



ABRA MINING

& INDUSTRIAL  
CORPORATION

## NOTICE AND AGENDA OF THE ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the 2015 Annual Meeting of Stockholders of ABRA MINING & INDUSTRIAL CORPORATION will be held on December 18, 2015 at 8:00 o'clock in the morning at the AMIC Compound, Lipcann, Bangued, Abra.

The agenda for the Annual Meeting are as follows:

I.	Call to Order
II.	Proof of Service of Notice of Meeting
III.	Proof of the Presence of a Quorum
IV.	Reading of the Minutes of the Previous Meeting and Action Thereon
V.	Report of the President
VI.	Approval of the Audited Financial Statements for the year ended December 31, 2015 contained in the Annual Report
VII.	Approval and Ratification of all Management's Acts, Transactions, Decisions and Resolutions of the Board.
VIII.	Election of Directors including Independent Directors
IX.	Re-Appointment of External Auditors
X.	Re-Appointment of Transfer Agent
XI.	Other Matters
XII.	Adjournment

Stockholders of record as of December 8, 2015 are entitled to notice and to vote at the Annual Meeting.

**Atty. DANILO D. LUNA**  
Corporate Secretary

MANILA OFFICE:

JAFER Bldg. - 3/F, #118 West  
Ave.,  
Quezon City, 1104 - Metro  
Manila,  
Philippines  
Tel. Nos. (632) 925-1604 to 07  
(632) 925-1609 to 10  
Fax No. (632) 925 - 1611

MINE OFFICE:

Lipcann, Bangued, Abra  
Tel. Nos. (63 74) 752 - 8419  
(63 74) 752 - 8120

**ANNEX TO NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
OF ABRA MINING & INDUSTRIAL CORPORATION**

**AGENDA  
December 18, 2015 ANNUAL STOCKHOLDERS' MEETING**

**CALL TO ORDER**

The President will formally open the 2015 Annual Stockholders' Meeting. The Directors and officers of the company will be introduced.

**PROOF OF NOTICE**

The Corporate Secretary will certify that Notice, Information Statement including the annual report have been sent to all stockholders of record as of December 8, 2015 as well as the publication of the Notice of Stockholders in a newspaper of general circulation.

**CERTIFICATION OF QUORUM**

The Secretary will attest to the attendance whether a quorum is present.

**READING OF THE MINUTES OF THE PREVIOUS MEETING AND ACTION THEREON**

Shareholders may examine the Minutes of the previous stockholders' meeting. The resolution to be adopted will be for the approval of the Minutes of the November 28, 2014 Annual Stockholders' Meeting.

**REPORT OF THE PRESIDENT**

The President will render his report to the shareholders.

**APPROVAL OF THE AMENDED AUDITED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014  
CONTAINED IN THE ANNUAL REPORT**

The annual report and the financial statements audited by an independent auditors, KL Siy & Associates will be presented. The resolution to be adopted will be the approval of the Audited Financial Statements of the Company for the year ended December 31, 2014.

**APPROVAL AND RATIFICATION OF ALL  
MANAGEMENT'S ACTS, TRANSACTIONS,  
DECISIONS AND RESOLUTIONS OF THE BOARD**

The Company's Management Report/Acts, Transactions, Decisions and Resolutions, will be submitted for approval by the Stockholders.

The resolution to be adopted will be the approval and ratification of the Management Reports, Acts, Transactions, Decisions and Resolutions.

**ELECTION OF DIRECTORS INCLUDING  
INDEPENDENT DIRECTORS**

The Final list of candidates for election as directors as prepared by the Nomination Committee in accordance with the Company's By-Laws and Manual on Corporate Governance will be presented to the shareholders and the election of directors will be held.

**APPOINTMENT OF EXTERNAL AUDITORS**

The Audit Committee screens the nominee for the independent external auditor and makes recommendation on the re-appointment of the external auditor.



The resolution to be adopted will be the approval of the Company's external auditors for 2015.

