exploration program to advance the project into operational stage because of their internal corporate operational problem coupled by the uncertainty of the local mining industry. At this juncture AMIC can now entertain a more abled multinational strategic partner who have been clamoring to take over and pursue this world class mine discoveries as declared by BESRA. It took three (3) years for AMIC to convince BESRA to disengage in the Capcapo Copper-Gold Project as it uncertain about relinquishing the project because of their knowledge that it is a world class mine discovery. In their last ditch efforts, BESRA even asked AMIC for a certain percentage stake in the new JVA because they know that some day this will be a large mine operation but AMIC declined all these provisions of the Deed of Termination to give a clean slate of the Capcapo Copper-Gold Mine for the incoming strategic partner. A brief review of the former JVA status of the project starts on November 23, 2006, after the signing of the MOA, drilling started in early 2007. This was abruptly interrupted by the nearby community's clamor for a Free & Prior Informed Consent (FPIC). Even though all of the project tenement documentations including MPSA have been issued by DENR with the concurrence of NCIP. However, by law, an FPIC is only needed if the mineral tenement is part of an Indigenous People's (IP) territorial domain. The project tenement was never the IP's domain and that the area is widely covered by tax declarations that have already and mostly acquired by our group of companies. This fact is the main premise why the Company was able to obtain an MPSA. Furthermore, there were no host communities within the Capcapo mineral tenement and that the neighboring communities started seeking IP recognition only in 2010 after learning of the very positive results of the drilling. Fifteen (15) drill holes have been drilled to date, including eight drill holes by OYM/BEZ, yielding very encouraging results to validate the Company's Capcapo tenement. The project documents are all in order from the MPSA to the NCIP approval, with no less than the Chairman of the National Commission of Indigenous People (NCIP) affixing his signature. Notwithstanding the Company's signed papers categorically stating there are no *Indigenous People (IP)* in the tenement area, in our partner's efforts to appease and maintain diplomatic relations with this small community it decided to temporarily halt further drillings in the area and conducted the requisite Community Relations Program in lieu of the *Free & Prior and Informed Consent (FPIC)* before the resumption of the detailed drilling program. This act of riposte will hopefully educate the community about the benefits of mining development in their underprivileged region while at the same time cleaning up misconceptions and smear campaigns that opposing minority group is feeding them while we maintain vital presence in the area.

The former Joint Venture (JV) group consequently commissioned an experienced consultant team knowledgeable in the steps and platforms of community relations in the mining industry to continue the community relations where it was abruptly suspended a couple years before the JVA signing. This step increases our chances for faster and smoother working relations within the nearby communities. A consultative body in community relations was also formed by the commissioned consultant team to educate the community about the benefits of mining development in their underprivileged region. At the same time clearing up misconceptions and smear campaigns that opposing minority group is feeding them while we maintain vital presence in the tenement area and now in the final stages of the program. The program of BESRA has been suspended from early 2013 until today and AMIC is mulling over to entertain a new strategic partner with another foreign multinational mining company who is interested and posses the requisite funding to carry on the project. Since the former JVA has been terminated AMIC can now deal with another party which signified their interest in our brownfield mining project.

Tier five of the Company's management program is also unchanged with the gradual expansion and constant refinement of the Alluvial Plant Operation from its present linear processing system to a non-linear modular processing design for continuous operations. Thereafter, when capital is available, the Company plans to employ multi cluster bulk material dredging operation of continuous system along the lengthy Abra River towards sea. Bulk dredging is a reliable and more fitting method for this type of deposit. It is highly efficient and exceedingly productive operating system for alluvial flood plains but may prove to be more expensive due to huge capital cost which can be offset by higher revenue for the company. This method entails a lot of capital as is a need to increase plant capacity as well as its bulk production which can be extremely profitable as the deposit may warrant. This method is further down the line of our five year tiered management plan and right now is made part of the program to integrate a multi-processing recovery system of operation. The design incorporates the three line gravity concentrating system of recovery for the precious metal.

The first line will consist of rotating circular trommel grizzly (RCTG) as primary de-rocker in-line with three unit of Pan American Placer Jig, in series with two units vibrating sluice boxes. The RCTG Machine is mainly a gravel and sand washing machine, consisting of a bin/grizzly, a belt conveyor, two units of water-sprayed trommels and an apron feeder for feeding to the jig. For handling and material flow, the dredge machine will feed the bin while its grizzly will reject oversize materials. The second line will require the resumption of the magnetite sand in the Alluvial Plant. However, the plant will undergo major revisions underneath the three magnetic separators, including the additions of Five more magnetic separators as one (1) cluster. As usual, the magnetic separators will produce rough magnetite sand and its tailings pump-fed into the IHC Jig to recover the precious metals along with the magnetite sand. For the third line gravity concentration, the process will use *Centrifugal Force Technology*. Five centrifugal machines using this technology will be used for feeds derived from the tails of the magnetic separators as part of the cluster. The tailings feed, however, will have to be screened to minus 14 mesh as required by the machine. The tailings of the concentrators will be discharged onto the third line of sluice boxes, thence into the tailings pond. There will be several cluster to be deployed along the river to outturn commercial production of magnetite iron sand and the jig and centrifugal concentrates will be delivered to land base processing plant to recover the precious metals.

Finally, the company has embarked on a capital raising endeavor to raise the necessary funding for the projects on the pipeline. To achieve this goal faster, the company seeks to engage the services of investment houses and investment managers to arrange meetings and, hopefully, close deals with foreign companies that fit into the Company's mission-vision and management plan. Presently, these groups are engaged by AMIC in the ongoing negotiations for private placement from non-equity operating foreign funders. Presently we are seriously negotiating with a credible foreign non-operating equity funder that can provide the capital requirement of the several mine projects and pursue the opportunities to explore additional mine reserves in the expansive land areas surrounding these great mine discoveries. This availment will provide secure capital resources for the requisite capital deployment needed in this challenging times where venture capital for sustainable growth is difficult to acquire due to reluctance of banks and financial funders to position their resources at this time of economic uncertainty. Raising capital through the international stock markets are worrisome because of China's economic woes and a slump of their Stock Market that can drag the entire world equity markets where speculative money can be battered heavily causing jitters to deal in new investments. The present volatile situation is expected to aggravate the unpredictable global financial condition that will impair the sourcing of funds and bound to be very difficult and tough. It is therefore prudent to set-up a funding credit line at this hard times to cushion the intensive commercial development of the mine and the flexibility to sustain growth in this uncertain economic situations. Their engagement will also help the Company tap their services when the planned primary and secondary offerings will be undertaken and even other private placements including road show presentations by the company for further fund raising.

Status of Operations

AMIC has not started normal commercial extraction of mine products. As shown in the accompanying financial statements, AMIC has incurred cumulative losses of P3,328,870 and P2,790,440 in 2017 and 2016, respectively. This condition indicates the existence of an uncertainty which may cast significant doubt about AMIC's ability to continue as a going concern. The accompanying financial statements were prepared on a going concern basis as the Company addressed the capital deficiency in its Management Plan.

The realization of AMIC's mine projects is dependent upon future events including its successful mining operations. The eventual outcome of these matters cannot be determined at this time.

RESULTS OPERATIONS (2016)

AMIC has not started normal commercial extraction of mine products. As shown in the accompanying financial statements, AMIC has incurred cumulative losses of P56,951,401, P54,160,960 and P50,488,429 in the 2016, 2015 and 2014, respectively. Despite the losses, the accompanying financial statements were prepared on a going concern basis as the Company addressed the capital deficiency in its 5-tiered Management Plan and management is in continuous discussion with potential investors to fund such plan.

The realization of AMIC's mine projects is dependent upon future events including its successful mining operations. The eventual outcome of these matters cannot be determined at this time.

RESULTS OPERATIONS (2015)

AMIC has not started normal and commercial extraction pf mine products. As shown in the accompanying financial statements, the Company has incurred cumulative losses of P54,160,960. This condition indicates the existence of an uncertainty which may cast significant doubt about AMIC's ability to continue as a going concern.

In 2015, the Company acquired machineries and equipment from Jabel Corporation (JABEL) with a value of 30,220,264 as payment for subscribed shares of stock of the Company amounting to P30M. Excess value of shares is charged to advances to affiliates. These machineries and equipment previously acquired by Jabel through bidding are already installed at the property of the Company in its Gold Copper and Magnetite Processing Plant in Bucay, Abra.

FINANCIAL CONDITION

Financial Soundness Indicators

Financial Soundness Indicators are used to monitor the soundness of a financial system and assess systemic risk. It responds to the need for better tools to assess the strengths and vulnerabilities of the financial system.

Below is the schedule showing financial soundness indicators for the years ended December 31, 2017 and 2016

	2017	2016
Current* Liquidity *Ratio	**4.72:1**	2.37:1
Current Assets	**7,350,135**	17,321,784
Current Liabilities	**1,557,920**	7,303,411
Solvency Ratio	**-0.1:1**	-0.11:1
Net Profit(Loss) before depreciation	**(2,721,118)**	(2,790,440)
Total Liabilities	**27,075,118**	26,377,841
Debt to Equity Ratio	**0.02:1**	0.02:1
Total Liabilities	**27,075,118**	26,377,841
Total Equity	**1,722,241,223**	1,724,962,340
Asset to Equity Ratio	**1.02:1**	1.02:1
Total Assets	**1,749,316,341**	1,751,340,182
Total Equity	**1,722,241,223**	1,724,962,341
Profitability Ratio	**-0.002:1**	-0.002:1
Net Loss	**(2,721,118)**	(2,790,440)
Total Equity	**1,722,241,223**	1,724,962,340

Additional disclosure Requirements

Reconciliation of Retained earnings Available for Dividend

Not applicable

Commitment for Capital Expenditure

For 2017, Registrant plan to spend about P20Million capital expenditure largely for maintenance and upgrade of existing mining equipment and machineries.

Known Trends, Events or Uncertainties

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

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

Causes for any material change from period to period including the vertical and horizontal analyses

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.

Risk Management Objectives and Policies

AMIC is exposed to a variety of financial risks which result from both its operating and investing activities. AMIC's risk management is coordinated with its management, in close cooperation with the Board of Directors (BOD) and focuses on actively securing the Corporation's short to medium-term cash flows by minimizing the exposure to financial markets. Long term financial investments are managed to generate lasting returns.

AMIC's risk management policies are established to identify and analyze the risks faced by the Corporation, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and AMIC's business activities. AMIC, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

AMIC's risk management policy are described below:

Liquidity risk

Liquidity risks or funding risks is the risks that AMIC will encounter in raising funds to meet commitments associated with financial liabilities and to finance capital expenditures. Liquidity risks may result from AMIC's inability to raise funds to finance its operations and exploration costs through sales of its equity or availability of debt financing on acceptable terms. AMIC manages liquidity by regularly monitoring and evaluating its projected and actual cash flows.
In support of its operations, AMIC relies on advances from its shareholders.

The table below summarizes the maturity profile of AMIC's financial liabilities as of December 31, 2016 and 2015 based on undiscounted payments:

2017		On Demand		120 days and more		Total
Accrued expenses and other payables	P	1,557,920	P	-	P	1,557,920
Advances from an affiliated company		-		19,074,429		19,074,429
Total	P	1,557,920	P	19,074,429	P	20,632,349

2016	On Demand		120 days and more		Total	
Accrued expenses and other payables	P	7,303,411	P	-	P	7,303,411
Advances from an affiliated company		-		19,074,429		19,074,429
Total	P	7,303,411	P	19,074,429	P	26,377,840

Credit risk

AMIC's credit risk relates to "cash in bank" account of AMIC. The exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset as stated in the following table. Given that AMIC has no outstanding receivables, it is not exposed to large concentrations of credit risk.

	2017	2016
Cash in bank	301,447	10,968

Cash in bank is considered as high grade as this pertains to demand deposits in a reputable bank.

Market Risk

Cash Flow and Fair Value Interest Rate Risks

Cash flow and fair value interest rate risks policies are to ensure short to medium-term liquidity.

Interest risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Interest rate risk is managed by targeting a desired return, which is reviewed periodically, based on the Company's long-term view on interest rates.

Currently, the Company has no financial liabilities with floating interest rates.

Foreign Currency Risk

The AMIC has no significant exposure to foreign currency risks as most transactions are denominated in Philippine Peso, its functional currency.

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 not material commitment s for capital expenditures not reflected in the company's financial statements. There are likewise no significant seasonality or cyclicality in its business operation that would have a material effect on the company's financial condition or results of operations. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationship of the company with unconsolidated entities or other persons.

Item 7. Financial Statements

The financial statements and schedules listed in the accompanying Financial Statements and Supplementary Schedules are filed as part of this report.

Item 8. Information on Independent Accountants and Other Related Matters

External Audit Fees and Services

Registrant appointed Valdess Abad & Company, CPAs who conducted the audit on its balance sheet for the years ended December 31, 2017. KL Siy & Associates, the former external auditor conducted audit for the years ended December 31, 2016 & 2015.

Registrant pay its external auditor the following fees (exclusively of out of pocket expenses and value added taxes):

	2017	2016
Audit fees	P125,000.00	Php125,796.80
Tax fees	15,000.00	Php17,203.20
Other fees	10,000.00	Not applicable

Other Assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements – NOT APPLICABLE

<u>Audit Committee's Approval Policies and Procedures</u>

Prior to the commencement of audit work, the external auditors present their program and schedule to the Company's Board Audit Committee. The program include discussion of issues and concerns regarding the audit work to be done.

<u>Changes in and Disagreements With Accountants</u>

There were no disagreements with the Company's principal accountants as to any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS

<u>Directors and Officers</u>

The following are the present directors of the Company whose terms of office are for one (1) year or until their successors are elected and qualified:

JEREMIAS B. BELOY – 82 years old, Filipino citizen and is currently the Chairman and President of the corporation. Mr. Jeremias B. Beloy is also the President of Discovery Mines, Inc., Lacub Mineral Resources, Inc. and Horizon Mineral and Oil Corporation. He is a registered mining engineer and geologist.

JAMES G. BELOY – 58 years old, Filipino citizen and holds a Mining Engineering degree from the University of the Philippines. Currently, he is the Executive Vice President of the corporation and President of Jabel Corporation. He is a registered mining engineer, an associate realtor and consultant of Melie G. Beloy Realty.

MA. BELINDA T. GASKELL – 54 years old, Filipino. She received her BS Psychology degree from the St. Paul University. She was Outlet Manager for Bookdale Club from June 1982 up to June 1983. She was Pre-Nursery and Nursery Teacher from 1983 to 1985 at Children's Creative Learning Center. She is the President of Valley Plywood Corporation.

CONDE CLARO C. VENUS - 59 years old, Filipino, assumed the position as independent director on December 18, 2015.

PREMY ANN G. BELOY - 55 years old, Filipino. She received her Bachelor of Laws (Ll.B) degree from the University of the Philippines. She started practicing law as Solicitor II before the Office of the Solicitor General. She shifted to corporate practice as a member of the Legal Services Department of the Alcantara Group in 1995 as Corporate Legal counsel. Thereafter, she served as Corporate/Assistant Secretary of the Alcantara Group since May 2000 until August 2009. She also serves as Corporate Secretary of Discovery Mines, Allegro Resources, Music Museum Group, Inc., Jabel Corporation and Horizon Mineral and Oil Corporation.

JOEL ALBERT G. BELOY – 44 years old and Filipino, obtained his AB Interdisciplinary Studies from Ateneo de Manila University. He is the Vice-President for Management handling all systems requirements and administrative function of the corporation.

AMELIA G. BELOY – 80 years old, Filipino citizen is the Vice-President for Administration, Treasurer and Secretary of the Corporation. A practicing Realtor and manages her own brokerage company Melie G. Beloy Realty Corporation.

Significant Employees

There are no employees who are expected by the Company to make a significant contribution to the business.

Family Relationship

Jeremias B. Beloy and Amelia G. Beloy are husband and wife. Their siblings are James, Premy Ann and Joel.

Involvement in Certain Legal Proceedings

The company is not aware of any (a) bankruptcy petition filed by or against any business of which any of the directors or executive officers was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time (b) any conviction by final judgement in a criminal proceeding, domestic or foreign, pending against any of the directors or executive officers, (c) any judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the directors or executive officers in any type of business, securities, commodities or banking activities, and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization that any of the directors or executive officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Item 10. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

1. Summary of Compensation Table

A. Executive Officers			Position		
Jeremias B. Beloy			President & Chairman of the Board		
James G. Beloy			Executive Vice President		
Amelia G. Beloy			VP-Administration/Corporate Secretary		
Joel G. Beloy			VP-Management and Services		
	Year	Salary	Bonus	Others	Total
All Executive Officers as a Group	2018 Estimates	908,400.00	-	772,400.00	1,680,800.00
	2017	908,400.00	-	772,400.00	1,680,800.00
	2016	908,400.00	-	772,400.00	1,680,800.00
	B. Directors				
Director's per diem	2018-Estimates				75,000.00
	2017				75,000.00
	2016				75,000.00
ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP					
	Total Amount				
2018 (Estimates)	1,755,800.00				
2017	1,755,800.00				
2016	1,755,800.00				

2. Employment Contracts and Termination of Employment and Change in Control Arrangements

There are no special employment contracts, change-in-control arrangements between the Company and any named executive officer.

