



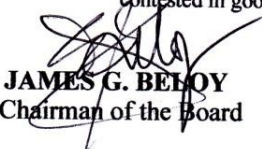
ABRA MINING  
& INDUSTRIAL  
CORPORATION

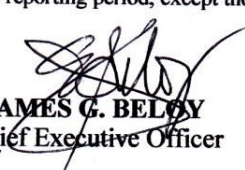
## STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **ABRA MINING & INDUSTRIAL CORPORATION** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2019. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax and / or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2019 and the accompanying Annual Income Tax Return are in accordance with the books and records of **ABRA MINING & INDUSTRIAL CORPORATION** complete and correct in all material respect. Management likewise affirms that:

- (a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuance of the Department of Finance and the Bureau of Internal Revenue;
- (b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **ABRA MINING & INDUSTRIAL CORPORATION** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all other taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

  
**JAMES G. BELOY**  
Chairman of the Board

  
**JAMES G. BELOY**  
Chief Executive Officer

  
**AMELIA G. BELOY**  
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ at \_\_\_\_\_  
affiance exhibiting their Community Tax Certificate Nos. 3619688 and 3619686  
issued on January 09, 2020 at Quezon City.

MANILA OFFICE:  
#103 West Ave., Brgy. Bungad  
Quezon City, 1106  
Metro Manila, Philippines  
Tel. Nos. (632) 925-1605  
Fax No. (632) 925-1605

MINE OFFICE:  
Lupat, Bangued, Abra  
Tel. Nos. (6374) 752-7217  
Fax No. (6374) 752-8120

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Book. \_\_\_\_\_  
Series of \_\_\_\_\_

NOTARY



**ABRA MINING AND INDUSTRIAL CORPORATION**

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018**

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2019 AND 2018**  
*(Amounts in Philippine Pesos)*

	<i>Notes</i>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Financial assets at amortised cost - Cash	4.1, 5	P 229,070	P 310,129
Supplies Inventory	4.2, 6	5,257,117	6,991,063
Total current assets		<u>5,486,187</u>	<u>7,301,192</u>
<b>Non-current Assets</b>			
Property and Equipment, net	4.3, 4.5, 7	611,627,793	614,446,865
Deferred exploration costs	4.4, 8	1,157,907,531	1,137,814,235
Total non-current assets		<u>1,769,535,324</u>	<u>1,752,261,100</u>
<b>TOTAL ASSETS</b>		<u><b>P 1,775,021,511</b></u>	<u><b>P 1,759,562,292</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial liabilities at amortised cost			
Accrued expenses and other payables	4.1, 9	P 972,527	P 857,595
<b>Non-Current Liabilities</b>			
Financial liabilities at amortised cost			
Advances from an affiliated company	4.11, 15.2	57,364,200	39,217,198
Total liabilities		<u>58,336,727.00</u>	<u>40,074,793</u>
<b>EQUITY</b>			
Capital Stock			
Issued and outstanding	4.6, 14.1	P 992,945,842	P 992,945,842
Subscribed and paid-up	4.6, 14.1	788,967,900	788,967,900
Deficit		<u>( 65,228,958 )</u>	<u>( 62,426,243 )</u>
Total equity		<u>1,716,684,784</u>	<u>1,719,487,499</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>P 1,775,021,511</b></u>	<u><b>P 1,759,562,292</b></u>

See Notes to Financial Statements.