**RE-APPOINTMENT OF TRANSFER AGENT**

**OTHER MATTERS**

Matters that are relevant to and appropriate for the annual stockholders meeting may be taken up.

**ADJOURNMENT**

**ABRA MINING & INDUSTRIAL CORPORATION**

Lipcann, Bangued Abra

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1.  Preliminary Information Statement  
 Definitive Information Statement

2. Name of Registrant : **ABRA MINING & INDUSTRIAL CORPORATION**

3. Country of Incorporation : **PHILIPPINES**

4. SEC Identification Number : **25844**

5. BIR Tax Identification Code : **375-930-000**

6. Address of Principal Office : **Lipcann, Bangued, Abra**  
**Postal Code 2800**

7. Registrant's telephone number  
including area code : **(632) 925-16-05-10**

8. Date, time and place of Annual  
Stockholders' Meeting : **December 18, 2015**  
**8:00 A.M.**  
**AMIC Compound, Lipcann, Bangued, Abra**

9. Approximate date on which the  
Information Statement is first to be sent  
or given to security holders : **November 26, 2015**

10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code

**Title of Each Class**

**Number of Shares of Common Stock  
Outstanding or Amount of Debt Outstanding**

**Common**

**199,294,584,200**

11. The registrant's issued common shares are listed on the **Philippine Stock Exchange, Inc. (PSE)**

**ABRA MINING & INDUSTRIAL CORPORATION**  
Lipcann, Bangued, Abra

SEC Identification No. 25844  
BIR Tax Identification Number 375-930-000  
Telephone Numbers (632) 925-1605 to 10  
Fax Number (632)925-1609

**INFORMATION STATEMENT**

(PURSUANT TO SRC RULE 20)

**WE ARE NOT ASKING FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

**A. GENERAL INFORMATION**

**Item 1. Date, Time and Place of Meeting**

Date : December 18, 2015  
Time : 8:00 A.M  
Place : AMIC Compound, Lipcann, Bangued, Abra

**Record Date**

Record Date : December 8, 2015

**Approximate Date of First Release of Information Statement**

Approximate Date on which the Information Statement is first to be sent  
or given to security holders : November 26, 2015

**Item 2. Dissenters' Right of Appraisal**

There is no action to be presented for approval with respect to which stockholders may exercise their appraisal rights under Title X of the Corporation Code of the Philippines.

Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- i) *In case of any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in respect to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 81);*
- ii) *In case of any amendment to the articles of incorporation*
- iii) *In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 81);*
- iv) *In case of merger or consolidation (Section 81); and*
- v) *In case of investments in another corporation, business or purpose (Section 42);*

Since the matters to be taken up do not include any of the foregoing, the appraisal right will not be applicable.

However, if at any time after the Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

### **Item 3. Interest of Certain Persons in or Opposition to Matters to be acted Upon**

There are no matters to be acted upon which a director or officer of the registrant, each nominee for election as a director or each associate of any of the foregoing persons, have any substantial interest, direct or indirect by security holdings or otherwise.

No director/ independent director has informed the Company that he/she intends to oppose any action to be taken by the Company at the Annual Meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **Item 4. Voting Securities and Principal Holders Thereof**

As of October 31, 2015 the Company had 199,294,584,200 outstanding common shares and each share is entitled to one vote. . The Company does not have any class of shares other than common shares.

The Foreign Equity as of October 31, 2015 is 3,432,145,000 or 1.72% of the total issued and outstanding shares

Only stockholders of record as of the close of business on the Record Date entitled to receive notice of and to vote at the meeting. A holder of common shares who is entitled to vote at the Meeting

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

### **Security Ownership of Certain Record and Beneficial Owners**

The following stockholders own more than five percent (5%) of the Company's stock as of October 31, 2015:

<i>Title of Class</i>	<i>NAME &amp; ADDRESS OF RECORD OWNER and RELATIONSHIP WITH ISSUER</i>	<i>NAME OF BENEFICIAL OWNER &amp; RELATIONSHIP WITH RECORD OWNER</i>	<i>CITIZENSHIP</i>	<i>NO. OF SHARES HELD</i>	<i>PERCENTAGE OF CLASS</i>
<i>Common</i>	<b>PCD NOMINEE<sup>1</sup></b> <i>Makati City-Significant None</i>	<i>Various</i>	<i>Filipino/Other Alien</i>	83,323,426,755	45.54%
<i>Common</i>	<b>JABEL CORPORATIO<sup>2</sup></b> <i>19 East Lawin Dr., Philam, Quezon City Affiliate</i>	<i>Jabel Corp.</i>	<i>Domestic /Filipino</i>	78,050,000,000	39.16%

<sup>1</sup>Registered owner of shares held by participants in the PCD, a private company organized to implement an automated book entry system of handling securities in the Philippines. Shares lodged with PCD are voted through its appointed proxy. PCD is not related to AMIC. Registrant has no knowledge of stockholders owning more than 5% in the name of PCD

<sup>2</sup>The Board of Directors of Jabel Corporation have the power to decide how the shares are to be voted. Mr. James G. Beloy exercise the voting right for Jabel Corp.

### Security Ownership of Directors and Officers

The beneficial ownership of directors and executive officers of the Company as of October 30, 2015 are as follows:

<i>Title of Class</i>	<i>NAME OF BENEFICIAL OWNER</i>	<i>NAME OF NATURE OF OWNERSHIP</i>	<i>AMOUNT OF BENEFICIAL OWNERSHIP</i>	<i>CITIZENSHIP</i>	<i>%</i>
<i>Common</i>	<b>Jeremias B. Beloy</b>	<i>Direct</i>	<i>100,600,000</i>	<i>Filipino</i>	<i>0.05498</i>
<i>Common</i>	<b>James G. Beloy</b>	<i>Direct</i>	<i>100,000,000</i>	<i>Filipino</i>	<i>0.05466</i>
<i>Common</i>	<b>Yu Ting Guan</b>	<i>Direct</i>	<i>3,000,000</i>	<i>Filipino</i>	<i>0.0016</i>
<i>Common</i>	<b>Ma. Belinda T. Gaskell</b>	<i>Direct</i>	<i>4,000,000</i>	<i>Filipino</i>	<i>0.0021</i>
<i>Common</i>	<b>Premy Ann G. Beloy</b>	<i>Direct</i>	<i>450,000</i>	<i>Filipino</i>	<i>0.0002</i>
<i>Common</i>	<b>Amelia G. Beloy</b>	<i>Direct</i>	<i>88,300,000</i>	<i>Filipino</i>	<i>0.0482</i>
<i>Common</i>	<b>Joel G. Beloy</b>	<i>Direct</i>	<i>450,000</i>	<i>Filipino</i>	<i>0.0002</i>
<b>Directors and Executive Officers as group Unnamed</b>			<b>296,800,000</b>	<b>Filipino</b>	<b>0.1622</b>

Except for the shareholdings reported above, the Corporation has not received from any incumbent directors/independent directors and officers of the Corporation and nominees for election, any statement of ownership, whether of record or beneficially of more than 5% of the Corporation's issued and outstanding common share.

### Security Ownership of Non Filipinos

As of October 31, 2015 the security ownership of non-Filipinos is as follows:

<i>Total Outstanding shares</i>	<i>Shares Allowed to Foreigners</i>	<i>Shares Owned by Foreigners</i>	<i>% Owned by Foreigners</i>	<i>Shares Owned by Filipino</i>	<i>% Owned by Filipino</i>
199,294,584,200	79,717,833,680	3,432,145,000	1.72%	195,862,439,200	98.27

### Voting Trust Holders/Changes in Control

The Board of Directors and Management of the Company is not aware of any voting trust holders of 5% or more of the company's stock. There are no arrangements which may result in a change in control of AMIC.

### **Recent Sale of Securities**

On July 27, 2015, the Securities and Exchange Commission (SEC) approved the Company's request for the confirmation of the issuance of One Billion (Php1,000,000,000) Pesos worth of shares. Said issuance is exempt transaction under Section 10.1(i) of the Securities Regulation Code.