3. Standard Arrangements

Directors' per diems are pegged at a rate of P 5,000.00 per board meeting. No director received bonuses or profit sharing plans.

Other than per diems, the Company has no standard and/or other compensation arrangement pursuant to which directors of the Company are compensated for any service provided as director.

4. Warrants and Options; Outstanding; Repricing

The company has no outstanding warrants and options.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(1) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2017, the Company knows of no one who beneficially owns in excess of 5% of its common stock except as set forth in the table below:

Title of Class	Name, Address of Record Owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	CITIZEN-SHIP	No. of shares Held	Percent
Common	**PCD NOMINEES**[1] 37th Flr. Twr 1 The Enterprise Center, 6766 Ayala Avenue Makati City	PCD participants	Domestic	138,380,985,755	*69.44*
Common	**JABEL CORPORATION**[2] 19 East Lawin Drive Philamlife, Quezon City	Jabel Corporation Beneficial/ Record owner	Domestic	61,150,000,000	30.68 %

Except as stated above, the Management of the Company have no knowledge of any person who, as at the record date, was directly or indirectly the beneficial owner of more than 5% of the company's outstanding shares of common or who has voting power or investment power with respect to shares comprising more than 5% of the company's outstanding common stock.

2. Security Ownership of Directors and Officers

The following are the number of shares of common stock owned of record by the directors, President and Executive Officers of the company, and the percentage of shareholdings of each, as of December 31, 2017

Title of CLASS	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	%AGE OF CLASS
Common	Jeremias B. Beloy (Director)	100,600,000 (R & B)	Filipino	
Common	James G. Beloy (Director)	100,000,000 (R & B)	Filipino	
Common	Conde Claro C. Venus (Director)	1,500,000 (R & B)	Filipino	
Common	Belinda T. Gaskel (Director)	4,000,000 (R & B)	Filipino	
Common	Premy Ann G. Beloy (Director)	450,000 (R & B)	Filipino	
Common	Amelia G. Beloy (Treasurer/Asst. Corp. Secretary)	88,300,000 (R & B)	Filipino	
Common	Joel Albert G. Beloy (VP-Management)	450,000 (R & B)	Filipino	
Directors and Executive Officers as a group unnamed		**296,350,000**		0.1592

3. Voting Trust Holders of 10% or More

There are no voting trust arrangements covering 10% or more of the common shares.

4. Change in Control

There are no arrangements which may result in a change in control of the company.

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[1] PCD Nominee is the registered owner of shares beneficially owned by participants in the Philippine Depository, Inc. (PCD), a private company organized to implement an automated book entry system of handling securities transactions in the Philippines. None of the participants of PCD held more than five percent of the company's total outstanding shares of common stock.

[2] The stockholders who own more than 5% of the outstanding shares of common stock of Jabel Corporation are: Jeremias B. Beloy (24.70%), Amelia G. Beloy (24.70%), James G. Beloy (09.30%) and Joel G. Beloy (09.30%). Mr. James Beloy exercise the voting right for Jabel.

Item 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

1. Related Party Transactions

AMIC's related party transactions involved shareholders and AMIC's key management personnel.

The following are the Company's related party transactions:

	Transaction Values			*Due from (to) Related Parties*	
	2017	**2016**	**2017**	**2016**	*Conditions*
Advances to Stockholder Jabel Corp.	P9,737,552	P13,249,800	-	P9,737,552	*Non interest Bearing, Unsecured*
Advances from Stockholder Jabel Corp.	6,442,769	(15,912,929)	(22,355,698)	(15,912,929)	*Non interest Bearing, Unsecured*
Discovery Mines, Inc.	-	-	(3,161,500)	(3,161,500)	*Non interest Bearing, Unsecured*
	P6,422,769	**(P15,912,929)**	**P25,517,198)**	**(P19,074,429)**	

2. PARENT OF THE REGISTRANT

The corporation has no parent company.

PART V - EXHIBITS AND SCHEDULES

Item 14. EXHIBITS AND REPORTS ON SEC 17-C

(a) Exhibits and Schedules

Please see attached financial statements as of December 31, 2017.

b) Reports on SEC form 17-C

Registrant filed the following reports on SEC Form 17-C:

Date Filed	Items Reported
February 18, 2017	Annual Verification and Certification from the Mines and Geosciences Bureau
May 11, 2017	Resolution authorizing the Corporation for the amendments and reissuance of the 2015 audited financial statements

May 30, 2017	The Board of Directors approved and confirmed the Manual on Corporate Governance
August 2, 2017	Postponement of 2017 Annual Stockholders Meeting
November 18, 2017	Approval for the holding of 2017 Annual Stockholders' Meeting on December 29, 2017 at 8.00'clock in the morning; Record date - December 06, 2017 for the stockholders entitled to notice and to vote at the Annual Meeting; and Appointment of Valdes Abad & Company, Certified Public Accountants, as the new accounting firm, in view of the former auditing firm KL Siy & Associates was temporarily not qualified to undertake an audit for listed companies under Category A.
December 29, 2017	Results of Annual Stockholders' Meeting

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned officers of the Corporation and hereunto duly authorized, in Quezon City on April 23, 2018.

BY:

JEREMIAS B. BELOY
President & CEO

AMELIA G. BELOY
Treasurer & Corporate Secretary

JAMES G. BELOY
Executive Vice-President

SUBSCRIBED AND SWORN to before me this APR 24 2018 day of April 2017 at Quezon City, affiants exhibiting to me their government issued IDs as follows:

Name	Government Issued IDS	Date & Place Issued
Jeremias B. Beloy	TIN # 113-315-574	
Amelia G. Beloy	Philhealth # 190507958323	
James G. Beloy	TIN # 137-726-008	

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Series of 2018

ATTY. JOHN RYAN D. SEGUIT
NOTARY PUBLIC
UNTIL DEC. 31, 2018
ROLL NO. 59421, TIN NO. 427-346-464-000
PTR NO. 5567465 01/03/2018/Q.C.
IBP NO. 021623 / 01-03-2018 Q.C.
MCLE COMP. V-0012529 04/14/2018
ADM. MATTER NO. NP-052 (2017-2018)
ADD: 112 VIC VEL BLDG. WEST AVE. Q. CITY

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned officers of the Corporation and hereunto duly authorized, in Quezon City on April 23, 2018.

BY:

JEREMIAS B. BELOY President & CEO	**AMELIA G. BELOY** Treasurer & Corporate Secretary

JAMES G. BELOY
Executive Vice President

SUBSCRIBED AND SWORN to before me this APR 24 2018 day of April 2017 at Quezon City, affiants exhibiting to me their government issued IDs as follows:

Name	Government Issued IDS	Date & Place Issued
Jeremias B. Beloy	TIN # 113-315-574	
Amelia G. Beloy	Philhealth # 190507958323	
James G. Beloy	TIN # 137-726-008	

Doc. No. 127
Page No. 27
Book No. XXIV
Series of 2018

ATTY. JOHN RYAN B. SEGUIT
NOTARY PUBLIC
UNTIL DEC. 31, 2018
ROLL NO. 59421, TIN NO. 427-346-464-000
PTR NO. 5567483 01/05/2018/Q.C.
IBP NO. 021625 / 01-03-2018 Q.C.
MCLE COMP. V-0019529 04/14/2018
ADM. MATTER NO. NP-052 (2017-2018)
ADD: 112 VIC VEL BLDG. WEST AVE. Q. CITY

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						2	5	8	4	4

COMPANY NAME

ABRA MINING & INDUSTRIAL CORP.

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

103 WEST AVENUE, QUEZON CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
amic_101@yahoo.com.ph	925-1605	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
865		31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Joel G. Beloy	amic_101@yahoo.com.ph	929-4140	09178924978

CONTACT PERSON's ADDRESS

#19 EAST LAWIN DRIVE, PHILAM HOMES, QUEZON CITY

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

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

BUREAU OF INTERNAL REVENUE
RECEIVED
RDO-38 NORTH QUEZON CITY
APR 16 2018
EVANGELINE E. BALEN

ABRA MINING AND INDUSTRIAL CORPORATION

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017 AND 2016

ABRA MINING AND INDUSTRIAL CORPORATION

TABLE OF CONTENTS

ANNUAL AUDITED FINANCIAL REPORT PACKAGE
DECEMBER 31, 2017

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 1 6 2018
RDO-38 NORTH QUEZON CITY
EVANGELINE E. BALEN

ABRA MINING & INDUSTRIAL CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ABRA MINING AND INDUSTRIAL CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016, 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 or members.

Valdes Abad & Associates and KL Siy & Associates respectively, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

JEREMIAS B. BELOY
Chairman of the Board

JEREMIAS B. BELOY
Chief Executive Officer

AMELIA G. BELOY
Chief Financial Officer

Signed this APR 11 2018 day of ____________ 2018.

APR 11 2018

BUREAU OF INTERNAL REVENUE
RECEIVED
at Quezon City.
RDO-38 NORTH QUEZON CITY
EVANGELINE E. GALEN

SUBSRIBED AND SWORN to before me this ____________ affiants exhibiting their Community Tax Certificate Nos.22044958, 22044959 issued on January 05, 2018 at Quezon City.

ATTY. JOHN RYAN E. BEGUIT
NOTARY PUBLIC
UNTIL DEC. 31, 2018
ROLL NO. 59421, TIN NO. 427-346-464-000
PTR NO. 5067483 01/05/2018/Q.C.
IBF NO. 021623 / 01-05/2018 Q.C.
MCLE COMP. V-0015529-04/14/2016
ADM. MATTER NO. NP-057 (2017-2018)

NOTARY PUBLIC

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Page No. 6
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Series of 2018.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ABRA MINING AND INDUSTRIAL CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016, 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 or members.

Valdes Abad & Associates and KL Siy & Associates respectively, the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

JEREMIAS B. BELOY
Chairman of the Board

JEREMIAS B. BELOY
Chief Executive Officer

AMELIA G. BELOY
Chief Financial Officer

Signed this APR 11 2018 day of __________ 2018.

APR 11 2018

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 1 6 2018
RDO-38 NORTH QUEZON CITY
EVANGELINE E. BALEN

SUBSRIBED AND SWORN to before me this __________ at Quezon City, affiants exhibiting their Community Tax Certificate Nos.22044958; 22044959 both issued on January 05, 2018 at Quezon City.

ATTY. JOHN RYAN E. SEGUIT
NOTARY PUBLIC
UNTIL DEC. 31, 2018
ROLL NO. 59421. TIN NO. 427-346-464-000
PTR NO. 5567483 01/05/2018/Q.C.
IBP NO. 021623 / 01-05/2018 Q.C.
MCLE COMP. V-0019529 04/14/2018
ADM. MATTER NO. NP-052 (2017-2018)
ADD: 112 VIC VEL BLDG. WEST AVE. Q. CITY

NOTARY PUBLIC

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Book. XXXIV
Series of 2018.

Valdes Abad &
Company, CPAs
(Formerly: Valdes Abad & Associates)
certified public accountants

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches:
Cebu and Davao

Phone: (632) 892-5931 to 35
(632) 519-2105
Fax: (632) 819-1468
E-mail: valdes.abad.associates@gmail.com

BOA/PRC Reg. No. 0314
SEC Accreditation No. A-142-F

gmn international
PARTNERING FOR SUCCESS

STATEMENT OF REPRESENTATION

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the financial statements **ABRA MINING & INDUSTRIAL CORPORATION** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards, in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPAs;
4. That in the conduct of the audit, I shall comply with the Philippine Standards on Auditing promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity and as a partner in the accounting firm of **VALDES ABAD & COMPANY, CPAs.**

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 6617716, Issued Date: January 5, 2018, Makati City
BOA/PRC Reg. No. 0314
Issued on November 2, 2015, Valid until December 31, 2018
SEC Accreditation No. A-782-A
Issued on September 07, 2017, Valid until April 30, 2018
BIR Accreditation No. 08-002126-005-2017
Issued on December 13, 2017, Valid until December 12, 2020

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 16 2018
RDO-38 NORTH QUEZON CITY
EVANGELINE E. BALEN

Makati City, Philippines
April 12, 2018

Valdes Abad & Company, CPAs
(Formerly: Valdes Abad & Associates)
certified public accountants

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches: Cebu and Davao

Phone: (632) 892-5931 to 35
(632) 519-2105
Fax: (632) 819-1468
E-mail: valdes.abad.associates@gmail.com

BOA/PRC Reg. No. 0314
SEC Accreditation No. A-142-F

gmn international
PARTNERING FOR SUCCESS

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors
ABRA MINING & INDUSTRIAL CORPORATION
103 West Avenue
Quezon City

We have examined the financial statements of **ABRA MINING & INDUSTRIAL CORPORATION** for the year ended December 31, 2017, on which we have rendered the attached report dated April 12, 2018.

In compliance with SRC Rule 68, we are stating that the Company have eight hundred sixty five (865) stockholders owning one hundred (100) or more shares each as of December 31, 2017.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on November 2, 2015, Valid until December 31, 2018
SEC Accreditation No. A-142-F, Group A
Issued on September 7, 2017, Valid until April 30, 2018
BIR Accreditation No. 08-002126-000-2017
Issued on December 13, 2017, Valid until December 12, 2020

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 6617716, Issued Date: January 5, 2018, Makati City
BOA/PRC Reg. No. 0314
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Issued on December 13, 2017, Valid until December 12, 2020

BUREAU OF INTERNAL REVENUE
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RDO-38 NORTH QUEZON CITY
EVANGELINE E. BALEN

Makati City, Philippines
April 12, 2018

Valdes Abad & Company, CPAs
Formerly: Valdes Abad & Associates)
certified public accountants

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

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E-mail: valdes.abad.associates@gmail.com

BOA/PRC Reg. No. 0314
SEC Accreditation No. A-142-F

gmn international
PARTNERING FOR SUCCESS

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Board of Directors
ABRA MINING & INDUSTRIAL CORPORATION
103 West Avenue
Quezon City

We have audited the financial statements of **ABRA MINING & INDUSTRIAL CORPORATION** for the year ended December 31, 2017, on which we have rendered the attached report dated April 12, 2018.

In compliance with Revenue Regulations V-20, we are stating the following:

- The taxes paid or accrued by the Company during the year are shown in the financial statements attached to annual income tax return.
- No partner of our firm is related by consanguinity or affinity to any of the principal stockholder of the Company.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on November 2, 2015, Valid until December 31, 2018
SEC Accreditation No. A-142-F, Group A
Issued on September 7, 2017, Valid until April 30, 2018
BIR Accreditation No. 08-002126-000-2017
Issued on December 13, 2017, Valid until December 12, 2020

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 6617716, Issued Date: January 5, 2018, Makati City
BOA/PRC Reg. No. 0314
Issued on November 2, 2015, Valid until December 31, 2018
SEC Accreditation No. A-782-A
Issued on September 07, 2017, Valid until April 30, 2018
BIR Accreditation No. 08-002126-005-2017
Issued on December 13, 2017, Valid until December 12, 2020

Makati City, Philippines
April 12, 2018

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 16 2018
RDO-38 NORTH QUEZON CITY
EVANGELINE E. BALEN

Valdes Abad & Company, CPAs
(Formerly: Valdes Abad & Associates)
certified public accountants

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches: Cebu and Davao

Phone: (632) 892-5931 to 35
(632) 519-2105
Fax: (632) 819-1468
E-mail: valdes.abad.associates@gmail.com

BOA/PRC Reg. No. 0314
SEC Accreditation No. A-142-F

gmn international
PARTNERING FOR SUCCESS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
ABRA MINING & INDUSTRIAL CORPORATION
103 West Avenue, Quezon City

Opinion

We have audited the financial statements of **ABRA MINING & INDUSTRIAL CORPORATION** which comprise the statement of financial position as of December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 **ABRA MINING & INDUSTRIAL CORPORATION** as of December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit 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 ethical requirements that are relevant to our audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters.

Cash Position and Feasibility of Reserves

As at December 31, 2017, the Company's cash amounted to Php330,332. The Company does not currently have any income generating business and is financing its operations through advances from its affiliate, Jabel Incorporated (JABEL). As discussed in item 2.2 of Note 2 – Status of Operations and Management Plans, the Company's Management Plan is to continue its integrated five-tiered long-term Management Program. Key in actualizing these would be sufficient cash, access to funding sources and the feasibility of the Company's mine reserves compliant with international standards as to quantity of precious metals. These matters impact the suitability of the accounting policies and estimate related to Deferred Exploration Cost, Expenses and related Net Comprehensive Loss. Mining activities are still in the exploration and development stage such that expenses incurred related thereto have been charged to Deferred Exploration Costs. If the

Company's current source of cash or access to alternative funding is doubtful, it will be unable to execute its five-tier plan and fail to exploit the mine reserves.