**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
*(Amounts in Philippine Pesos)*

	<i>Notes</i>	<u>2019</u>	<u>2018</u>
REVENUES	4.7	P -	P -
COST OF SERVICES	4.7	-	-
GROSS PROFIT		-	-
GENERAL AND ADMINISTRATIVE EXPENSES	4.7, 10	<u>2,802,715.85</u>	- 2,753,723.00
OPERATING LOSS		<u>2,802,715.85</u>	- 2,753,723.00
OTHER INCOME		-	-
LOSS BEFORE TAX		( 2,802,716 )	( 2,753,723 )
INCOME TAX BENEFIT (EXPENSE)		-	-
LOSS AFTER TAX		( 2,802,716 )	( 2,753,723 )
OTHER COMPREHENSIVE INCOME - net		-	-
Total Comprehensive Income		<u>( P 2,802,716 )</u>	<u>( P 2,753,723 )</u>
Loss per share	4.10, 13	<u>P (0.000028)</u>	<u>P (0.000028)</u>

*See Notes to Financial Statement.*





**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
*(Amounts in Philippine Pesos)*

	Note	Capital Stock			Subscribed and paid-up	Deficit	TOTAL
		Number of shares	Issued and outstanding				
Balances as of January 1, 2018	4.6, 14	99,294,584,200	P 992,945,842	P	788,967,900	( P 59,672,519 )	P 1,722,241,223
Total comprehensive loss for the year		-	-	-	-	( 2,753,723 )	( 2,753,723 )
Balances as of December 31, 2018		99,294,584,200	P 992,945,842	P	788,967,900	( P 62,426,242 )	P 1,719,487,500
Balances as of January 1, 2019	4.6, 14	99,294,584,200	P 992,945,842	P	788,967,900	( P 62,426,242 )	P 1,719,487,500
Total comprehensive loss for the year		-	-	-	-	( 2,802,716 )	( 2,802,716 )
Balances as of December 31, 2019		99,294,584,200	P 992,945,842	P	788,967,900	( P 65,228,958 )	P 1,716,684,784

See Notes to Financial Statements

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
*(Amounts in Philippine Pesos)*

	<i>Notes</i>	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss		( P 2,802,716 )	( P 3,745,062 )
Adjustment for :			
Adjustment made to deferred exploration costs	7	2,819,072	-
Depreciation and amortization		33,122,720	-
Net cash before working capital changes :		33,139,076	( 3,745,062 )
(Increase)/Decrease in supplies inventory		1,733,946	28,740
Increase/(Decrease) in financial liabilities at amortised cost - accrued expenses and other payables		114,932	( 700,325 )
Net Cash provided/(used in) by operating activities		34,987,954	( 4,416,647 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in deferred exploration cost	8	( 53,216,015 )	( 9,303,555 )
Net Cash used in investing activities		( 53,216,015 )	( 8,838,318 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash advances received from related parties	15	18,147,002	13,700,000
Cash collections from related parties	15	-	-
Net Cash provided in financing activities		18,147,002	13,700,000
<b>NET INCREASE (DECREASE) IN CASH</b>		( 81,059 )	( 20,202 )
<b>CASH AT BEGINNING OF THE YEAR</b>		310,129	330,331
<b>CASH AT END OF THE YEAR</b>	5	P 229,070	P 310,129

*See Notes to Financial Statements.*

**ABRA MINING AND INDUSTRIAL CORPORATION****TABLE OF CONTENTS****ANNUAL AUDITED FINANCIAL REPORT PACKAGE  
DECEMBER 31, 2019**

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Report of Independent Auditor	<u>X</u>
Financial Statements:	
Comparative Statements of financial position	<u>X</u>
Comparative Statements of comprehensive income	<u>X</u>
Comparative Statements of changes in stockholders' equity	<u>X</u>
Comparative Statements of cash flows	<u>X</u>
Notes to financial statements	<u>X</u>
Report of Independent Public Auditors to Accompany SEC Schedules filed separately from the Basic Financial Statements	<u>X</u>
Supplementary Schedules:	
Schedule I – Reconciliation of Retained Earnings available for dividend declaration	<u>X</u>
Schedule II – A map showing the relationship within which the Company belongs	<u>X</u>
Schedule III – Tabular schedule of effective standards and Interpretations under PFRS	<u>X</u>
Schedule IV – Schedule of Financial Asset	
Schedule V – Amount receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)	<u>X</u>
Schedule VI – Amounts receivable from related parties which are eliminated during consolidation of financial statements	<u>X</u>
Schedule VII – Schedule of Intangible Assets	<u>X</u>
Schedule VIII – Schedule of Long term Debt	<u>X</u>
Schedule IX – Indebtedness to related parties (long term loans from related companies)	<u>X</u>
Schedule X – Guarantees of Securities of Other Issues	<u>X</u>
Schedule XI – Capital Stock	<u>X</u>
Schedule XII – Financial soundness indicators	<u>X</u>