### **Item 5. Directors and Executive Officers**

#### Directors

The names of the incumbent directors of the Company are as follows:

**JEREMIAS B. BELOY** – 79 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** – 55 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.

**PREMY ANN G. BELOY** - 53 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 and 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.

**MA. BELINDA T. GASKELL** – 53 years old, Filipino. She received her BS Psychology degree from the St. Paul University. She was Outlet Manager for Bookdale Club from June 1982 to June 1983. She was Pre-Nursery Teacher from 1983 to 1985 at Children’s Creative Learning Center. She is the President of Valley Plywood Corporation.

**YU TING GUAN** – 57 years old, Filipino, assumed the position as independent director on September 1, 2006. He has been director/officer of ATN Holdings Corp., 7K Land Corp. and Moomba Development Corporation.

**Process and Criteria for Selection of Nominees for Directors**

The Nomination Committee composed of:

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<b>Yu Ting Guan</b> <b>Premy Ann G. Beloy</b> <b>Ma. Belinda T. Gaskell</b>	<b>Chairman</b>
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have screened the nominees for election to the Board of Directors in accordance with the Company’s Manual on Corporate Governance. The Committee assessed the candidates’ background, educational qualifications, and work experience as would enable them to effectively participate in the deliberation of the Board.

In the case of independent directors, the Committee has reviewed their business relationship and activities to ensure that they have the qualifications and none of the disqualifications for independent directors as set forth in the Company’s Manual of Corporate Governance, the SRC and its Implementing Rules and Regulations. The Committee further considered SEC Memo Circular No. 9, Series of 2011 regarding the term limits for independent directors.

**Nominees for Election at Annual Stockholders’ Meeting on December 18, 2015**

In accordance with the Company’s By-Laws, the Nomination Committee screened the nominees to determine whether they have all the qualifications and none of the disqualifications for election to the Company’s Board of Directors.

The final list of nominees for the election as regular and independent directors of the Company at the Annual Meeting are as follows:

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<b>Names</b>	<b>Periods of Service</b>
<b>Jeremias B. Beloy</b> Director	1995 to present
<b>James G. Beloy</b> Director	1997 to present
<b>Premy Ann G. Beloy</b> Director	September 2009 to present
<b>Yu Ting Guan</b> Independent Director	September 2006 to present
<b>Ma. Belinda T. Gaskell</b> Independent Director	2013 to present

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The Company has complied with the guidelines on the nomination and election of independent directors prescribed in Rule 38 of the SRC.

Mr. Yu Ting Guan and Ms. Ma. Belinda T. Gaskell was nominated by Mr. Ferdinand U. Collado and Ms. Dulce Oliva, respectively. Both nominees have accepted their nominations. There are no relationships between the two nominees for independent director and the persons who nominated them.

Mr. Yu Ting Guan and Ms. Belinda T. Gaskell were elected Independent directors on September 1, 2006 and November 29, 2013, respectively. They have each served less than five (5) years as independent directors of the Company reckoned from their election and from the period provided in SEC Memorandum Circular No. 9, Series of 2011. None of the independent directors is employed by any government agency or instrumentality.

### **Executive Officers**

The following are present executive officers of the Company:

**JEREMIAS B. BELOY** – 79 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** – 55 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.

**AMELIA G. BELOY** – 78 years old, Filipino citizen is the Vice-President for Administration, Treasurer and Assistant Secretary of the company. She is a licensed realtor.

**JOEL ALBERT G. BELOY** – 42 years old and Filipino, obtained his AB Interdisciplinary Studies from Ateneo de Manila University. He is the Vice-President Management handling all systems requirements and administrative function of the corporation.

**ARMANDO L. JAVILINAR** - 78 years old, Filipino citizen and currently the Vice-President Operations of the company. He is a mining engineer by profession.

### **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 judgment 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, which occurred during the past five years.