Our audit procedures focused on cash (its management, forecasting and usage); we also looked at Management's fund raising strategy. To this regard our audit included:

- We examined transaction with affiliated companies; i.e cash received from and advanced to JABEL;
- We also inquired into new prospective partners and the status of the same.
- We inquired if there are loans with financial institutions under negotiation both by the Company and its affiliate JABEL;
- We obtained copies of the Company's Board Resolution and notice(s) to the Philippine Stock Exchange for the year; significant to fund raising and capital commitments;
- We also took note of the current regulatory actions by the Department of Environmental and Natural Resources that could hamper the mining activities of the Company.

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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to out weight the public interest benefits of such communication.

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Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 12.2 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 management. 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 statements taken as whole.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on November 2, 2015, Valid until December 31, 2018
SEC Accreditation No. A-142-F, Group A
Issued on September 7, 2017, Valid until April 30, 2018
BIR Accreditation No. 08-002126-000-2017
Issued on December 13, 2017, Valid until December 12, 2020

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 6617716, Issued Date: January 5, 2018, Makati City
BOA/PRC Reg. No. 0314
Issued on November 2, 2015, Valid until December 31, 2018
SEC Accreditation No. A-782-A
Issued on September 07, 2017, Valid until April 30, 2018
BIR Accreditation No. 08-002126-005-2017
Issued on December 13, 2017, Valid until December 12, 2020

Makati City, Philippines
April 12, 2018

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ABRA MINING AND INDUSTRIAL CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016
(Amounts in Philippine Pesos)

	Notes	2017	2016
ASSETS			
Current Assets			
Cash	3.1, 4	P 330,332	P 346,850
Supplies Inventory	3.2, 5	7,019,803	7,237,382
Advances to an affiliated company	3.11, 13.1	-	9,737,552
Total current assets		7,350,135	17,321,784
Non-current Assets			
Property and Equipment, net	3.3, 6	680,390,230	746,333,595
Deferred exploration costs	3.4, 3.7, 7	1,061,575,976	987,684,803
Total non-current assets		1,741,966,206	1,734,018,398
TOTAL ASSETS		P 1,749,316,341	P 1,751,340,182
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Accrued expenses and other payables	3.1, 3.7, 8	P 1,557,920	P 7,303,411
Non-current Liabilities			
Advances from an affiliated company	3.11, 13.2	25,517,198	19,074,429
Total liabilities		27,075,118	26,377,841
EQUITY			
Capital Stock			
Issued and outstanding	3.6, 14	992,945,842	992,945,842
Subscribed and paid-up	14.1	788,967,900	788,967,900
Deficit		(59,672,519)	(56,951,402)
Total equity		1,722,241,223	1,724,962,340
TOTAL LIABILITIES AND EQUITY		P 1,749,316,341	P 1,751,340,181

See Notes to Financial Statements.

ABRA MINING AND INDUSTRIAL CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015
(Amounts in Philippine Pesos)

	Notes	2017	2016	2015
REVENUES		P -	P -	P -
COST OF SERVICES		-	-	-
GROSS PROFIT		-	-	-
GENERAL AND ADMINISTRATIVE EXPENSES	10	2,721,118	2,790,440	3,807,832
OPERATING LOSS		(2,721,118)	(2,790,440)	(3,807,832)
OTHER INCOME		-	-	135,300
LOSS BEFORE TAX		(2,721,118)	(2,790,440)	(3,672,532)
INCOME TAX BENEFIT (EXPENSE)		-	-	-
LOSS AFTER TAX		(P 2,721,118)	(P 2,790,440)	(P 3,672,532)
OTHER COMPREHENSIVE INCOME - net		-	-	-
Total Comprehensive Income		(P 2,721,118)	(P 2,790,440)	(P 3,672,532)
Loss per share	3.9,13	P (0.000027)	P (0.000028)	P (0.000037)

See Notes to Financial Statements

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ABRA MINING AND INDUSTRIAL CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015
(Amounts in Philippine Pesos)

	Note	Capital Stock: Number of shares	Capital Stock: Issued and outstanding	Capital Stock: Subscribed and paid-up	Deficit	TOTAL
Balances as of December 31, 2014		99,294,584,200	P 992,945,842	P 758,967,900	(P 51,011,028)	P 1,700,902,714
Prior period adjustment	3.6, 14.2.2	-	-	-	522,599	522,599
Re-stated balances as of January 1, 2015		99,294,584,200	P 992,945,842	P 758,967,900	(P 50,488,429)	P 1,701,425,313
Collection of subscription receivable		-	-	30,000,000	-	30,000,000
Total comprehensive income (loss) for the year		-	-	-	(3,672,532)	(3,672,532)
Balances as of December 31, 2015		99,294,584,200	P 992,945,842	P 788,967,900	(P 54,160,961)	P 1,727,752,782
Balances as of January 1, 2016	3.6, 14	99,294,584,200	P 992,945,842	P 788,967,900	(P 54,160,961)	P 1,727,752,781
Total comprehensive income (loss) for the year		-	-	-	(2,790,440)	(2,790,440)
Balances as of December 31, 2016		99,294,584,200	P 992,945,842	P 788,967,900	(P 56,951,401)	P 1,724,962,341
Balances as of January 1, 2017	3.6, 14	**99,294,584,200**	**P 992,945,842**	**P 788,967,900**	**(P 56,951,401)**	**P 1,724,962,341**
Total comprehensive income (loss) for the year		-	-	-	**(2,721,118)**	**(2,721,118)**
Balances as of December 31, 2017		**99,294,584,200**	**P 992,945,842**	**P 788,967,900**	**(P 59,672,519)**	**P 1,722,241,223**

See Notes to Financial Statements.

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EVANGELINE P. BALEN

ABRA MINING AND INDUSTRIAL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015
(Amounts in Philippine Pesos)

	Notes	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss		(P 2,721,118)	(P 2,790,440)	(P 3,672,532)
Adjustment for :				
Unrealized forex loss (gain)	10	-	-	(135,300)
Depreciation and amortization	6	-	-	80,487
Net cash before working capital changes :		(2,721,118)	(2,790,440)	(3,727,345)
(Increase)/Decrease in supplies inventory		217,579	248,068	19,070
Increase/(Decrease) in accrued expenses and other payables		(5,745,491)	(1,663,556)	575,938
Net Cash provided/(used in) by operating activities		(8,249,030)	(4,205,928)	(3,132,337)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property,plant and Equipment	6	-	-	(30,220,264)
Increase in deferred exploration cost	7	(7,947,808)	(11,678,076)	(8,109,168)
Net Cash used in investing activities		(7,947,808)	(11,678,076)	(38,329,432)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash advances received from related parties	15.2	6,442,769	15,912,929	11,461,387
Cash collections from related parties	15.1	9,737,552	-	30,000,000
Net Cash provided in financing activities		16,180,321	15,912,929	41,461,387
NET INCREASE (DECREASE) IN CASH		(16,517)	28,925	(382)
CASH AT BEGINNING OF THE YEAR		346,850	317,924	318,306
CASH AT END OF THE YEAR	4	P 330,332	P 346,850	P 317,924

See Notes to Financial Statements.

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EVANGELINE E. BALEN

ABEDNEGO P. PELAYO
CERTIFIED PUBLIC ACCOUNTANT
B.O.A. Accreditation 6856 / B.I.R. Accreditation 07-001399-001

COMPILATION REPORT

THE MANAGEMENT AND BOARD OF DIRECTORS
ABRA MINING AND INDUSTRIAL CORPORATION
3/F Jafer Bldg., 118 West Avenue, Quezon City

I have compiled the accompanying financial statements of **ABRA MINING AND INDUSTRIAL CORPORATION** (the Company) based on the information provided by the management of the Company. These financial statements comprise the statement of financial position as at December 31, 2017, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised) - Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist the management of the Company in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Standards. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are the responsibility of the management of the Company.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information provided to me by the management of the Company to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRS.

ABEDNEGO P. PELAYO
CPA Certificate No. 26759
Valid until October 10, 2019
BOA/PRC Accreditation No. 6856
Valid until October 10, 2020
Tax Identification No. 101-374-101
BIR Accreditation No. 07-001399-001-2017
Valid until October 10, 2020
Professional Tax Receipt No. 5567756
Issued January 5, 2018 at Quezon City

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EVANGELINE E. BALEN

April 11, 2018
Quezon City

aldes Abad &
ompany, CPAs
rmerly: Valdes Abad & Associates)
rtified public accountants

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

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Phone: (632) 892-5931 to 35
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BOA/PRC Reg. No. 0314
SEC Accreditation No. A-142-F

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PARTNERING FOR SUCCESS

REPORT OF INDEPENDENT PUBLIC AUDITORS TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY FROM THE BASIC FINANCIAL STATEMENTS

The Board of Directors
ABRA MINING & INDUSTRIAL CORPORATION
103 West Avenue
Quezon City

We have examined the financial statements of **ABRA MINING & INDUSTRIAL CORPORATION** as of December 31, 2017 on which we have rendered the attached report dated April 12, 2018. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules (see table of contents) of the Company as of December 31, 2017 and for the year ended, required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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Issued on December 13, 2017, Valid until December 12, 2020

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 6617716, Issued Date: January 5, 2018, Makati City
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EVANGELINE E. BALEN

Makati City, Philippines
April 12, 2018

SCHEDULE I

ABRA MINING AND INDUSTRIAL CORPORATION

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2017

Unappropriated Retained Earnings, Beginning		(P 56,951,401)
Adjusments:		-
Add: Non-actual Losses		
Loss on fair value adjustment (M2M) loss - after tax		-
Unappropriated Retained Earnings		
(as adjusted to available for dividend distribution, Beginning)		**(56,951,401)**
Add: Net Income actually earned/realized during the period		
Net Income during the period closed to Retained Earnings	(2,721,118)	
Less: Non-actual/unrealized income net of tax:		
Equity in net income of associates/joint venture		
Unrealized foreign exchange gain-net		
(except those attributable to cash and cash equivalent)		
Unrealized Actuarial Gains		
Fair value adjustment (M2M) gains		
Fair value adjustment of investment property resulting to gain		
Adjustment due to deviation from PFRS/GAAP - gain		
Other unrealized gains or adjustment to retained earnings as a result of certain transactions accounted for under PFRS		
Subtotal	-	
Add: Non-actual Losses		
Depreciation on revaluation increment (after tax)		
Adjustment due to deviation from PFRS/GAAP- Loss		
Loss on fair value adjustment (M2M) loss - after tax		
Subtotal	-	
Net Income actual/realized		**(2,721,118)**
Add: (Less):		
Add (Less):		
Cash dividend declarations during the period	-	
Stock dividend declarations during the period	-	
Transfer from appropriated retained earnings	-	
Realization of revaluation increment	-	
Appropriation of retained earnings during the period	-	
Reversals of appropriations	-	
Effects of prior period adjustments	-	
Treasury shares	-	
Transfer from unppropriated retained earnings	-	
UNAPPROPRIATED RETAINED EARNINGS AS ADJUSTED, END		**(59,672,519)**

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RDO-38 NORTH QUEZON CITY
EVANGELINE E. BALEN

SCHEDULE II

ABRA MINING AND INDUSTRIAL CORPORATION
FINANCIAL SOUNDNESS INDICATORS
SRC RULE 68.1, AS AMENDED (2011)
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

Financial Soundness Indicators are used to monitor the soundness of a financial system and assess systematic risk. It responds to the need for better tools to assess the strengths and vulnerabilities of the financial system.

Below is the schedule showing financial soundness indicators for the years ended December 31, 2017 and 2016:

	2017	2016
Current/Liquidity Ratio	**4.72:1**	2.37:1
Current Assets	**7,350,135**	17,321,784
Current Liabilities	**1,557,920**	7,303,411
Solvency Ratio	**-0.1:1**	-0.11:1
Net Profit (Loss) before depreciation	**(2,721,118)**	(2,790,440)
Total Liabilities	**27,075,118**	26,377,841
Debt-to-Equity Ratio	**0.02:1**	0.02:1
Total Liabilities	**27,075,118**	26,377,841
Total Equity	**1,722,241,223**	1,724,962,340
Asset-to-Equity Ratio	**1.02:1**	1.02:1
Total Assets	**1,749,316,341**	1,751,340,182
Total Equity	**1,722,241,223**	1,724,962,340
Profitability Ratio	**-0.002:1**	-0.002:1
Net Loss	**(2,721,118)**	(2,790,440)
Total Equity	**1,722,241,223**	1,724,962,340

The key indicators were chosen to provide management with a measure of the Company's financial Strength *(Current Ratio, Solvency Ratio and Debt to Equity)* and the Company's ability to maximize the value of its investment in the Company *(Profitability ratio)*. Likewise the ratios are used to compare the Company's performance with similar companies.

SCHEDULE III

ABRA MINING AND INDUSTRIAL CORPORATION

A MAP SHOWING THE RELATIONSHIP
WITHIN WHICH THE COMPANY BELONGS
DECEMBER 31, 2017

The Company is not part of any conglomerate or group of companies

SCHEDULE IV

ABRA MINING AND INDUSTRIAL CORPORATION
PFRS STANDARDS AND INTERPRETATIONS APPLIED
SRC RULE 68.1 AS AMENDED (2011)
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