ABRA MINING  
& INDUSTRIAL  
CORPORATION

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ABRA MINING & 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, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

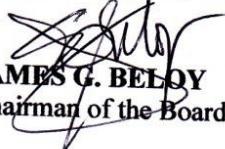
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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


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

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

Signed this JUN 24 2020 day of 2020.

  
**JAMES G. BELOY**  
Chairman of the Board

  
**JAMES G. BELOY**  
Chief Executive Officer

  
**AMELIA G. BELOY**  
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_  
2020 affiants exhibiting to me their Tax Identification Nos.  
(TIN) as follows:

### NOTARY PUBLIC

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2020.

**MANILA OFFICE:**  
#103 West Ave., Brgy. Bungad  
Quezon City, 1105  
Metro Manila, Philippines  
Tel. Nos. (632) 925-1605  
Fax No. (632) 925-1605

**MINE OFFICE:**  
Lipcam, Bungad, Abra  
Tel. Nos. (6374) 752-7217  
Fax No. (6374) 752-8120



# Valdes Abad & Company

(Formerly: Valdes Abad & Associates)  
certified public accountants

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

Branches:  
Cebu and Davao

Phone: (632) 8892-5931 to 35  
(632) 8519-2105

Fax: (632) 8819-1468

Website: [www.vacocpa.com.ph](http://www.vacocpa.com.ph)

BOA/PRC Reg. No. 0314

SEC Accreditation No. 0361-F



The Board of Directors

## ABRA MINING AND INDUSTRIAL CORPORATION

Jabel Business Center, 103 West Ave., Quezon City

We have audited the accompanying financial statements of **ABRA MINING AND INDUSTRIAL CORPORATION** as of December 31, 2019 and 2018 on which we have rendered our report dated June 25, 2020.

1. In compliance with Revenue Regulation V-20, we are stating that we are not related by consanguinity nor affinity to the president, manager or principal stockholder of the Company; and the taxes paid or accrued by the Company during the years are shown in Note 11.2 – Supplementary information in compliance with RR15 – 2010.
2. In compliance with SRC Rule 68, we are stating that said company has a total number of eight hundred fifty six (856) stockholders owning one hundred (100) or more shares each.

### VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on October 4, 2018, Valid until July 10, 2021

SEC Accreditation No. 0361-F, Group A

Issued on August 23, 2018, Valid until August 22, 2021

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. 8135530, Issued Date: January 10, 2020, Makati City

BOA/PRC Reg. No. 0314

Issued on October 4, 2018, Valid until July 10, 2021

SEC Accreditation No. A-782-A

Issued on August 23, 2018, Valid until August 22, 2021

BIR Accreditation No. 08-002126-005-2017

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



Makati City, Philippines  
June 25, 2020



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

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

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BOA/PRC Reg. No. 0314  
SEC Accreditation No. 0361-F



## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Board of Directors  
**ABRA MINING AND INDUSTRIAL CORPORATION**  
Jabel Business Center, 103 West Ave., Quezon City

### ***Opinion***

We have audited the financial statements of **ABRA MINING AND INDUSTRIAL CORPORATION** (the Company) which comprise the statements of financial position as at December 31, 2019 and 2018 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years 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 condition of the Company as at December 31, 2019 and 2018 and its financial performance and its cash flows for the years 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 and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and those charged with Governance for the Financial Statements***

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

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

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



***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

***Report on the Supplementary Information Under Revenue Regulation 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 11.2 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 October 4, 2018, Valid until July 10, 2021

SEC Accreditation No. 0361-F, Group A

Issued on August 23, 2018, Valid until August 22, 2021

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

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

Makati City, Philippines  
June 25, 2020



**SCHEDULE I**

**RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION**

As of December 31, 2019

**ABRA MINING AND INDUSTRIAL CORPORATION**

The Company has no unrestricted retained earnings and has continuously recognized deficit.