Below are all the standards and interpretation s existing in the Philippines and an indication of whether it is *"Adopted", "Not Adopted", and "Not Applicable".*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		√		
PFRSs Practice Statement Management Commentary			√	
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	*First-time Adoption of Philippine Financial Reporting Standards*			√
	Amendments to PFRS 1 and PAS 27: *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*			√
	Amendments to PFRS 1: *Additional Exemptions for First-time Adopters*			√
	Amendment to PFRS 1: *Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters*			√
	Amendments to PFRS 1: *Severe Hyperinflation and Removal of Fixed Date for First-time Adopters*			√
	Amendments to PFRS 1: *Government Loans*			√
	Amendments to PFRS 1: *Borrowing Costs*	√		
PFRS 2	Share-based Payment			√
	Amendments to PFRS 2: *Vesting Conditions and Cancellations*			√
	Amendments to PFRS 2: *Group Cash-settled Share-based Payment Transactions*			√
	Amendments to PFRS 2: Definition of Vesting Condition			√
PFRS 3 (Revised)	Business Combinations			√
	Amendments to PFRS 3: *Measurement of non-controlling interests, replaced share-based payment awards, transitional arrangements for contingent consideration*			√
	Amendments to PFRS 3: *Accounting for contingent consideration in a business combination*			√
	Amendments to PFRS 3: *Scope of exception for joint ventures*			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 4	Insurance Contracts			√
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			√
	Amendments to PFRS 5: Sale of a controlling interest in the subsidiary			√
	Amendments to PFRS 5: *Consequential amendments from IFRIC 17 Distributions of Non-cash Assets to Owners (assets held for distribution to owners)*			√
	Amendments to PFRS 5: Disclosure requirements in other standards			√
	Amendments to PFRS 5: *Changes in methods of disposal**			√
PFRS 6	Exploration for and Evaluation of Mineral Resources			√
PFRS 7	Financial Instruments: Disclosures	√		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	√		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	√		
	Amendments by Improvements to PFRS: Clarification of disclosures	√		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	√		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	√		
	Amendments to PFRS 7 and PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*		√	
	Amendments to PAS 39, PFRS 9 and PFRS 7 : Introduction of the Hedge Accounting chapter in PFRS 9*		√	
	Amendments to PFRS 7: Servicing Contracts and applicability of the amendments to Condensed Interim Financial Statements*			√
PFRS 8	Operating Segments			√
	Amendments to PFRS 8: Disclosure of information about Segment Assets			√
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliations of Assets			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 9	Financial Instruments: Complete and Final Version*		√	
PFRS 10	Consolidated Financial Statements			√
	Amendments to PFRS 10, : *Transition Guidance*			√
	Amendments to PFRS 10 : *Investment Entities*			√
	Amendments to PFRS 10 : *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**			√
	Amendments to PFRS 10: *Regarding the application of the consolidation exception**			√
PFRS 11	Joint Arrangements	√		
	Amendments to PFRS 11 : *Transition Guidance*			√
	Amendments to PFRS 11: *Accounting for Acquisitions of Interests in Joint Operations**		√	
PFRS 12	Disclosure of Interests in Other Entities	√		
	Amendments to PFRS 12 : *Transition Guidance*			√
	Amendments to PFRS 12 : *Investment Entities*			√
	Amendments to PFRS 10: *Regarding the application of the consolidation exception**			√
PFRS 13	Fair Value Measurement	√		
	Amendments to PFRS 13: *Scope of Portfolio Exception*	√		
PFRS 14	Regulatory Deferral Accounts*			√
PFRS 15	Revenue from Contracts with Customers*			√
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	√		
	Amendments to PAS 1: *Puttable Financial Instruments and Obligations Arising on Liquidation*	√		
	Amendments to PAS 1: *Current/Non-current Classification of Derivatives*	√		
	Amendments to PAS 1: *Current/Non-current Classification of Convertible Instruments*	√		
	Amendments to PAS 1: *Clarification of Statement of Changes in Equity*	√		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 1: *Presentation of Items of Other Comprehensive Income*	√		
	Amendments to PAS 1: *Clarification of the requirements for comparative information*	√		
	Amended by Disclosure Initiative*		√	
PAS 2	Inventories	√		
PAS 7	Statement of Cash Flows	√		
	Amendments to PAS 7: *Expenditures that do not result in a recognised asset.*	√		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	√		
PAS 10	Events after the Reporting Period	√		
PAS 11	Construction Contracts			√
PAS 12	Income Taxes	√		
	Amendment to PAS 12: *Deferred Tax: Recovery of Underlying Assets*	√		
PAS 16	Property, Plant and Equipment	√		
	Amendment to PAS 16 – *Classification of Service Equipment*	√		
	Amendment to PAS 16: *Revaluation method - proportionate restatement of accumulated depreciation*			√
	Amendments to PAS 16 : *Clarification of Acceptable Methods of Depreciation and Amortisation**			√
	Amendments to PAS 16 : *Agriculture- Bearer Plants**			√
PAS 17 (Revised 2003)	Leases	√		
PAS 18	Revenue	√		
PAS 19 (Amended 2011)	Employee Benefits	√		
	Amendments to PAS 19: *Employee Benefits - Defined Benefit Plans: Employee Contributions*			√
	Amendments to PAS 19: *Discount rate- Regional Market Issue**			√
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			√
PAS 21	The Effects of Changes in Foreign Exchange Rates	√		
	Amendment: Net Investment in a Foreign Operation			√
PAS 23 (Revised)	Borrowing Costs	√		
PAS 24 (Revised)	Related Party Disclosures	√		
	Amendments to PAS 24: *Key Management Personnel*	√		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 26	Accounting and Reporting by Retirement Benefit Plans			√
PAS 27 (Amended 2011)	Separate Financial Statements			√
	Amendments to PFRS 10, PFRS 12 and PAS 27 : *Investment Entities*			√
	Amendments to PAS 27 : *Equity Method in Separate Financial Statements**			√
PAS 28 (Amended)	Investments in Associates and Joint Ventures			√
	Amendments to PAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**			√
	*Amendments to PFRS 10: Regarding the application of the consolidation exception **			√
PAS 29	Financial Reporting in Hyperinflationary Economies			√
PAS 32	Financial Instruments: *Disclosure and Presentation*	√		
	Amendments to PAS 32 : *Puttable Financial Instruments and Obligations Arising on Liquidation*			√
	Amendment to PAS 32: *Classification of Rights Issues*			√
	Amendment to PAS 32: Tax Effects of Distribution to Holders of Equity Instruments	√		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	√		
PAS 33	Earnings per Share	√		
PAS 34	Interim Financial Reporting	√		
	Amendment to PAS 34: *Significant Transactions and Events*			√
	Amendment to PAS 34: *Interim Financial Reporting and Segment Information for Total Assets and Liabilities*			√
	Amendment to PAS 34: *Disclosure of information 'elsewhere in the interim financial report'**			√
PAS 36	Impairment of Assets	√		
	Amendment to PAS 36: *Disclosure of estimates used to determine a recoverable amount*	√		
	Amendment to PAS 34: *Units of accounting for goodwill impairment testing using segments under PFRS 8 before aggregation*			√
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	√		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	√		
PAS 38	Intangible Assets			√
	Amendments to PAS 38: *Advertising and promotional activities, units of production method of amortisation*			√
	Amendments to PAS 38: *Measurement of intangible assets in business combinations*			√
	Amendments to PAS 38: *Proportionate restatement of accumulated depreciation under the revaluation method*			√
	Amendments to PAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation**			√
PAS 39	Financial Instruments: *Recognition and Measurement*	√		
	Amendments to PAS 39: *Transition and Initial Recognition of Financial Assets and Financial Liabilities*	√		
	Amendments to PAS 39: *Cash Flow Hedge Accounting of Forecast Intragroup Transactions*			√
	Amendments to PAS 39: *The Fair Value Option*			√
	Amendments to PAS 39 and PFRS 4: *Financial Guarantee Contracts*			√
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets*			√
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets – Effective Date and Transition*			√
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: *Embedded Derivatives*			√
	Amendment to PAS 39: *Eligible Hedged Items*			√
	Amendment to PAS 39: *Novation of Derivatives and Continuation of Hedge Accounting*			√
PAS 40	Investment Property			√
	Amendment to PAS 40: *Property under construction or development for future use as investment property*			√
	Amendment to PAS 40: *Interrelationship of PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property*			√
PAS 41	Agriculture			√
	Amendment to PAS 41: Discount rate for fair value calculations and Additional biological transformation			√
	Amendments to PAS 16 and PAS 41: *Agriculture-Bearer Plants**			√
Philippine Interpretations				

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			√
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			√
IFRIC 4	Determining Whether an Arrangement Contains a Lease			√
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			√
IFRIC 6	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment			√
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			√
IFRIC 9	Reassessment of Embedded Derivatives			√
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			√
	Amendments to Philippine Interpretation IFRIC 9 and Revised IFRS 3: Scope of IFRIC 9 and revised IFRS 3			√
IFRIC 10	Interim Financial Reporting and Impairment	√		
IFRIC 12	Service Concession Arrangements			√
IFRIC 13	Customer Loyalty Programmes *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			√
	Amendments to Philippine Interpretations IFRIC-14: *Prepayments of a Minimum Funding Requirement*			√
IFRIC 15	Agreements for the Construction of Real Estate *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			√
	Amendments to Philippine Interpretations IFRIC-16: *Entity that can hold hedging instruments*			√
IFRIC 17	Distributions of Non-cash Assets to Owners *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
IFRIC 18	Transfers of Assets from Customers			√
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			√
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			√
IFRIC 21	Levies			√
SIC-7	Introduction of the Euro			√
SIC-10	Government Assistance - No Specific Relation to Operating Activities			√
SIC-15	Operating Leases - Incentives *(Will be superseded by IFRS 16 as of 1 January 2019)*			√
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			√

SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease *(Will be superseded by IFRS 16 as of 1 January 2019)*			√
SIC-29	Service Concession Arrangements: Disclosures.			√
SIC-31	Revenue – Barter Transactions Involving Advertising Services *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
SIC-32	Intangible Assets - Web Site Costs			√

** Not early adopted*

SCHEDULE V

ABRA MINING AND INDUSTRIAL CORPORATION

FINANCIAL ASSETS
DECEMBER 31, 2017

Name of issuing entity and description of each issue	Number of Shares	Amount show in the Statements of Financial Position	Valued based on market quotation at end of year	Income received and accrued

NONE

ABRA MINING AND INDUSTRIAL CORPORATION

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2017

Name	Balance at beginning of year	Additions	Collections	Amounts written-off	Balance at the end of year

NONE

SCHEDULE VII

ABRA MINING AND INDUSTRIAL CORPORATION

AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2017

Name	Volume of transactions	Terms

NOT APPLICABLE

SCHEDULE VIII

ABRA MINING AND INDUSTRIAL CORPORATION

INTANGIBLE ASSETS
DECEMBER 31, 2017

Description	Beginning Balance	Addition at cost	Charged to costs and expenses	Charged to other accounts	Other charges additions/ (deductions)	Ending balance

NONE

SCHEDULE IX

ABRA MINING AND INDUSTRIAL CORPORATION

LONG-TERM DEBT
DECEMBER 31, 2017

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related Statements of Financial Position	Amount shown under caption "Long-term debt" in related Statements of Financial Position

NOT APPLICABLE

SCHEDULE X

ABRA MINING AND INDUSTRIAL CORPORATION

INDEBTEDNESS TO RELATED PARTIES
(LONG TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2017

Name of related party	Balance at beginning of period	Addition during the period	Balance at end of period
Jabel Overseas Corp.	P 15,912,929	P 6,442,769	P 22,355,698
Discovery Mines Inc.	P3,161,500	-	P3,161,500

SCHEDULE XI

ABRA MINING AND INDUSTRIAL CORPORATION

GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2017

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guaranty

NONE

SCHEDULE XII

ABRA MINING AND INDUSTRIAL CORPORATION

CAPITAL STOCK
DECEMBER 31, 2017

Title of Issue	Number of Shares Authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by Directors, officers and employees	Number of shares held by others
Common shares	500,000,000,000	99,294,584,216	-		295,600,000	98,998,984,216

Note:
No change in the holdings of the Company's officers and employees from previous years. Shares of others just come and go in other hands but the aggregate total is the same.

ABRA MINING AND INDUSTRIAL CORPORATION

Notes to Financial Statements
As of December 31, 2017 and 2016

Note 1 - CORPORATE INFORMATION

ABRA MINING AND INDUSTRIAL CORPORATION (AMIC or the Company) is licensed to engage in the exploration, development, exploitation, process, manufacture, extract, mill and sale of cement and metal concentrate, marble, building materials and other minerals such as copper, gold, silver, iron, lead, etc. processing and manufacture of non-metals for industrial and commercial purposes at wholesale only.

AMIC was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 28, 1964. In the late 60's the Company's cement projects were shelved in favor gold mining due to the surplus in cement manufacturing and discovery of huge high grade vein deposit in the mountains of the Cordillera. AMIC listed its shares of stock in the Philippine Stock Exchange (PSE) on December 24, 1969.

AMIC has the sole and exclusive rights over the tenements by virtue of the Amended Operating Contract for Capcapo between Jabel Corporation and the Company signed on November 18, 1996.

In April, 1998, the Mineral Production Sharing Agreement (MPSA) was approved and issued to AMIC (144-99-CAR) and JABEL (141-99-CAR) PER HR762.

On November 23, 2006, a Memorandum of Agreement (MOA) was signed with AMIC, JABEL and Besra Gold Inc. (formerly Olympus Pacific Minerals, Inc. (OYM)). The MOA allows Besra (40%) and a Philippine Corporation (20%) to acquire an option to earn 60% interest in Capcapo Property upon completing a specified level of expenditures on the Capcapo Property.

Besra Gold Inc. is an international mining exploration and development company focused on the mineral potential of Vietnam and the Southeast Asia. Besra has been active in Vietnam since the mid-1990s on its own account and through associated companies, New Vietnam Mining Corporation and Bong Mieu Gold Mining Corporation, and maintains an office in Danang in central Vietnam.

On September 30, 2011, the Company entered into a Joint Venture Agreement with Jabel Corporation, Olympus Pacific Minerals, Inc., Kadabra Mining Corporation and Philearth Mining Corporation to establish a business relationship whereby their assets and competencies may be pooled together to achieve a common business objective which is the exploration, development and utilization of the project tenement denominated as CAPCAPO-MPSA 144-99 CAR located in Capcapo, Licuan-Baay, Abra for gold minerals and reserves, gold equivalents and other minerals.

AMIC's registered office is located at Lipcann, Bangued, Province of Abra, while business office is located at Jabel Business Center, 103 West Avenue, Quezon City (effective January 31, 2018).

On September 26, 2014, the Securities and Exchange Commission approved the AMIC's extension of corporate life for another fifty (50) years from the date of expiration which is September 28, 2014.

The financial statements of the Company for the year ended December 31, 2017 (including the comparatives for the year ended December 31, 2016) were authorized for issue by the Board of Directors (BOD) on April 11, 2018.

Note 2 - STATUS OF OPERATIONS AND MANAGEMENT PLANS

2.1 Status of operations

AMIC has not started normal commercial extraction of mine products. As shown in the accompanying financial statements, AMIC has incurred cumulative losses of P2,721,118 and P2,790,440 in 2017 and 2016, respectively. This condition indicates the existence of an uncertainty which may cast significant doubt about AMIC's ability to continue as a going concern. The accompanying financial statements were prepared on a going concern basis as the Company addressed the capital deficiency in its Management Plan. In addition, the Company's stockholder undertakes to provide continuing financial support so that the company is able to cover its operating costs.

The realization of AMIC's mine projects is dependent upon future events including its successful mining operations. The eventual outcome of these matters cannot be determined at this time.

2.2 Management plans

The 2016 Management Plan is the continuity of the integrated five-tiered long-term Management Program of Abra Mining that is fitting and responsive to the present challenges of the mining industry. Even though the mining industry in our country is presently experiencing uncertainty and unprecedented regulatory scrutiny aggravated by the adverse effect of depressed commodities prices and consequences of the cyclical economic downturns, calamities and financial collapse of other industries, we still foresee the forthcoming bright future of our country's mining industry.

Priorities in its five-year management program have been updated to fast-track commercial operations with the least gestation period starting with the Baticang Lime Kiln Plant in Bucay, Abra. The construction shall commence upon availability of funds to use the company's Limestone Deposit for the production of Lime ($CACO_3$), Ground Calcium Carbonate (GCC) and Precipitated Calcium Carbonate (PCC). The primary objective of the project is to commission the operation to make productive use of its proven limestone resources and the feasibility study has already been completed including the necessary market research for the commercialization of these limestone products. This project was largely isolated from the rest to provide the Company with high returns at the least capital cost and notably with plant construction and commissioning much faster than the hard rock projects. The project has already been designed and plant construction will commence upon availability of funds which is presently under negotiation with a none-operating equity participating foreign funder. This lime project becomes an integral part of the Patok reopening in that it will also supply the lime requirements of the Patok plant. In the meantime, the Baticang plant can supply the lime requirements of the surrounding areas, being the only producer in Northern Luzon where all the other mines in the Baguio Mining District can procure their supplies including the agricultural and aquaculture requirements of the northern region.

Simultaneously, with the emergence of the Baticang Lime Plant another project in the vicinity is the newly constructed and installed Baticang Magnetite and Gold-Copper Plant that can be put in operation with minimal fund retooling. This project has been envisioned to last longer mainly due to the demand for steel and iron derivatives. Though the viability of the Company's mineral tenement has been ascertained years before, the Company launched a more detailed exploration program to ascertain the feasibility of the reserve compliant with international standards as regards the content of indispensable quantity of the black material Magnetite Iron Sand and the Precious Metals. In the past, the magnetite sand industry was in a booming market in the late 70's and early 80's which gave hope to the Company's vision of regaining its heydays of mining. The Company's integrated plans of large scale Magnetite Operation, will run on multiple dredging operation to produce 200 mtpd of magnetite iron sand in its initial stages gradually expanding to bigger capacities. This production shift would be considered reticent enough to relaunch the operations and focus the research activities to recover the finer gold values and other precious metals by centrifugal gravity separation without use of toxic chemicals. In its pilot operation, the Company's efforts have been focused on maximizing the alluvial mineral resources to recover not only Magnetite Iron Sand but also the more valuable Precious Metal values. Although the recovery of the very fine gold is very difficult. Management plan is to implement a more efficient recovery of the magnetite iron sand and that of the finer gold particles. The Company therefore engaged in an endless research and analysis with constant monitoring for the perpetual refinement and improvement of plant design for these types of deposits. This is just one way the Company can stay ahead in conjunction with the implementation of the essential recovery plant expansion program spread-out over the years as aided by engineering research, analysis and innovation. Efforts have also been made to contact buyers of the ever-increasing stockpile of R & D magnetite. Due to the depressed price of iron ore, the company has ventured to advance its R & D by conversion of the magnetite iron sand into pellets and/or pig iron in pursuit of higher values for its product thereby resulting in additional cash flow.

The third tier in the Company's five-year management plan is the re-opening of the *Patok Gold Operation* that can be commissioned immediately upon availability of funds. This Patok Gold Project was the main Company operation back in the late 70's and early 80's when it was sidetracked due primarily to the unsettling oil embargo of the 80's when at one point in our history fuel was being rationed. The Patok property is targeted to be likely at the third or even at the second level of our management program pending hefty capital infusion and budget availability. The Patok project enjoys a relatively easier and faster development in that an ore of high grade have already been blocked and readily accessible by reopening the previous tunnel. Another windfall factor is that it qualifies for the government program for *"Certificate of Non-Coverage"*. This program entitles old mines to immediately restart operation by allowing them to run while their ECC papers are being processed. Time is of the essence in that it takes quite a long time to secure the ECC approval, seven years to be exact, as in the Company's Alluvial Project. The Patok property is just a few aerial kilometers southwest of the Capcapo Copper-Gold Mine.