**SCHEDULE II**

**ABRA MINING AND INDUSTRIAL CORPORATION**

**A MAP SHOWING THE RELATIONSHIP  
WITHIN WHICH THE COMPANY BELONGS  
DECEMBER 31, 2019**

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



**SCHEDULE III**

**ABRA MINING INDUSTRIAL CORPORATION**  
**PFRS STANDARDS AND INTERPRETATIONS APPLIED**  
**SRC RULE 68**  
**FOR THE YEAR ENDED December 31, 2019 AND 2018**

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
<b>Framework for the Preparation and Presentation of Financial Statements</b>		√		
Conceptual Framework Phase A: Objectives and qualitative characteristics				
<b>PFRSs Practice Statement Management Commentary</b>			√	
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	<i>First-time Adoption of Philippine Financial Reporting Standards</i>			√
	<i>Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>			√
	<i>Amendments to PFRS 1: Additional Exemptions for First-time Adopters</i>			√
	<i>Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters</i>			√
	<i>Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters</i>			√
	<i>Amendments to PFRS 1: Government Loans</i>			√
	<i>Amendments to PFRS 1: Borrowing Costs</i>			√
<b>PFRS 2</b>	<i>Share-based Payment</i>			√
	<i>Amendments to PFRS 2: Vesting Conditions and Cancellations</i>			√
	<i>Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions</i>			√
	<i>Amendments to PFRS 2: Definition of Vesting Condition</i>			√
<b>PFRS 3 (Revised)</b>	<i>Business Combinations</i>			√
	<i>Amendments to PFRS 3: Measurement of non-controlling interests, replaced share-based payment awards, transitional arrangements for contingent consideration</i>			√
	<i>Amendments to PFRS 3: Accounting for contingent consideration in a business combination</i>			√
	<i>Amendments to PFRS 3: Scope of exception for joint ventures</i>			√

### SCHEDULE III

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: <i>Consequential amendments from IFRIC 17 Distributions of Non-cash Assets to Owners (assets held for distribution to owners)</i>			√
	Amendments to PFRS 5: Disclosure requirements in other standards			√
	Amendments to PFRS 5: <i>Changes in methods of disposal*</i>			√
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			√

### SCHEDULE III

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
<b>PFRS 9</b>	Financial Instruments: Complete and Final Version*	√		
<b>PFRS 10</b>	Consolidated Financial Statements			√
	Amendments to PFRS 10, : <i>Transition Guidance</i>			√
	Amendments to PFRS 10 : <i>Investment Entities</i>			√
	Amendments to PFRS 10 : <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>			√
	Amendments to PFRS 10: <i>Regarding the application of the consolidation exception*</i>			√
<b>PFRS 11</b>	Joint Arrangements			√
	Amendments to PFRS 11 : <i>Transition Guidance</i>			√
	Amendments to PFRS 11: <i>Accounting for Acquisitions of Interests in Joint Operations*</i>			√
<b>PFRS 12</b>	Disclosure of Interests in Other Entities			√
	Amendments to PFRS 12 : <i>Transition Guidance</i>			√
	Amendments to PFRS 12 : <i>Investment Entities</i>			√
	Amendments to PFRS 10: <i>Regarding the application of the consolidation exception*</i>			√
<b>PFRS 13</b>	Fair Value Measurement	√		
	Amendments to PFRS 13: <i>Scope of Portfolio Exception</i>	√		
<b>PFRS 14</b>	Regulatory Deferral Accounts*			√
<b>PFRS 15</b>	Revenue from Contracts with Customers*	√		
<b>PFRS 16</b>	Leases*	√		