The five-year management plan has been modified to conform with the new development of the Capcapo Copper-Gold Project where AMIC signed a Joint Venture Agreement ("JVA") with a Canadian Strategic Partner, formerly Olympus Pacific Minerals, Inc. now Besra Gold Incorporated (BESRA). The aforementioned JVA was finally terminated by both Parties due to inability of BESRA to properly pursue and actively launch the detailed exploration program to advance the project into operational stage because of their internal corporate operational problem coupled by the uncertainty of the local mining industry. At this juncture AMIC can now entertain a more abled multinational strategic partner who have been clamoring to take over and pursue this world class mine discoveries as declared by BESRA. It took three (3) years for AMIC to convince BESRA to disengage in the Capcapo Copper-Gold Project as it is uncertain about relinquishing the project because of their knowledge that it is a world class mine discovery. In their last-ditch efforts, BESRA even asked AMIC for a certain percentage stake in the new JVA because they know that someday this will be a large mine operation but AMIC declined all these provisions of the Deed of Termination to give a clean slate of the Capcapo Copper-Gold Mine for the incoming strategic partner. A brief review of the former JVA status of the project starts on November 23, 2006, after the signing of the MOA, drilling started in early 2007. This was abruptly interrupted by the nearby community's clamor for a

Free & Prior Informed Consent (FPIC). Even though all of the project tenement documentations including MPSA have been issued by DENR with the concurrence of NCIP. However, by law, an FPIC is only needed if the mineral tenement is part of an Indigenous People's (IP) territorial domain. The project tenement was never the IP's domain and that the area is widely covered by tax declarations that have already and mostly acquired by our group of companies. This fact is the main premise why the Company was able to obtain an MPSA. Furthermore, there were no host communities within the Capcapo mineral tenement and that the neighboring communities started seeking IP recognition only in 2010 after learning of the very positive results of the drilling. Fifteen (15) drill holes have been drilled to date, including eight drill holes by OYM/BEZ, yielding very encouraging results to validate the Company's Capcapo tenement. The project documents are all in order from the MPSA to the NCIP approval, with no less than the Chairman of the National Commission of Indigenous People (NCIP) affixing his signature. Notwithstanding the Company's signed papers categorically stating there are no *Indigenous People (IP)* in the tenement area, in our partner's efforts to appease and maintain diplomatic relations with this small community it decided to temporarily halt further drillings in the area and conducted the requisite Community Relations Program in lieu of the *Free & Prior and Informed Consent (FPIC)* before the resumption of the detailed drilling program. This act of riposte will hopefully educate the community about the benefits of mining development in their underprivileged region while at the same time cleaning up misconceptions and smear campaigns that opposing minority group is feeding them while we maintain vital presence in the area.

The former Joint Venture (JV) group consequently commissioned an experienced consultant team knowledgeable in the steps and platforms of community relations in the mining industry to continue the community relations where it was abruptly suspended a couple years before the JVA signing. This step increases our chances for faster and smoother working relations within the nearby communities. A consultative body in community relations was also formed by the commissioned consultant team to educate the community about the benefits of mining development in their underprivileged region. At the same time clearing up misconceptions and smear campaigns that opposing minority group is feeding them while we maintain vital presence in the tenement area and now in the final stages of the program. The program of BESRA has been suspended from early 2013 until today and AMIC is mulling over to entertain a new strategic partner with another foreign multinational mining company who is interested and possess the requisite funding to carry on the project. Since the former JVA has been terminated AMIC can now deal with another party which signified their interest in our brownfield mining project.

Tier five of the Company's management program is also unchanged with the gradual expansion and constant refinement of the Alluvial Plant Operation from its present linear processing system to a non-linear modular processing design for continuous operations. Thereafter, when capital is available, the Company plans to employ multi cluster bulk material dredging operation of continuous system along the lengthy Abra River towards sea. Bulk dredging is a reliable and more fitting method for this type of deposit. It is highly efficient and exceedingly productive operating system for alluvial flood plains but may prove to be more expensive due to huge capital cost which can be offset by higher revenue for the Company. This method entails a lot of capital as is a need to increase plant capacity as well as its bulk production which can be extremely profitable as the deposit may warrant. This method is further down the line of our five-year tiered management plan and right now is made part of the program to integrate a multi-processing recovery system of operation. The design incorporates the three-line gravity concentrating system of recovery for the precious metal.

The first line will consist of rotating circular trammel grizzly (RCTG) as primary de-rocker in-line with three unit of Pan American Placer Jig, in series with two units vibrating sluice boxes. The RCTG Machine is mainly a gravel and sand washing machine, consisting of a bin/grizzly, a belt conveyor, two units of water-sprayed trammels and an apron feeder for feeding to the jig. For handling and material flow, the dredge machine will feed the bin while its grizzly will reject oversize materials. The second line will require the resumption of the magnetite sand in the Alluvial Plant. However, the plant will undergo major revisions underneath the three magnetic separators, including the additions of Five more magnetic separators as one (1) cluster. As usual, the magnetic separators will produce rough magnetite sand and its tailings pump-fed into the IHC Jig to recover the precious metals along with the magnetite sand. For the third line gravity concentration, the process will use *Centrifugal Force Technology*. Five centrifugal machines using this technology will be used for feeds derived from the tails of the magnetic separators as part of the cluster. The tailings feed, however, will have to be screened to minus 14 mesh as required by the machine. The tailings of the concentrators will be discharged onto the third line of sluice boxes, thence into the tailings pond. There will be several clusters to be deployed along the river to outturn commercial production of magnetite iron sand and the jig and centrifugal concentrates will be delivered to land base processing plant to recover the precious metals.

Finally, the Company has embarked on a capital raising endeavor to raise the necessary funding for the projects on the pipeline. To achieve this goal faster, the company seeks to engage the services of investment houses and investment managers to arrange meetings and, hopefully, close deals with foreign companies that fit into the Company's mission-vision and management plan. Presently, these groups are engaged by AMIC in the ongoing negotiations for private placement from non-equity operating foreign funders. Presently we are seriously negotiating with a credible foreign non-operating equity funder that can provide the capital requirement of the several mine projects and pursue the opportunities to explore additional mine reserves in the expansive land areas surrounding these great mine discoveries. This availment will provide secure capital resources for the requisite capital deployment needed in this challenging time where venture capital for sustainable growth is difficult to acquire due to reluctance of banks and financial funders to position their resources at this time of economic uncertainty. Raising capital through the international stock markets are worrisome because of China's economic woes and a slump of their Stock Market that can drag the entire world equity markets where speculative money can be battered heavily causing jitters to deal in new investments. The present volatile situation is expected to aggravate the unpredictable global financial condition that will impair the sourcing of funds and bound to be very difficult and tough. It is therefore prudent to set-up a funding credit line at this hard time to cushion the intensive commercial development of the mine and the flexibility to sustain growth in this uncertain economic situation. Their engagement will also help the Company tap their services when the planned primary and secondary offerings will be undertaken and even other private placements including road show presentations by the company for further fund raising

Note 3 – BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Presentation of Financial Statements

The accounting records of the Company are maintained in Philippine Pesos (₱) which is the Company's functional currency. All financial information presented in Philippine Peso is rounded to the nearest peso except when otherwise stated.

Assets and liabilities are presented in the Statements of Financial Position in a current/noncurrent distinction and in the order of liquidity.

The Statements of Comprehensive Income presents an analysis of expenses using a classification based on their functions. A detailed breakdown of the aggregated expenses is shown in the notes to Financial Statements according to the nature of the expenses. *(see Note 10)*

The Company changes the presentation of its financial statements only if the changed presentation provides information that is reliable and more relevant to its users and the revised structure is likely to continue so that comparability is not impaired.

(b) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB). PFRS consist of:

(i) PFRS – corresponding to International Financial Reporting Standards;
(ii) Philippine Accounting Standards (PAS) – corresponding to International Accounting Standards; and,
(iii) Interpretations to existing standards – representing interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), of the IASB which are adopted by the FRSC.

(c) Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for the revaluation of its financial assets valued at profit or loss. The financial statements are prepared on the accrual basis of accounting and on the assumption that the Company is a going concern and will continue operation for the foreseeable future.

(d) Use of judgments and estimates

The preparation of the Company's financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

Classification of Financial Instruments

The Company classifies a financial instrument, or its components, on initial recognition as a financial asset, liability or equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, liability or equity instrument.

The substance of a financial instrument, rather than its legal form, governs its classification in the Statement of Financial Position.

AMIC determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date.

The Company's financial instruments includes cash, advances to stockholders and financial liabilities.

Operating and Finance Leases

The Company has entered into various lease agreements as either a lessor or a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. The Company determined that the lease arrangements pertain to operating lease rather than finance lease because there is no transfer of risk and rewards of ownership of the properties.

Disclosure on Related Party Transactions

The Company determines the level of detail to be disclosed, in accordance with the requirements of the Philippine Financial Reporting Standards, in order to provide information in sufficient detail to the users of the financial statements to understand the effects of related party transactions on its financial statements:

i. the nature and amount of each individually significant transaction; and
ii. a qualitative or quantitative indication of the extent of transactions that are collectively, but not individually, significant.

In arriving at this judgment, the Company considers the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transactions.

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies based on the certainty of the significant obligation or outflow resulting from contractual obligations, agreements, etc. and said outflow can be estimated reliably even if timing of may not be certain. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in *Note 4.12* and relevant disclosures are presented in *Note 20*.

Key Sources of Estimation Uncertainty

The *estimates and associated assumptions* are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of Financial Assets and Financial Liabilities

The Company carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair the value of these financial assets and liabilities would affect profit and loss and equity.

Impairment of Non-Financial Assets

The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use approach. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets or holding of an investment, the Company is required to make estimates and assumptions that can materially affect the financial statements.

Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in *Note 18*.

Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and investment property are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of property and equipment and investment property are analyzed in *Note 6*. Actual results however may vary due to changes in estimates brought about by changes in factors mentioned above. There is no change in estimated useful lives of property, plant and equipment as of December 31, 2017 and 2016. *(see Note 4.3)*

Realizable Amount of Deferred Tax Assets and Liabilities

The Company reviews its deferred tax assets and liabilities at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset and/or liability to be utilized.

Significant management judgment is required to determine the amount of deferred tax asset that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Company did not recognize the NOLCO for 2017, 2016 and 2015, respectively, amounting to P2,721,118, P2,790,440 and P3,672,532 since they are not expecting future benefits on which to offset the deferred tax asset against Regular Income Tax. *(see Notes 11.1)*

Changes in Accounting Policies

The Company changes an accounting policy only if the change is (a) required by a Standard or an Interpretation; or (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial position, financial performance or cash flows.

Impact of New Amendments and Interpretations to Existing Standards

There are new and revised accounting standards, amendments and interpretations to existing standards that have been published by IASB and adopted by FRSC which are mandatory for accounting periods on or after January 1, 2017. Except as otherwise stated, the adoption of the new standards, amendments and interpretations, did not have a significant effect on the Company's financial statements. These standards are as follows:

Effective in 2017

- *PAS 7, Disclosure Initiative*. This amendment aims at clarifying PAS 7 and assist preparers of the financial statements in presenting changes in liabilities arising from financing activities. The disclosure initiative states that:
  a) An entity shall disclose the following changes in liabilities arising from financing activities: (1) changes from financing cash flows; (2) changes arising from obtaining or losing control of subsidiaries or other businesses; (3) the effect of changes in foreign exchange rates; (4) changes in fair values; and (5) other changes.
  b) The disclosure requirement also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in the cash flows from financing activities
  c) To fulfill the requirement, the Company may provide a reconciliation between the opening and closing balance in the statement of financial position for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.

d) If an entity provides the disclosure required, in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities.

- *PAS 12, Recognition of Deferred Tax Assets for Unrealized Losses.* The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. Therefore, assuming that the tax base remains at the original cost of the debt instrument, there is a temporary difference.

Future Changes in Accounting Policies
The Company will adopt the following revised standards, interpretations and amendments when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have significant impact on its financial statements.

Effective in 2018

- IFRS 15, *Revenue from Contracts with Customers.* This standard will supersede PAS 18 *'Revenue'*, PAS 11 *'Construction Contracts'* and a number of revenue-related interpretations. Application of the standard is mandatory for all PFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments, and insurance contracts. It also provides a model for the recognition and measurement of sales of some non-financial assets including disposals of property, equipment, and intangible assets.

  The standard outlines the principles an entity must apply to measure and recognize revenue. The core principle is that an entity will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

  This new standard provides a single, principles based five-step model to be applied to all contracts with customers. The five steps are: Identify the contract with the customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contracts, and Recognize revenue when (or as) the entity satisfies a performance obligation. For each step of the model, the standard requires entities to exercise judgement and to consider all relevant facts and circumstances when applying the model to contracts with their customers.

  In addition to the five-step model, the standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

  On 28 May 2014, the IASB issued IFRS 15 with an effective date of 1 January 2017 with earlier application permitted. On September 11, 2015, amendments were issued changing the mandatory effective date of IFRS 15 from annual periods beginning on or after 1 January 2017 to annual periods beginning on or after 1 January 2018. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

  The Standard is not applicable to the Company.

- PFRS 9 *Financial Instruments -Finalized version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.*

  Historical Background

  The original version PFRS 9 was issued in 2009 which covers the new classification and measurement model of financial assets followed by requirements for financial liabilities and derecognition added in 2010. In 2011, amendments to the standard was issued in deferring the effectivity date of both versions, which is January 1, 2013, to January 1, 2015. However, in 2013, amendments were issued to introduce the new hedge accounting model and removed the mandatory effective date for PFRS 9 which will be set once the standard is complete with a new impairment model and finalization of any limited amendments to classification and measurement.

  Finalization of the PFRS 9

  On July 1, 2014, finalized version of PFRS 9 'Financial Instruments' was issued in order to bring together the classification and measurement, impairment and hedge accounting to replace PAS 39 'Financial Instruments: Recognition and Measurement'. This finalized version of PFRS 9 adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVTOCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

  - Expected loss impairment model

    The impairment model in PFRS 9 is based on the concept of providing for expected losses at inception of a contract, except in the case of purchased or originated credit-impaired financial assets, where expected credit losses are incorporated into the effective interest rate.

  - Limited amendments to classification and measurement of financial assets

    Fair value through other comprehensive income (FVTOCI) category
    The final version of PFRS 9 introduces a new classification and measurement category of FVTOCI for debt instruments that meet the following two conditions:

    Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

    Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  - Additional guidance

    The final Standard also adds guidance on how to determine whether financial assets are held under a business model that is 'hold to collect' or 'hold to collect and sell' with examples and explanations of the types and levels of sales that are acceptable for such business models.

In addition to guidance on the business model test, the Standard adds guidance on the contractual cash flow characteristics test to clarify that in basic lending arrangements the most significant elements of interest are consideration for the time value of money and credit risk. If the time value of money element is modified (e.g. interest rate resets every month to a one-year rate), an entity is required to assess the modified element against new criteria introduced by the amendment.

The application guidance also introduces an additional exception that allows certain additional prepayment features to meet the contractual cash flow characteristics requirements to qualify for amortized cost or FVTOCI measurement.

This final version of PFRS 9 supersedes all previous versions of the Standard. However, for annual periods beginning before 1 January 2018, an entity may elect to apply those earlier versions of PFRS 9 if the entity's relevant date of initial application is before February 1, 2015.

The Standard has a mandatory effective date for annual periods beginning on or after 1 January 2018, with earlier application permitted (subject to local endorsement requirements). The Standard is applied retrospectively with some exceptions (for example most of the hedge accounting requirements apply prospectively) but entities need not restate prior periods in relation to classification and measurement (including impairment).

The Company initially determined that future adoption of this amendment will not have a material effect on its 2015 financial statements.

- Amendment to PFRS 2 *Classification and Measurement of Share-based Payment Transactions*. The amendments are intended to eliminate diversity in practice in three main areas:
  • The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction
  • The classification of a share-based payment transaction with net settlement features for withholding tax obligations
  • The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

- Annual Improvements to PFRS 2014–2016 Cycle
  a.) Amendment to PFRS 1 - Deletion of short-term exemptions for first-time adopters because they have now served their intended purpose
  b.) Amendment to PFRS 12 - Clarification of the scope of the standard by specifying that the disclosure requirements in the standard also apply to interests held for sale and discontinued operation in accordance with IFRS 5
  c.) Amendment to PAS 28 – Clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity is available for each investment in an associate or joint venture on an investment by investment basis, upon initial recognition.

  - Amendment to PAS 40 – States that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use

IFRIC 22 – Foreign currency transactions and advance considerations – the interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

Effective in 2019

- PFRS 16 Leases. The objective of this standard is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognize assets and liabilities arising from a lease.

  This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with terms of more than 12 months, unless the underlying assets is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

  PFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

  PFRS 16 replaces PAS 17 effective January 1, 2019, with earlier application permitted. PFRS 16 has the following transition provisions:
  - Existing finance leases: continue to be treated as finance leases
  - Existing operating leases: option for full or limited retrospective restatement to reflect requirements of PFRS 16

- IFRIC 23 Uncertainty over Income Tax Treatment. This standard clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. This standard is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

  For the transition, the requirements are applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

Future Changes in Accounting Policies

The Company will adopt the following revised standards, interpretations and amendments when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have significant impact on its financial statements.