### SCHEDULE III

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Philippine Accounting Standards				
<b>PAS 1 (Revised)</b>	Presentation of Financial Statements	√		
	Amendments to PAS 1: <i>Puttable Financial Instruments and Obligations Arising on Liquidation</i>			√
	Amendments to PAS 1: <i>Current/Non-current Classification of Derivatives</i>	√		
	Amendments to PAS 1: <i>Current/Non-current Classification of Convertible Instruments</i>	√		
	Amendments to PAS 1: <i>Clarification of Statement of Changes in Equity</i>	√		
	Amendments to PAS 1: <i>Presentation of Items of Other Comprehensive Income</i>	√		
	Amendments to PAS 1: <i>Clarification of the requirements for comparative information</i>	√		
	Amended by Disclosure Initiative*		√	
<b>PAS 2</b>	Inventories	√		
<b>PAS 7</b>	Statement of Cash Flows	√		
	Amendments to PAS 7: <i>Expenditures that do not result in a recognised asset.</i>	√		
<b>PAS 8</b>	Accounting Policies, Changes in Accounting Estimates and Errors	√		
<b>PAS 10</b>	Events after the Reporting Period	√		
<b>PAS 11</b>	Construction Contracts			√
<b>PAS 12</b>	Income Taxes	√		
	Amendment to PAS 12: <i>Deferred Tax: Recovery of Underlying Assets</i>	√		
<b>PAS 16</b>	Property, Plant and Equipment	√		
	Amendment to PAS 16 – <i>Classification of Service Equipment</i>	√		
	Amendment to PAS 16: <i>Revaluation method - proportionate restatement of accumulated depreciation</i>			√
	Amendments to PAS 16 : <i>Clarification of Acceptable Methods of Depreciation and Amortisation*</i>			√
	Amendments to PAS 16 : <i>Agriculture- Bearer Plants*</i>			√
<b>PAS 17 (Revised 2003)</b>	Leases			√
<b>PAS 18</b>	Revenue	√		

### SCHEDULE III

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
<b>PAS 19 (Amended 2011)</b>	Employee Benefits	√		
	Amendments to PAS 19: <i>Employee Benefits - Defined Benefit Plans: Employee Contributions</i>			√
	Amendments to PAS 19: <i>Discount rate- Regional Market Issue*</i>			√
<b>PAS 20</b>	Accounting for Government Grants and Disclosure of Government Assistance			√
<b>PAS 21</b>	The Effects of Changes in Foreign Exchange Rates	√		
	Amendment: Net Investment in a Foreign Operation			√
<b>PAS 23 (Revised)</b>	Borrowing Costs	√		
<b>PAS 24 (Revised)</b>	Related Party Disclosures	√		
	Amendments to PAS 24: <i>Key Management Personnel</i>	√		
<b>PAS 26</b>	Accounting and Reporting by Retirement Benefit Plans	√		
<b>PAS 27 (Amended 2011)</b>	Separate Financial Statements			√
	Amendments to PFRS 10, PFRS 12 and PAS 27 : <i>Investment Entities</i>			√
	Amendments to PAS 27 : <i>Equity Method in Separate Financial Statements*</i>			√
<b>PAS 28 (Amended)</b>	Investments in Associates and Joint Ventures			√
	Amendments to PAS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>			√
	Amendments to PFRS 10: Regarding the application of the consolidation exception*			√
<b>PAS 29</b>	Financial Reporting in Hyperinflationary Economies			√
<b>PAS 32</b>	Financial Instruments: <i>Disclosure and Presentation</i>	√		
	Amendments to PAS 32 : <i>Puttable Financial Instruments and Obligations Arising on Liquidation</i>			√
	Amendment to PAS 32: <i>Classification of Rights Issues</i>			√
	Amendment to PAS 32: <i>Tax Effects of Distribution to Holders of Equity Instruments</i>			√
	Amendments to PAS 32: <i>Offsetting Financial Assets and Financial Liabilities</i>	√		
<b>PAS 33</b>	Earnings per Share	√		



### SCHEDULE III

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 34	Interim Financial Reporting			√
	Amendment to PAS 34: <i>Significant Transactions and Events</i>			√
	Amendment to PAS 34: <i>Interim Financial Reporting and Segment Information for Total Assets and Liabilities</i>			√
	Amendment to PAS 34: <i>Disclosure of information 'elsewhere in the interim financial report'*</i>			√
PAS 36	Impairment of Assets	√		
	Amendment to PAS 36: <i>Disclosure of estimates used to determine a recoverable amount</i>	√		
	Amendment to PAS 34: <i>Units of accounting for goodwill impairment testing using segments under PFRS 8 before aggregation</i>			√
	Amendments to PAS 36: <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	√		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	√		
PAS 38	Intangible Assets	√		
	Amendments to PAS 38: <i>Advertising and promotional activities, units of production method of amortisation</i>			√
	Amendments to PAS 38: <i>Measurement of intangible assets in business combinations</i>			√
	Amendments to PAS 38: <i>Proportionate restatement of accumulated depreciation under the revaluation method</i>			√
	Amendments to PAS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation*</i>			√
PAS 39	Financial Instruments: <i>Recognition and Measurement</i>	√		
	Amendments to PAS 39: <i>Transition and Initial Recognition of Financial Assets and Financial Liabilities</i>	√		
	Amendments to PAS 39: <i>Cash Flow Hedge Accounting of Forecast Intragroup Transactions</i>			√
	Amendments to PAS 39: <i>The Fair Value Option</i>			√
	Amendments to PAS 39 and PFRS 4: <i>Financial Guarantee Contracts</i>			√
	Amendments to PAS 39* and PFRS 7: <i>Reclassification of Financial Assets</i>	√		
	Amendments to PAS 39 and PFRS 7: <i>Reclassification of Financial Assets – Effective Date and Transition</i>	√		
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable

### SCHEDULE III

	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: <i>Embedded Derivatives</i>			√
	Amendment to PAS 39: <i>Eligible Hedged Items</i>			√
	Amendment to PAS 39: <i>Novation of Derivatives and Continuation of Hedge Accounting</i>			√
PAS 40	Investment Property			√
	Amendment to PAS 40: <i>Property under construction or development for future use as investment property</i>			√
	Amendment to PAS 40: <i>Interrelationship of PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property</i>			√
PAS 41	Agriculture			√
	Amendment to PAS 41: Discount rate for fair value calculations and Additional biological transformation			√
	Amendments to PAS 16 and PAS 41: <i>Agriculture-Bearer Plants*</i>			√
<b>Philippine Interpretations</b>				
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: <i>Embedded Derivatives</i>			√
	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 )			√
<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>



### SCHEDULE III

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			√
IFRIC 22	Foreign Currency Transactions and Advance Considerations			√
IFRIC 23	Uncertainty over Income Tax Treatments	√		
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 IV**

**ABRA MINING AND INDUSTRIAL CORPORATION**

**FINANCIAL ASSETS  
DECEMBER 31, 2019**

<b>Name of issuing entity and description of each issue</b>	<b>Number of Shares</b>	<b>Amount show in the Statements of Financial Position</b>	<b>Valued based on market quotation at end of year</b>	<b>Income received and accrued</b>
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NONE

**SCHEDULE V**

**ABRA MINING AND INDUSTRIAL CORPORATION**

**AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,  
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS  
(OTHER THAN RELATED PARTIES)  
DECEMBER 31, 2019**

<b>Name</b>	<b>Balance at beginning of year</b>	<b>Additions</b>	<b>Collections</b>	<b>Amounts written-off</b>	<b>Balance at the end of year</b>
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NONE