Note 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

4.1 Financial instruments

Date of Recognition

The Company recognizes a financial asset or a financial liability in the Statement of Financial Position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and de-recognition, as applicable, is done using settlement date accounting. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

Initial recognition of financial instruments

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss, includes transaction cost.

Subsequent to initial recognition, the Company classifies its financial instruments in the following categories: financial assets and financial liabilities at FVPL, loans and receivables, held-to-maturity investments, AFS financial assets, and other financial liabilities. The classification depends on the purpose for which the instruments are acquired and as liabilities were incurred or whether they are quoted in an active market. Management determines the classification of its financial instruments at initial recognition and, where allowed and appropriate, re-evaluates this classification at reporting date.

Determination of fair value

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions) without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

'Day 1' Profit

Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' profit) in the Company's Statement of Comprehensive Income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the Company's Statement of Comprehensive Income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' profit amount.

Financial Assets and Financial Liabilities

This category consists of financial assets or financial liabilities that are held for trading or designated by management as at FVPL on initial recognition. Derivatives instruments, except those covered by hedge accounting relationships, are classified under this category.

Financial assets or financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets and financial liabilities at FVPL are recorded in the Statement of Financial Position at fair value, with changes in the fair value recorded in the Company's Statement of Comprehensive Income. Interest earned or incurred is recorded in investment income or interest expense, respectively, while dividend income is recorded when shareholders' right to receive the payment has been established under the investment income account.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

I. Financial Assets

Financial assets include cash and other financial instruments. Financial assets, other than hedging instruments, are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

The foregoing categories of financial instruments are more fully described below.

(a) Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents include: cash on hand and in banks, and highly liquid, short-term investment with maturities of three months or less from their respective original dates of placement and that are subject to insignificant risk of change in value.

Cash in Banks represents deposits in local banks which are unrestricted and immediately available for use in current operations and earn interest based on daily bank deposit rates.

Cash equivalent represents highly liquid investment to known amount of cash with original maturities of three months or less from dates of placements that are subject to insignificant risk of change in value.

As of December 31, 2017 and 2016, the Company's cash consist only the Cash on hand and Cash in Bank.

(b) Financial Assets at Fair Value through Profit or Loss

This category includes financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling it in the near term or if so designated by management. All derivatives fall into this category, except for those designated and effective as hedging instruments. Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months from the reporting date.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognized in profit or loss. Financial assets (except derivatives and financial instruments originally designated as financial assets at fair value through profit or loss) may be reclassified out of fair value through profit or loss category if they are no longer held for the purpose of being sold or repurchased in the near term.

The Company has no financial asset at fair value through profit or loss.

(c) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held for trading designated as AFS investments or designated at FVPL. This accounting policy relates to the statement of financial position captions 'cash' that comprises cash held in banks. Loans and receivables are classified as current when these are expected to be realized within one (1) year after the end of each reporting period or within AMIC's normal operating cycle, whichever is longer. All others are classified as non-current.

After initial measurement, receivables are subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for impairment losses. Amortized costs are calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR.

(d) Held-to-maturity Investments

This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity. Investments are classified as held-to-maturity if the Company has the positive intention and ability to hold them until maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are included in non-current assets in the Statement of Financial Position, except those maturing within 12 months of the reporting date.

Held-to-maturity investments are measured at amortized cost using the effective interest method. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognized in profit or loss.

The Company has not designated HTM financial assets as of December 31, 2017 and 2016.

(d) Available-for-sale Financial Asset

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are presented as Available for Sale Financial Assets account in the Statement of Financial Position.

All financial assets within this category are subsequently measured at fair value, unless otherwise disclosed, with changes in value recognized in equity, net of any effects arising from income taxes. Gains and losses arising from securities classified as available-for-sale are recognized in the Statement of Comprehensive Income when they are sold or when the investment is impaired. In the case of impairment, the cumulative loss previously recognized directly in equity is transferred to the Statement of Comprehensive Income.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment) and its current fair value; less any impairment loss previously recognized in profit or loss, is transferred from equity to the Statement of Comprehensive Income. Reversals in respect of equity instrument classified as available-for-sale are not recognized in profit. Reversal of impairment losses on debt instrument are recognized in the Statement of Comprehensive Income if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the Statement of Comprehensive Income.

Impairment losses recognized on financial assets are presented as part of Other Expenses in the Statement of Comprehensive Income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to stock exchange-quoted market bid prices at the close of business reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured. In the Statement of Comprehensive Income, all income and expenses relating to financial assets recognized in profit or loss are presented as Other Income and Finance Costs, respectively.

The Company has not designated AFS financial assets as of December 31, 2017 and 2016.

(e) Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivable carried at amortized cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rates (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss, if any, is recognized in the Statement of Comprehensive Income.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Objective evidence includes observance data that comes to the attention of the management about loss events such as, but not limited to significant financial difficulty of the counterparty, a breach of contract, such as default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial reorganization. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in the group of financial assets with similar credit risk and characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is recognized are not included in a collective assessment of impairment. The impairment assessment is performed at each reporting date. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics such as customer type, payment history, past-due status and term.

If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the Statements of Comprehensive Income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write-off is later recovered, the recovery is recognized in the Statements of Comprehensive Income under "Other income" account. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income under "Provision for (reversal of) impairment losses" account, to the extent that the carrying value of the asset does not exceed its amortized cost at reversal date.

(f) Assets carried at cost

If there is an objective evidence that an impairment loss of an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

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

Derecognition of 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 where:

- The rights to receive cash flows from the asset have 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 asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset 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.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that had been recognized directly in equity shall be recognized in Statement of Comprehensive Income.

II. Financial Liabilities

Financial liabilities include interest-bearing loans and borrowing, trade and other payables and finance lease liabilities, due to related parties and other non-current liabilities, which are measured at amortized cost using the effective interest rate method.

Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges are recognized as an expense in the Statement of Comprehensive Income under the caption Finance Costs. Interest-bearing loans and borrowings are raised for support of long-term funding of operations. They are recognized at proceeds received, net of direct issue costs.

Initial recognition of Financial Liabilities

Financial liabilities are initially recognized at their fair value and subsequently measured at amortized cost less settlement payments, except when these are payable within one year in which case they are stated at their nominal values. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the Company Statement of Comprehensive Income.

Dividend distributions to shareholders are recognized as financial liabilities when the dividends are approved by the shareholders.

Initial recognition of Financial Liabilities

Financial liabilities are initially recognized at their fair value and subsequently measured at amortized cost less settlement payments. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the Company's Statement of Comprehensive Income.

Dividend distributions to shareholders are recognized as financial liabilities when the dividends are approved by the shareholders.

Derecognition of Financial Liabilities

Financial liabilities are derecognized from the Statement of Financial Position only when the obligations are extinguished either through discharge, cancellation or expiration. 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 Company's Statement of Comprehensive Income.

Other Financial Liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the Company owes money, goods or services directly to a creditor with no intention of trading the payables. Other liabilities are carried at cost or amortized cost in the Statement of Financial Position. Amortization is determined using the effective interest rate method. Other liabilities are included in current liabilities if maturity is within 12 months from the reporting date and will form part of non-current liabilities if beyond 12 months.

The Company's other financial liabilities includes Salaries payable, Statutory Benefits Payable, Accrued Expenses, Advances from affiliated company, Accrued benefit obligation and other payables.

4.2 Supplies inventory

Supplies are valued initially at cost and subsequently at the lower of cost and net realizable value (NRV). Cost is determined using the first-in, first-out (FIFO) method. NRV is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. In circumstances where NRV will be lower than its cost, inventories are written-down to net realizable value, on an item by item or individual basis, in view that assets shall not be carried in excess of amounts expected to be realized from their sale or use.

4.3 Property and equipment

This is comprised mainly of buildings, equipment and machineries. Property and equipment are carried at cost, net of accumulated depreciation and any impairment in value.

Initial Measurement

The initial cost of property and equipment comprises its purchase price, including import duties and nonrefundable purchase taxes and all directly attributable cost necessary to bring an asset to its working condition and location for its intended use.

When a mine construction project moves into production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs which qualify for capitalization relating to mine site additions or improvements, underground mine development or mineable reserve development.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Major maintenance and major overhaul costs that are capitalized as part of property and equipment are depreciated on a straight-line basis over the shorter of their estimated useful lives, typically the period until the next major maintenance or inspection or the estimated useful life of the related property and equipment.

Subsequent Measurement

Following initial recognition at cost, property are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depletion of mine and mining properties is computed based on mineral extraction over the estimated volume of proved and probable mineral reserves as estimated by the Company's geologist and certified by an independent geologist. This has yet to be objectively determined by AMIC as of the reporting period.

Depreciation

Depreciation is computed on the straight-line method over the estimated useful lives of the assets, as follows:

Building	35 years
Office equipment	5 years
Machinery and equipment	5 – 20 years

The future economic benefits embodied in the asset are consumed by the Company through its use. In determining the useful like of an asset, other factors, such as technical or commercial obsolescence and wear and tear while an asset remains idle, are considered.

Construction in Progress

Construction in-progress represents work under construction and is stated at cost. Construction in-progress is not depreciated until such time that the relevant assets are completed and available for use. As of December 31, 2017 and 2016 AMIC has no construction-in-progress.

Derecognition of property and equipment

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of assets (calculated as the difference between the net disposal proceeding and the carrying amount of the item) is included in the statements of comprehensive income in the year the item is derecognized.

Impairment of property and equipment

The assets' residual values, if any, and useful lives and methods of depletion and depreciation are reviewed and adjusted, if appropriate, at the reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4.4 Deferred exploration costs

Measurement at recognition

Pre-license costs are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditure is deferred as asset when future economic benefit is more likely than not be realized. These costs include materials and fuels used, surveying costs, drilling costs and the depreciation on the equipment and machineries being used. AMIC capitalizes any further evaluation costs incurred to exploration and evaluation assets up to the point when a commercial reserve is established.

In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Once commercial reserves are established, exploration and evaluation assets are tested for impairment and transferred to mine and mining properties. No amortization is charged during the exploration and evaluation phase. If the area is found to contain no commercial reserves, the accumulated costs are expensed.

Measurement after recognition

After initial recognition, AMIC applies the cost model to the exploration and evaluation assets. These expenditures, amounting to P 1,061,575,976 and P987,684,802 in 2017 and 2016, respectively, that occur are classified accordingly as tangible assets.

Once commercial reserves are established, exploration and evaluation assets are tested for impairment and transferred to mine and mining properties. No amortization is charged during the exploration and evaluation phase. However, prior to reclassification, fulfillment of exploration and evaluation expenditure is assessed for impairment. If the area is found to contain no commercial reserves, the accumulated costs are expensed.

Impairment of deferred exploration costs

A valuation allowance is provided for unrecoverable deferred exploration costs based on AMIC'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, all recoverable cost associated with the project and the related impairment provisions are written-off. When a project is abandoned, the related deferred exploration costs are written-off.

4.5 Impairment of Non-Financial Assets

The Company's Non-financial assets are subject to impairment testing. Intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flow. Impairment loss is charged pro-rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

4.6 Equity

Issued and Outstanding Capital Stock classified as common shares of the entity is determined using the par value of shares that have been issued.

Subscribed and paid-up capital represents balance of subscriptions paid but not yet sufficient for shares to be issued.

Deficit represents accumulated losses incurred by the Company. This may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Prior Period Adjustments

Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Potential current period errors discovered in that period are corrected before the financial statements are authorized for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period.

The Company corrects a prior period error by retrospective restatement except when it is impracticable to determine either the period-specific effects or the cumulative effect of the error. When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the restatement of the opening balances of assets, liabilities and equity shall be made for the earliest period for which retrospective restatement is practicable. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, restatement of the comparative information to correct the error prospectively shall be made from the earliest date practicable.

4.7 Revenue and cost recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to AMIC and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- On sale of goods – revenue shall be recognized when AMIC has transferred to the buyer the significant risks and rewards of ownership of the goods and the amount of revenue can be measured reliably.
- On rendering of services – revenue shall be recognized when the stage of completion of the transaction at the reporting period can be measure reliably and, the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Costs and expenses are recognized in the Statements of Comprehensive Income upon utilization of the service or at the date they are incurred. These are decreases in economic benefits during the accounting period in form of outflows or depletions of assets or occurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the expense arises following the accrual basis of accounting. These are presented as General and Administrative Expenses. *(see Note 9)*

Deferred Expenses

Certain expenses of the Company such as depreciation of assets located and used at the mining sites, the salaries and wages of technical personnel working at the site, professional fees, repairs and maintenance, special services, travelling expenses, rentals and supplies consumed. Total expenses classified as part of Deferred Exploration Costs amount to P73,948,949 and P75,068,237 in 2017 and 2016, respectively. *(see Note 7)*

4.8 Employee benefits

(a) Statutory Benefits

In accordance with the provisions of the Labor Code, the Company provides 13th month pay and memberships in the Social Security System (SSS), Home Development Mutual Fund and Philhealth to all employees.

(b) Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

(c) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the reporting date. They are included in Other Payables account in the Statement of Financial Condition at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

(d) Retirement Benefits

AMIC has yet to establish a formal retirement plan, however, in the earlier years it accrues the estimated cost of retirement benefits required by the provisions of Republic Act (R.A.) No. 7641. The management determines that the company is not required to set up provisional liability under the same law. Therefore, the company is not required to set up a retirement liability.

In case of retirement, employees shall be entitled to receive such retirement benefits as may have been earned under existing laws.

4.9 Earnings (Loss) per share

Basic earnings per share is computed by dividing the net income for the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares issued and outstanding during the year after considering the retroactive effect, if any, of stock dividends declared during the year, excluding treasury shares.

Diluted earnings per share is calculated by dividing the net income or loss for the year by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and adjusted for the effects of all dilutive potential common shares, if any.

In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retroactively.

4.10 Operating lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of the specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after the inception on the lease only if one of the following applies:

a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) and (d) and at the date of renewal or extension period for scenario (b).

AMIC as lessee

Leases which do not transfer to AMIC substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the Statements of Comprehensive Income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed outright.

4.11 Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control or the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

AMIC has entered into transactions principally consisting of advances. The effects of these transactions are shown under the appropriate accounts in the financial statements, particularly under the Non-current liabilities account.

4.12 Provisions

General

Provisions are recognized when (a) the entity has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) 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 determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, 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 interest expense.

Provision for Mine Rehabilitation and Decommissioning

AMIC will record the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailing dams dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

No provision for asset restoration and decommissioning costs have been provided during the reporting periods as it could not be reliably estimate since AMIC is still in its pre-operating stage as disclosed in its management plans in note 1 1.2, although AMIC conducted due diligence on the outcome of its operations but actual explorations and normal operating activities have yet to be started.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of the related ore. Over time, the discounted liability is increased for the change in the present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is to be recognized in the statement of comprehensive income as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

For closed sites, changes to estimated costs are to be recognized immediately in the statement of comprehensive income.

Environmental funds committed for use in satisfying environmental obligations are to be included within 'other noncurrent assets" in the statement of financial position.

However, AMIC has yet to provide Rehabilitation trust funds committed for use in satisfying environmental obligations as the entity is still in its pre-operating stage. The entity has yet to reasonably estimate and determined the probability of the said events and, therefore, shall be including the account in succeeding reporting period.

4.13 Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

4.14 Income Taxes

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 reporting date.

AMIC has yet to have a taxable transaction.

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences at reporting 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, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carry-over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits from excess MCIT over RCIT and unused NOLCO can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit 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 reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply on the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and as other comprehensive income in the statement of comprehensive income and not in the statement of income.

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

4.15 Functional Currency and Foreign Currency Transactions

(a) *Functional and Presentation Currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Pesos (P), the Company's functional currency.

(b) *Transaction and Balances*

The accounting records of the Company are maintained in Philippine Pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income.

The Effects of Changes in Foreign Exchange Rates

Provides certain restrictions in allowing the capitalization of foreign exchange differentials. Under prevailing circumstances, the adoption will not have a material effect on the Company's financial condition, results of operations and cash flows as at December 31, 2017 and 2016.

4.16 Events after the Reporting Date

Events after the reporting date are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue.

The Company adjusts the amounts recognized in the financial statements to reflect adjusting events after the reporting date. Non-adjusting events are not recognized in the financial but are disclosed in the notes to financial statements.

Note 5 - CASH

As of December 31, 2017 and 2016, Cash consists of the following:

	2017	2016
Cash On hand	**P 29,332**	P 335,882
Cash In bank	**301,000**	10,968
	P 330,332	P 346,850

Cash in bank represents a current account which does not earn interest and used for AMIC's regular disbursements. Cash on hand for 2017 pertains to petty cash funds maintained by the Company's Bangued and Bucay plant sites to defray small amounts of expenses.