**SCHEDULE VI**

**ABRA MINING AND INDUSTRIAL CORPORATION**

**SCHEDULE VII – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH  
ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

Name	Volume of transactions	Terms
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NOT APPLICABLE



**SCHEDULE VII**

**ABRA MINING AND INDUSTRIAL CORPORATION**

**INTANGIBLE ASSETS**

December 31, 2019

<b>Description</b>	<b>Beginning Balance</b>	<b>Additions at cost</b>	<b>Charged to costs and expenses</b>	<b>Charged to other accounts</b>	<b>Other changes additions/(deductions)</b>	<b>Ending balance</b>

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NONE

**SCHEDULE VIII**

**ABRA MINING AND INDUSTRIAL CORPORATION**

**LONG TERM DEBT  
DECEMBER 31, 2019**

<b>Title of issue and type of obligation</b>	<b>Amount authorized by indenture</b>	<b>Amount shown under caption "Current portion of long-term debt" in related Statements of Financial Position</b>	<b>Amount shown under caption "Long-term debt" in related Statements of Financial Position</b>
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NOT APPLICABLE

**SCHEDULE IX**

**ABRA MINING AND INDUSTRIAL CORPORATION**

**INDEBTEDNESS TO RELATED PARTIES  
(LONG TERM LOANS FROM RELATED COMPANIES)  
DECEMBER 31, 2019**

<b>Name of related party</b>	<b>Balance at beginning of the period</b>	<b>Addition during the period</b>	<b>Balance at end of the period</b>
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1. Discovery Mines, Inc.	3,161,500	54,202,700	57,364,200
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**SCHEDULE X**

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**GUARANTEES OF SECURITIES OF OTHER ISSUERS**  
December 31, 2019

<b>Name of issuing entity of securities guaranteed by the company for which this statement is file</b>	<b>Title of issue of each class of securities guaranteed</b>	<b>Total amount guaranteed and outstanding</b>	<b>Amount owned by person for which statement is filed</b>	<b>Nature of guaranty</b>
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NONE

**SCHEDULE XI**

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**CAPITAL STOCK**  
December 31, 2019

<b>Title of issue</b>	<b>Number of shares authorized</b>	<b>Number of shares issued and outstanding as shown under related Statement of Financial Position caption</b>	<b>Number of shares reserved for options, warrants conversion and other rights</b>	<b>Number of shares held by related parties</b>	<b>Number of shares held by Directors, officers and employees</b>	<b>Number of shares held by others</b>
<b>Common Shares</b>	<b>500,000,000,000</b>	<b>99,294,584,200</b>	<b>-</b>		<b>295,600</b>	<b>98,998,984,200</b>

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

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

Branches:  
Cebu and Davao

Phone: (632) 8892-5931 to 35  
(632) 8519-2105  
Fax: (632) 8819-1468  
Website: [www.vacocpa.com.ph](http://www.vacocpa.com.ph)  
BOA/PRC Reg. No. 0314  
SEC Accreditation No. 0361-F



**INDEPENDENT PUBLIC AUDITOR' REPORT ON  
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors  
**ABRA MINING AND INDUSTRIAL CORPORATION**  
Jabel Business Center, 103 West Ave., Quezon City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **ABRA MINING AND INDUSTRIAL CORPORATION** as at December 31, 2019 and 2018, and have issued our report thereon dated June 25, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2019 and 2018 and no material exceptions were noted.