Note 6 - SUPPLIES INVENTORY

This account consists of the following:

	2017	2016
Mechanical parts	**P 4,968,257**	P 5,040,550
Furnace materials	**1,854,621**	1,854,621
Construction supplies	**167,952**	226,412
Electrical supplies	**22,924**	58,445
Laboratory supplies	-	57,354
Office supplies	**6,049**	-
	P 7,019,803	P 7,237,382

Supplies inventory in 2017 and 2016 was measured on an item by item or individual basis with no inventory write-down as cost of each item in the inventory account is lower than the Net Realizable Value (NRV). NRV of supplies amounted to P7,900,526.

Note 7 - PROPERTY, PLANT AND EQUIPMENT, NET

Reconciliation of the cost, accumulated depreciation and carrying amounts at the beginning and end of 2017 and 2016 of property and equipment are as follows:

	Land and Improvements	Buildings	Machinery and Equipment	Office Equipment	Total
COST					
At January 1, 2016	P 206,998,697	P 49,084,464	P 1,001,235,092	P 11,342,344	P 1,268,660,597
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At January 1, 2017	206,998,697	49,084,464	1,001,235,092	11,342,344	1,268,660,597
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At December 31, 2017	206,998,697	49,084,464	1,001,235,092	11,342,344	1,268,660,597
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
As at January 1, 2016	-	39,094,510	405,946,783	11,342,343	456,383,636
Charge for the year		1,877,128	64,066,237		65,943,365
Eliminated on disposal	-	-	-	-	-
As at January 1, 2017	-	40,971,638	470,013,020	11,342,343	522,327,001
Charge for the year		1,877,128	64,066,237		65,943,365
Eliminated on disposal	-				-
As at December 31, 2017	-	42,848,766	534,079,257	11,342,343	588,270,366
CARRYING AMOUNT					
As at December 31, 2016	P 206,998,697	P 8,112,826	P 531,222,072	P 1	P 746,333,596
As at December 31, 2017	**P 206,998,697**	**P 6,235,698**	**P 467,155,835**	**P 1**	**P 680,390,231**

Land improvements

Land improvements pertained to clearing and leveling of the land incurred in 2005 to prepare the land for its intended use in mining operations and capitalized as part of the land and not subject to depreciation/amortization. Mining properties and rights acquired, if any, included in this account shall be subject to depletion upon start of operations.

Buildings

The buildings constructed/acquired in the year 2000 located at the mine sites are being depreciated based on their useful life and capitalized as part of deferred exploration costs since AMIC is still in its operating stage.

Machineries and Equipment

During the year 2014, the Company entered into several Conditional Deeds of Sale with Jabel Corporation for the purchase of various imported machineries and equipment for P74,457,308. The contracts include installation, repairs, retooling and construction cost. Payment is on a deferred basis within a 10 month-period. After conducting due diligence verifying their specification and condition these machineries and equipment were found to be suitable to the Company's mining and milling operations.

In 2015, the Company needed to purchase certain machineries and equipment. Jabel Overseas Corporation (Jabel), a stockholder, was willing to acquire the necessary machineries and equipment in as much as it owed the Company for its subscriptions. This asset was offered at a value of P30,220.64 in a bidding at the Subic Freeport and covered by a certificate of award which were installed at the property of AMIC in its Gold-Copper and Magnetic Processing Plant in Bucay, Abra. The value of these machineries and equipment as stated were evaluated by licensed engineer based on cost of acquisition, cost of hauling, engineering and installation, cost of design and engineering, building, foundations, installation and other structures and cost of substation construction, including 3-phase, 13.8 kv High Voltage Wiring and High/Low Voltage Substation with 3 units of 250kvz/440/220VAC 3-Phase stepdown transformers. Jabel, which has the license and permit to enter in the bidding acted for and in behalf of AMIC as the marketing arm and as its main funder. In ordinary course of business of AMIC, paid such acquisition. This was accordingly taken up in AMIC's books of accounts as a set off to Jabel's obligation for its unpaid subscription of AMIC's share of P30M and the excess was charged to advances to affiliates. This process was undertaken to speed up the transaction in lieu of having Jabel remit its payment of its subscriptions to AMIC and thereafter disbursing the same back to Jabel.

Property, plant and equipment are subject to annual impairment testing and whenever there is an indication of impairment. No impairment losses were recognized in 2017 and 2016 as the carrying values of the property and equipment are lower than their recoverable amounts.

No item of property and equipment was pledged to collateralize any liability as at December 31, 2017 and 2016.

The depreciation charges for the period ended December 31, 2017 and 2016 both amounted to P65,943,365.

Note 8 - DEFERRED EXPLORATION COSTS

This account consists of the following:

	2017	2016
Depreciation and amortization	**P 397,080,219**	P 333,653,853
Salaries and wages of technical personnel	**119,873,152**	114,597,972
Special services	**93,425,390**	92,934,352
Repairs and maintenance	**91,866,978**	89,950,186
Roads, trials and bridges	**68,347,514**	68,347,514
Professional fees	**64,213,663**	63,357,283
Traveling and representation	**60,836,273**	59,492,031
Geo-chemical, physcial lease and topo survey	**36,327,122**	36,327,122
Geologic mapping	**32,641,805**	32,641,805
Drilling	**32,003,203**	32,003,203
Trenching,drifting and test pitting	**23,257,520**	23,257,520
Rentals	**21,121,724**	20,540,127
Supplies inventory consumed	**13,566,701**	13,509,347
Milling	**4,397,753**	4,397,752
Dogholing	**2,056,235**	2,056,235
Mine and ore delivery	**618,499**	618,499
	P 1,061,633,751	P 987,684,802

Exploration and mine development costs pertain to costs incurred by AMIC for the development, exploration and administration of mining properties situated in Abra. AMIC has evaluated that these costs meet the criteria to be capitalized and determined that the probability of future benefits on the extent of exploration and development will be realized once the mining operations start.

The Mineral Production Sharing Agreement MPSA-143-99-CAR approved on December 29, 1999 with corresponding Environmental Compliance Certificate (ECC Ref. No. 0103-095-302) approved on October 29, 2002 and the Declaration of Mining Project Feasibility also approved on August 30, 2007 warrants the capitalization of these expenditures for exploration and development. The approved mining claims are located within the municipal jurisdiction of Bucay and cover an aggregate area of about 672 hectares.

Depreciation Costs

AMIC, in accounting all of its exploration and development activities, considered these costs as tangibles. This includes acquisition of several mining equipment and machineries which are capitalized through depreciation charges.

Additional Costs during the year

Additional costs charged to deferred exploration cost includes depreciation, salaries and wages, repairs and maintenance, travelling cost, professional fees, geological mapping cost, supplies used which are directly related to the exploration and development activities and allocated portion of the Company's general and administrative overhead costs related to mining operations which are being deferred as the Company's management exercised judgment that they will benefit when the Company commence actual normal operations. *(See Note 3.6)*

Note 9 - ACCRUED EXPENSES AND OTHER LIABILITIES

This account had a balance amounting to P1,557,921 and P7,303,411 as of December 31, 2017 and 2016, respectively, consists of amount due to employees representing compensation claims and various statutory obligations such as withholding taxes, SSS, Pag-ibig and Philhealth payables. Accrued expenses include audit fee and other accrual of general and administrative expenses.

Accrued expenses are expected to be settled within the next reporting period of AMIC. Due to their short duration, the carrying amounts of accrued expenses and other liabilities represent a reasonable approximation of their fair values.

Note 10 – GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of the following:

		2017		2016
Salaries and Employee Benefits	P	**1,318,795**	P	1,134,331
Repairs and maintenance		**479,198**		141,419
Travel and representation		**336,060**		180,720
Professional Fee		**214,095**		341,355
Rent *(Notes 3.11, 18.6)*		**145,399**		105,956
Taxes and Licenses *(Note 11.2)*		**119,254**		184,743
Utilities expense		**39,493**		109,483
Special services		**28,887**		-
Office expense		**24,011**		83,043
Communication		**8,703**		46,840
Fines and Penalties		-		133,049
Miscellaneous		**7,222**		329,501
	P	**2,721,118**	P	2,790,440

Miscellaneous expenses amounting to P7,222 and P329,501 in 2017 and 2016, respectively comprised of the following expenses incurred representing bank charges, PSE disclosure seminar fees, office meeting expenses as snacks, notarization on documents, donations to civic and church organizations, facilitation and representation expenses and other small items disbursed from the petty cash funds.

Note 11 – INCOME TAXES

11.1 Current and Deferred Taxes

AMIC's is yet to have a taxable transaction. No revenue generated yet in operation.

AMIC did not recognize deferred tax assets on the related Net-Operating Loss Carry over (NOLCO) for the year and previous years because management identified those future economic benefits will not be realized from them. The details of the NOLCO not recognized are as follows:

Year	Amount
2017	P 2,721,117
2016	2,657,391
2015	3,803,832
Total	**P 9,182,340**

11.2 Supplementary Information in compliance with RR15-2010

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Value Added tax

AMIC has no vatable transaction during the year.

AMIC has no importation of goods, hence, no landed cost, customs duties and tariff fees were paid/accrued during the taxable period.

Withholding Taxes Payable

	Remitted	Accrued
Expanded		
Remittance of W/T Payable, Dec. 31, 2016	P 1,887	
Remittance of W/T Payable (January to November, 2017)	20,757	P 1,887

There's no withholding tax on compensation since the compensation is not subject to withholding.

Taxes and Licenses

	2017	2016
PSE-Annual Fee	**P 288,960**	P 572,950
Business Permits	**102,086**	117,034
LTO Registration	**100,883**	100,913
Mining Taxes and Others	**70,500**	11,860
Real Property Tax	**17,467**	115,068
Brgy Clearance	**10,000**	3,000
Community Tax Certificate	**6,375**	2,890
Total payments made	**P 596,271**	P 923,715
Multiply by: Company allocation rate	**20%**	20%
Total expense charged to expense	**P 119,254**	P 184,743

No Documentary stamp tax paid/incurred on loans and deposit instruments during the taxable period.

11.3 Letter of Authority

The Company did not receive any Letter of Authority from the Bureau of Internal Revenue.

11.4 Uncertain Tax Position

The Company has not identified any significant component of the financial statements that may hold uncertain tax position under the tax laws of the Philippines.

11.5 Recent Tax Regulations

The following are the major changes brought by new tax regulations that are relevant to the Company:

a) On December 19, 2017, President Rodrigo Duterte signed into law package 1 of the Tax Reform for Acceleration and Inclusion ("TRAIN") bill of or Republic Act No. 10963. The law contains amendments to several provisions of the National Internal Revenue Code of 1997 on individual income taxation, passive income for both individuals and corporations, estate tax, donor's tax, value added tax (VAT), excise tax, and documentary stamp tax ("DST"), among others. The said law shall be in effect starting on January 4, 2018.

b) REVENUE REGULATIONS NO. 1-2015 ISSUED ON January 5, 2015 with respect to " De Minimis Benefits" stating " Benefits received by an employee by virtue of a collective bargaining agreement (CBA) and productivity incentive schemes provided that the total annual monetary value received from both CBA and productivity incentive schemes combined do not exceed ten thousand pesos (Php 10,000.00) per employee per taxable year".

c) REVENUE REGULATIONS NO. 3-2015 issued on March 13, 2015 implements the provision of Republic Act No. 10653, more particularly on the increase to P 82,000.00 of the total amount of exclusion from the gross income for 13th month pay and other benefits beginning January 1, 2015, and shall in no case apply to other compensation received by an employee under an employer-employee relationship, such as basic salary and other allowances.

d) REVENUE REGULATIONS NO. 5-2015 issued on March 17, 2015 amends Revenue Regulations (RR) No. 6-2014 and imposes penalties to taxpayers mandatory covered by the Electronic Filing and Payment System (eFPS) or Electronic Bureau of Internal Revenue Forms (eBIRForms) who failed to file tax returns under the electronic systems of the BIR.

e) REVENUE REGULATIONS NO. 12-2014 amends Section 2.58.5 of Revenue Regulation No. 2-98. Requirements of deductibility. Any income payment which is otherwise deductible under the Code shall be allowed as a deduction from the payor's gross income only if it shown that the income tax required to be withheld has been paid to the Bureau in accordance with Secs. 57 and 58 of the Code. "No deduction will also be allowed notwithstanding payments of withholding payments of withholding tax at the same time of the audit investigation or reinvestigation/reconsideration in cases where no withholding of tax was made in accordance with Secs. 57 and 58 of the Code."

f) REVENUE REGULATION NO. 2-2015 issued on February 3, 2015 prescribes that Income Tax forms, which will be used for Income Tax Returns (ITRs) filing covering and starting taxable year December 31, 2014 by all taxpayer who are required to file their ITRs under Section 51 (A)(1) of the Tax Code and those who are not required to file under Section 51(A)(2) but who opted to do so BIR Form No. 1700, 1702-RT, 1702-EX, 1702-MX version June 2014. The requirement for entering centavos in the ITR has been eliminated.

Note 12 - EMPLOYEE BENEFITS

12.1 Short Term Employee Benefits

The Company provides short term employee benefits in the form of salaries, wages, thirteen month and other benefits amounting to P5,348,309 and P5,671,659 for the year 2017 and 2016, respectively.

Short term employee benefits is allocated to deferred exploration cost and to general and administrative expenses as follows:

	2017	2016
Deferred Exploration Cost *(Note 8)*	**P 5,275,180**	P 4,537,327
General and Administrative Expenses	**1,318,795**	1,134,332
	P 6,593,975	P 5,671,659

12.2 Post -employment Benefits

In the previous years, the Company used to set up the retirement liability in accordance with RA 7641. Starting 2015, the management determined that the Company is not required to set up provisional liability under the same law. As result, the Company recognized prior period adjustments for affected accounts in 2015. *(see Note 14.2.2)*

In case of retirement, employees shall be entitled to receive such retirement benefits as may have been earned under existing laws.

Note 13 – LOSS PER SHARE

Basic Loss per share were computed as follows:

	2017	2016
Loss after Tax for the year	**(P 2,721,118)**	(P 2,790,440)
Outstanding share capital	**99,294,584,216**	99,294,584,216
Loss per share	**(P 0.000027)**	(P 0.000028)

Note 14 – EQUITY

On August 22, 1987, the board of directors and stockholders of the Company approved the increase of the corporation's authorized capital stock from Fifty Million Pesos (P50,000,000) divided into Five Billion (5,000,000,000) common shares, with a par value of One Centavo (P0.01) per share to One Billion Pesos (P1,000,000,000) divided into One Hundred Billion (100,000,000,000) common shares with a par value of One Centavo (P0.01) per share. The application for increase in authorized was approved by SEC on March 26, 1991.

On October 8, 1993, the Company filed registration statement with SEC in accordance with Securities Regulation Code for the registration of a total of 95 billion common shares. On December 23, 1993, received the permit to offer securities for sale issued by SEC.

On March 25, 1996, the Company filed an application with the Philippine Stock Exchange ("PSE") for the listing and trading of 95billion common shares at an offer price of P0.01 per share. The application for listing was approved by Board of Directors of PSE in September, 1996.

On September 14, 2007, the board of directors and stockholders of the Company approved the increase of the corporation's authorized capital stock from One Billion Pesos (P1,000,000,000) divided into One Hundred Billion (100,000,000,000) common shares with a par value of One Centavo (P0.01) per share to Five Billion Pesos (P5,000,000,000) divided into Five Hundred Billion (500,000,000,000) common shares with a par value of One Centavo (P0.01) per share. The application for increase in authorized was approved by SEC on November 27, 2007.

As of December 31, 2017 and 2016, the Company has total number of 865 stockholders respectively, holding the mentioned registered securities.

14.1 Capital Stock

The details of AMIC's equity as of December 31, 2017 and 2016 are as follows:

		2017		2016
Authorized Capital Stock				
Par value – ₱0.01 per share; 500,000,000,000 common shares	**P**	**5,000,000,000**	P	5,000,000,000
Subscribed Capital Stock:				
Beginning Balance	**P**	**1,992,945,842**	P	1,992,945,842
	P	**1,992,945,842**	P	1,992,945,842
Paid and unissued subscriptions				
Beginning Balance	**P**	**788,967,900**	P	788,967,900
Additions		-		-
	P	**788,967,900**	P	788,967,900
Issued and Outstanding				
Beginning Balance	**P**	**992,945,842**	P	992,945,842
Additions				
Total issued, outstanding, capital stock	**P**	**992,945,842**	P	992,945,842

		2017		2016
Subscription Receivable				
Balance, January 1	**P**	**211,032,100**	P	211,032,100
Collections during the year				
Balance, December 31	**P**	**211,032,100**	P	211,032,100

14.2 Prior Period Adjustments

In accordance with PAS 8 *"Accounting Policies, Changes in Accounting Estimates and Errors"*, the Company recognized prior period adjustments in 2013 and 2012 representing the following:

14.2.1 Reversal of Provision for Retirement

As discussed in Note 12.2, the Company ceases to provide provision for retirement and reversing prior year's provisions because it does not qualify to set up retirement liability under RA 7641. As result, the Company provide prior year's adjustments to restate the affected balances. The effect of restatement is presented as follows:

Effect of prior period adjustments to Retirement Liability is presented as follows:

	2016	2015	2014
Balances	P -	P -	P 3,583,950
Reversal of provision for retirement from earlier years up to year 2013			
Charged to Deferred Exploration Cost			(588,125)
Charged to Employee Benefits			(2,431,990)
Reversal of provision for retirement in 2014			
Charged to Deferred Exploration Cost			(131,236)
Charged to Employee Benefits			(522,599)
Restated Balances	P -	P -	(**90,000**)

Effect of prior period adjustments to Deferred Exploration Cost is presented as follows:

	2016	2015	2014
Balances	**P 987,684,803**	P 911,435,391	P 842,554,392
Reversal of provision for retirement charged to deferred exploration cost			
From earlier years up to in year 2013	(**588,125**)	(588,125)	(588,125)
Allocated Provision for retirement in 2014	(**131,236**)	(131,236)	(131,236)
Restated Balances	**P 986,965,443**	P 910,716,031	P 841,835,031

The restated amounts of Salaries and wages of technical personnel included in deferred exploration cost amounts to P114,597,972, P110,060,645, and P106,696,599 as of December 31, 2016, 2015, and 2014, respectively.

14.2.2 Effect of prior period adjustments on Deficit:

The summary effect of all prior period adjustments as discussed above is presented as follows:

	2016	2015	2014
Beginning Balance	(P 54,160,961)	(P 50,488,429)	(P 46,611,150)
Net Loss	(2,790,440)	(3,672,532)	(4,399,878)
Ending Balance Before Restatement	(56,951,401)	(54,160,961)	(51,011,028)
Prior Period adjusment on:			
Provision for retirement -2014			522,599
Restated Ending Balance	(P 56,951,401)	(P 54,160,961)	(P 50,488,429)

Note 15 - RELATED PARTY TRANSACTIONS

AMIC's related party transactions involved the stockholders and AMIC's key management personnel.

The following are AMIC's related party transactions:

	Transaction Values		Due from(to) Related Parties		
	2017	2016	2017	2016	Conditions
Advances to Stockholder					
Jabel Overseas Corp.	P 9,737,552	P 13,249,800	-	P 9,737,552	Non-interest Bearing, Unsecured
Advances from Stockholder					
Jabel Overseas Corp.	6,442,769	(P 15,912,929)	(22,355,698)	(P 15,912,929)	Non-interest Bearing, Unsecured
Discovery Mines Inc.	-	-	(3,161,500)	(3,161,500)	Non-interest Bearing, Unsecured
	P 6,442,769	(P 15,912,929)	(P 25,517,198)	(P 19,074,429)	

The above advances are classified as non-current in as much as the Company was given the unconditional right to defer settlement of the liability for at least 3 years from 2016.

15.1 Advances to Stockholder

A roll-forward analysis of the total funding provided to its stockholder, Jabel Overseas Corporation, is as follows:

	2017	2016
Balance, January 1	P 9,737,552	P 22,987,352
Cash Collections	(9,737,552)	-
Termination of JV *(Note 9.2)*	-	(13,249,800)
Balance, December 31	(P 0)	P 9,737,552

Initial deposit of Besra Gold Inc.

The initial deposit of Besra Gold Inc. in 2011 amounting to USD300,000 or its peso equivalent of P12,357,600 was received by Jabel Overeseas Corporation. During the reporting period, the Company recognized a prior period adjustment to recognize the receivable from JABEL and a liability to the NEWCo mentioned in the Joint Venture Agreement disclosed in *Note 18.4*. The liability is recognized as part of Other Payables in *Note 8 "Accrued Expenses and other Payables"*.

On March 31, 2016, parties to the agreement unanimously agreed to terminate their Joint Venture Agreement. After accounting for the total expenditures incurred against the USD300K, the Company and JABEL were relieved of any liability to the joint venture. *(See Note 8.2)*

15.2 Advances from stockholder

The Company relies on the support of its stockholders for its working capital requirements while it is not yet in operation. The rollforward of the balances is as follows:

	2017	2016
Balance, January 1	**P 15,912,929**	-
Cash received	**6,442,769**	15,912,929
Balance, December 31	**P 22,355,698**	P 15,912,929

Discovery Mines, Inc.

Advances from a stockholder amounting to P3,161,500 were obtained in 2014 for temporary working capital requirements. Discovery Mines, Inc. owns 3.122% of the Company's stockholdings.

Discovery Mines, Incorporated is organized and incorporated under the Philippine laws on April 18, 2000 whose primary purpose is to search for, explore, purchase, lease or otherwise acquire, own, work, operate, sell, lease, mortgage or otherwise dispose of, and deal with mining and water rights and claims and interest therein; and to conduct such activities or acts necessary or incidental to the maintenance of such mining claims, concessions or properties so acquired or held by the corporation to extent permitted by applicable laws and rules and regulations.

15.3 Key management personnel

Compensation of key management personnel consists of short-term employee salaries and benefits amounting to P1,755,000 per year for the two years' period ended December 31, 2017 and 2016.

Note 16 - CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

AMIC's capital objective is to maintain and safeguard its ability to continue as a going concern entity and provide its stockholders a satisfactory return. AMIC's sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities.

AMIC manages advances from affiliates, paid-up capital and deficit as capital. The Company's management structure consists of its working directors who are responsible for taking the initiative in developing and maintaining a sound capital management system.

AMIC's management monitors capital on the basis of the carrying amount of equity as presented on the face of the Statements of Financial Position. Thus, AMIC's strategy is to maintain debt to equity ratio not exceeding 7%.

Capital for the reporting periods under review is summarized as follows:

	2017	2016
Total liabilities	**27,075,118**	26,377,841
Total equity	**1,722,241,223**	1,724,962,341
Debt to Equity ratio	**0.016 : 1.00**	0.015 : 1.00

AMIC's is able to keep its debt to equity ratio policy at below 7%.

AMIC's manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Note 17 – RISK MANAGEMENT OBJECTIVE AND POLICIES

AMIC is exposed to a variety of financial risks which result from both its operating and investing activities. AMIC's risk management is coordinated with its management, in close cooperation with the BOD, and focuses on actively securing the AMIC's short- to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

AMIC's risk management policies are established to identify and analyze the risks faced by AMIC, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and AMIC's business activities. AMIC, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

AMIC's risk management policy are described below.

17.1 Liquidity risk

Liquidity risks or funding risks is the risks that AMIC will encounter in raising funds to meet commitments associated with financial liabilities and to finance capital expenditures. Liquidity risks may result from AMIC's inability to raise funds to finance its operations and exploration costs through sales of its equity or availability of debt financing on acceptable terms. AMIC manages liquidity by regularly monitoring and evaluating its projected and actual cash flows. In support of its operations, AMIC relies on advances from its shareholders.

The table below summarizes the maturity profile of AMIC's financial liabilities as of December 31, 2017 and 2016 based on undiscounted payments:

2017	On Demand	120 days and more	Total
Accrued expenses and other payables	P 1,557,920	P -	P 1,557,920
Advances from an affiliated company	-	25,517,198	25,517,198
Total	P 1,557,920	P 25,517,198	P 27,075,118

2016	On Demand	120 days and more	Total
Accrued expenses and other payables	P 7,303,411	P -	P 7,303,411
Advances from an affiliated company	-	19,074,429	19,074,429
Total	P 7,303,411	P 19,074,429	P 26,377,841

17.2 Credit risk

AMIC's credit risk relates to "cash in bank" account of AMIC. The exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset as stated in the following table. Given that AMIC has no outstanding receivables, it is not exposed to large concentrations of credit risk.

	2017	2016
Cash in bank	301,447	10,968

Cash in bank is considered as high grade as this pertains to demand deposits in a reputable bank.

17.3 Market Risk

a) Cash Flow and Fair Value Interest Rate Risks

Cash flow and fair value interest rate risks policies are to ensure short to medium-term liquidity.

Interest risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Interest rate risk is managed by targeting a desired return, which is reviewed periodically, based on the Company's long-term view on interest rates.

Currently, the Company has no financial liabilities with floating interest rates.

b) Foreign Currency Risk

The AMIC has no significant exposure to foreign currency risks as most transactions are denominated in Philippine Peso, its functional currency.

Note 18 – FAIR VALUE MEASUREMENT

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition regardless of whether that price is directly observable or estimated using another valuation technique.

The carrying amounts and fair values of the categories of assets and liabilities presented in the balance sheets are shown below:

	2017				2016			
		Carrying Amount		Fair Value		Carrying Amount		Fair Value
Assets:								
Cash	P	330,332	P	330,332	P	346,850	P	346,850
Advances to an affiliated companies		-		-		9,737,552		9,737,552
	P	330,332	P	330,332	P	10,084,402	P	10,084,402
Liabilities:								
Accrued expenses and other payables	P	1,557,921	P	1,557,921	P	7,303,411	P	7,303,411
Advances from an affiliated companies		26,610,351		26,610,351		19,074,429		19,074,429
	P	28,168,272	P	28,168,272	P	26,377,841	P	26,377,841

The carrying amounts approximate the fair values due to relatively short-term maturity of these financial instruments. Similarly, the historical cost carrying amounts of receivables and payables approximate their fair values.

The fair values of financial assets at fair value through profit or loss are based on quoted market prices published at the close of trading day by the local exchange.

Fair value hierarchy

In determining the fair value of its assets and liabilities, the Company takes into account the following:

- characteristics of the asset and liability being measured that a market participant would take into account when pricing the asset or liability at measurement date
- for a non-financial asset, the valuation premise that is appropriate for the measurement
- The principal or most advantageous market for the asset or liability
- The valuation technique appropriate for the measurement considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability; and
- The level of hierarchy within which the inputs are categorized.

A fair value of a non-financial asset takes into account the highest and best use of the asset. The fair value of a liability reflects non-performance risk including an entity's own risk and assuming the same non-performing risk before and after the transfer of liability.

The different levels of financial instruments carried at fair value, by valuation method have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2017 and 2016, AMIC has no financial assets to be carried at fair value using any level as stated above.

Note 19 – EVENTS AFTER REPORTING DATE

There were no other material events that occurred subsequent to June 30, 2016 that were not reflected in the financial statements for the period.

Note 20 – COMMITMENTS AND CONTINGENCIES

20.1 Legal Claims

As of December 31, 2017, there are no pending claims and legal actions against or involving the Company other than those arising from the normal course of business.

20.2 Mineral Production Sharing Agreements

On December 17, 1999, the Mineral Production Sharing Agreement (MPSA) was approved and issued to Jabel Corporation for a total area of 297 has at Sitio Patok-Pias, Baay-Licuan, Abra.

On December 29, 1999, the Mineral Production Sharing Agreement (MPSA) was approved and issued to AMIC (144-99-CAR) for a total area of 672 has at Baticang, Bucay, Abra and to JABEL (141-99-CAR) for a total area of 756 has at Licuan-Baay, Abra. The term of agreements shall be for twenty-five (25) years renewable upon mutual agreement. The aggregate total of the exploration and environmental work programs of the MPSA 144-99-CAR and MPSA 141-00-CAR amounts to P2,741,000 and P8,515,000, respectively.

On November 21, 2002, the Mineral production Sharing Agreement (MPSA) was approved and issued to Discovery Mines, Inc. for a total area of 2,673 has at Santa and Caoayan, Ilocos Sur. The aggregate total of the exploration and environmental work programs of the MPSA 175-2002-I amounts to P4,965,000.

20.3 Memorandum of Agreement and Supplement to Memorandum of Agreement

On November 23, 2006, a Memorandum of Agreement and Supplement to Memorandum of Agreement ["MOA"] was entered into by the Company, Olympus Pacific Minerals Inc.(OYM) and Jabel Corporation that allows the Grantee (defined as "Olympus Pacific Minerals Inc. and a Philippine national") to acquire an option to earn a 60 percent interest in AMIC's Capcapo mining tenement (the "Property") located in the Province of Abra upon completing a specified level of expenditures on the property.

The MOA is a binding agreement that is conditional on OYM's completion of a due diligence program to validate historical drilling information. Under the MOA, the parties will form a joint venture corporation ("Newco") that will develop, manage and conduct mining operations on the Property. Newco and Jabel will become co-holders of the titles to the Property. Although Jabel's name will remain on the Capcapo Property titles, Jabel's only economic interest in the Property will be a royalty. Aside from the royalty, all of the Capcapo Property's proceeds shall flow through Newco.

Upon full exercise of the option, Newco will be 40% owned by Kadabra Mining Corp. ("Kadabra"), 20% owned by a Philippine national that will yet be identified ("Philco"), and 40% owned by the Company.

Under the MOA, once the due diligence procedures are completed with the drilling information being validated and a formal agreement is signed, a cash payment of U.S. $200,000 is required to be made by the Grantee to the Company. Six months after the signing of the formal agreement, the Grantee is required to issue OYM's common shares to the Company with a total value of U.S. $350,000, based on the average of the trading price of OYM's common shares for the five trading days preceding the date of the signing of the formal agreement. Once the Grantee has spent U.S. $3 million on exploration and development work on the property, the Grantee will issue to the Company further common shares of OYM with a total value of U.S. $450,000 based on the average of the trading price of OYM's common shares for the five trading days preceding their date of issuance. To earn the 60% interest, a cumulative spending of U.S. $6 million by the Grantee on exploration and development must occur by the end of the 5th year after the signing of the formal agreement. The Grantee earns a 20% interest after the first U.S. $1 million is spent, an additional 20% interest after an additional U.S. $2 million has been spent and an additional 20% interest after an additional U.S. $3 million has been spent. Once the 60% interest has been earned, a new joint venture company ("NEWCO") would be formed of which the Grantee would hold a 60% interest. If the Grantee obtains less than the 60% interest, the Grantee would share in less than 60% of the results of the joint venture. One year after full commercial production is achieved on the property, a royalty would be paid to Jabel, the underlying title holder of the property, equal to either 3% of gross value of production or 6% of annual Profit of NEWCO, as defined in the agreement, whichever is higher.

20.4 Joint Venture Agreement

On September 30, 2011, the Company entered into a Joint Venture Agreement with Jabel Corporation, Olympus Pacific Minerals, Inc.(now Besra Gold, Inc.), Kadabra Mining Corporation and Philearth Mining Corporation for the purpose of the Exploration, Development and Utilization of the Mineral Resources in Capcapo, Licuan-Baay, Abra.

Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.) paid the Company USD300,000 upon signing the agreement and will pay an additional USD400,000, after getting access to the property, to acquire a 60% interest in the property. Jabel Corporation which jointly owns the mining claims, will earn royalty paid on either 3% of the gross production value from the mine or 6% of the annual profit from the JV, whichever is higher. Besra must also pay the Company USD2Million plus 2 million Besra shares, or common shares valued at USD5Million, whichever is less, every time daily production rates are achieved or mineral reserves are defined. The USD300,000 was deposited/received by Jabel Corporation. *(See Notes 8 & 12.22.2)*

Jabel Corporation (JABEL), a corporation duly organized under the laws of the Philippines and domiciled in the Philippines. Jabel holds the tenements (area covered under Capcapo MPSA 144 and the Capcapo Extension)

Besra Gold, Inc. (formerly Olympus Pacific Minerals, Inc.), is an international mining exploration and development company focused on the mineral potential of Vietnam and the Southeast Asia. Besra has been active in Vietnam since the mid-1990s on its own account and through associated companies.

Kadabra Mining Corporation, corporation organized and existing under the laws of the Philippines and a wholly-owned subsidiary of Besra Gold, Inc. (formerly Olympus Pacific Minerals, Inc. (OYM).

Philearth Mining Corporation is a corporation in the process of being organized under the laws of the Philippines.

20.5 Lease commitment

On July 10, 2015, AMIC renewed lease agreement with Jafer Realty Corporation to lease its office space for another year from August 1, 2015 to July 31, 2016 and was further extended until May 30, 2017 only. The agreement requires a fixed monthly rental of P37,733.85 plus 12% VAT, 3-months' deposit and one month advance. The property for lease, at all times, shall be, and will remain the sole and exclusive property of the lessor and no title shall pass to AMIC. As to the cost of utilities and maintenance, the Company shares 20% of the monthly cost.

The contract was no longer extended from June to December 2017 so the rental rate for the remaining seven (7) months doubled to P75,467.70 before they transferred to a new office space effective January 1, 2018.

Total rent incurred for the year amount to P812,042 inclusive of VAT and expanded withholding tax. Total rent charged to general and administrative expenses amounted to P162,408 representing 20% of the total rent.

20.6 Others

The Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the accompanying financial statements. The Company's management is of the opinion that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the Company's financial statements.