**VALDES ABAD & COMPANY, CPAs**

BOA/PRC Reg. No. 0314

Issued on October 4, 2018, Valid until July 10, 2021

SEC Accreditation No. 0361-F, Group A

Issued on August 23, 2018, Valid until August 22, 2021

BIR Accreditation No. 08-002126-0-2017

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

By:

**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. 8135530, Issued Date: January 10, 2020, Makati City

BOA/PRC Reg. No. 0314

Issued on October 4, 2018, Valid until July 10, 2021

SEC Accreditation No. A-1701-A

Issued on August 23, 2018, Valid until August 22, 2021

BIR Accreditation No. 08-002126-005-2017

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

Makati City, Philippines  
June 25, 2020



## SCHEDULE XII

### ABRA MINING AND INDUSTRIAL CORPORATION FINANCIAL SOUNDNESS INDICATORS SRC RULE 68.1, AS AMENDED (2011) FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

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, 2019 and 2018:

<b>Current Ratio</b>		<b>5.64:1</b>	<b>8.51:1</b>
Total Current Assets divide by	Total Current Assets	<u>5,486,187</u>	<u>7,301,192</u>
Total Current Liabilities	Total Current Liabilities	<u>972,527</u>	<u>857,595</u>
<b>Acid Test Ratio</b>		<b>0.24:1</b>	<b>0.36:1</b>
	Total Current Assets	<u>5,486,187</u>	<u>7,301,192</u>
Quick Assets Less Inventories	Less: Inventories	<u>5,257,117</u>	<u>6,991,063</u>
and Other Current Assets divided	Less: Other Current Assets	<u>-</u>	<u>-</u>
by Total Current Liabilities	Quick Assets/ Current Liabilities	<u>229,070</u>	<u>310,129</u>
		<u>972,527</u>	<u>857,595</u>
<b>Solvency Ratio</b>		<b>0.52:1</b>	<b>-0.09:1</b>
Net Profit(Loss) before	Net Profit (Loss)	- <u>2,802,716</u>	- <u>3,745,062</u>
depreciation divided by Total	Add: Depreciation	<u>33,122,720</u>	<u>-</u>
Liabilities	Net Profit(Loss) before Depreciation/ Total Liabilities	<u>30,320,004</u>	<u>- 3,745,062</u>
		<u>58,336,727</u>	<u>40,074,793</u>
<b>Debt-to-Equity Ratio</b>		<b>0.03:1</b>	<b>0.02:1</b>
Total Liabilities divide by Total	Total Liabilities	<u>58,336,727</u>	<u>40,074,793</u>
Equity	Total Equity	<u>1,716,684,784</u>	<u>1,719,487,499</u>
<b>Asset-to-Equity Ratio</b>		<b>1.03:1</b>	<b>1.02:1</b>
Total Assets Divide By Total	Total Assets	<u>1,775,021,511</u>	<u>1,759,562,292</u>
Equity	Total Equity	<u>1,716,684,784</u>	<u>1,719,487,499</u>

## PROFITABILITY RATIOS

		2019	2018
<b>Return on Asset</b>		<b>0:1</b>	<b>0:1</b>
Net profit Divide by Average	Net Profit/	- 2,802,716	- 2,753,723
Asset (Total Assets Prior Year	Total Assets (PY)	1,759,562,292	1,749,316,341
plus Total Assets Current Year	Total Assets (CY)	1,775,021,511	1,759,562,292
Divide By 2	Total	3,534,583,803	3,508,878,633
	Divide by 2 = Average Asset	1,767,291,902	1,754,439,317
<b>Return on Equity</b>		<b>0:1</b>	<b>0:1</b>
Net Profit Divide By Average	Net Profit/	- 2,802,716	- 2,753,723
Equity (Equity Prior Year Plus	Total Equity (PY)	1,719,487,499	1,772,241,223
Equity Current Year Divide by 2)	Total Equity (CY)	1,716,684,784	1,719,487,499
	Total	3,436,172,283	3,491,728,722
	Divide by 2 = Average Equity	1,718,086,142	1,745,864,361
<b>Profit Margin</b>		-	-
Net Income Divide By Revenue	Net Income	- 2,802,716	- 2,753,723
	Revenue	-	-

The key indicators were chosen to provide management with a measure of the Company's financial Strength (*Current Ratio, Liquidity Ratio, Solvency Ratio, Asset to Equity 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.