### **Certain Relationships and Related Transactions**

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

#### **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:

**Advances from affiliated company:**

Advances from an affiliated company amounting to P34,448,739 represent the total cash advances to meet working capital requirements of AMIC are being provided by Jabel Overseas Corporation (Jabel), which holds 49% of the shareholdings, is organized and incorporated under the Philippine laws. These advances are non-interest bearing and have no fixed repayment terms.

Jeremias B. Beloy, the President and Chairman of the Corporation owns 26.70% interest in JABEL Corporation and also 1 Million shares in Discovery Mines, Inc. James G. Beloy, another director of the corporation, owns 9.30% interest in JABEL Corporation.

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

The directors of the Company are given a per diem of P1, 000.00 per Board Meeting attended. There are no other arrangements by which the directors are being compensated directly or indirectly. The compensation received by the officers represents, salaries and benefits.

**Table 5– Executive Compensation**

<b>A. Executive Officers</b>		<b>Position</b>			
Jeremias B. Beloy		President & Chairman of the Board			
James G. Beloy		Executive Vice President			
Amelia G. Beloy		VP-Administration			
Joel G. Beloy		VP-Management and Services			
Danilo D. Luna		Corporate Secretary			
	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Others</b>	<b>Total</b>
All Executive Officers as a Group	Estimates 2015	908,400.00	-	772,400.00	1,680,800.00
	2014	908,400.00	-	772,400.00	1,680,800.00
	2013	908,400.00	-	772,400.00	1,680,800.00
<b>B. Directors</b>					
Director's per diem	2015-Estimates				75,000.00
	2014				75,000.00
	2013				75,000.00
<b>ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP</b>					
		<b>Total Amount</b>			
2015 (Estimates)		1,755,800.00			
2014		1,755,800.00			
2013		1,755,800.00			

**Item 7. Independent Public Auditor**

The re-appointment of the Company's Independent public auditor will be submitted to the shareholders for approval at the Stockholders' Meeting on December 18, 2015.

Representatives of said firm are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

**External Audit Fees and Services**

**Audit and Audit Related Fees**

The Company's external auditors were engaged primarily to express an opinion on the financial statements of the Company.

The procedures conducted for the engagement included those that are necessary under auditing standards generally accepted in the Philippines.

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

	2015	2014
<b>Audit fees</b>	<b>Php102,000.00</b>	Php102,000.00
<b>Tax fees</b>	<b>Php12,240.00</b>	Php12,240.00
<b>Other fees</b>	<b>Not applicable</b>	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

The Company's Audit Committee recommends to the Board the re-appointment of the external auditor.

#### **Audit Committee's Approval Policies and Procedures**

The Audit Committee is composed of:

<b>Yu Ting Guan</b>	<b>Chairman (ID)</b>
<b>Ma. Belinda</b>	<b>Member (ID)</b>
<b>Premy Ann G. Beloy</b>	<b>Member</b>
<b>Joel G. Beloy</b>	<b>Member ,</b>

The Audit Committee adopted a Revised Audit Committee Charter in compliance with SEC Memorandum Circular No. 4, Series of 2012. The Charter sets forth the Audit Committees' purposes, authority, duties and responsibilities, structure and procedures which shall guide the function of the Committee as prescribed by the Revised Code Corporate Governance, the Company's Manual on Corporate Governance and the Guidelines for the Assessment of Performance of Audit Committees of Companies listed on the Exchange promulgated by the Securities and Exchange Commission (SEC).

The external auditor prepares an accountability statement that sufficiently identifies the officers responsible for the financial report.

The final form of the audited financial statements is then presented to the company's audit committee members who review and further examine and perform their oversight financial management functions. The approval of the external auditor's fees is made by the audit committee.

#### **Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**

There has been no disagreement with the independent accountants as to any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

#### **Item. 8 Compensation Plans**

No action is to be taken by the shareholders at the Meeting with respect to any plan pursuant to which cash or non cash compensation may be paid or distributed.

#### **D. OTHER MATTERS**

##### **Item 15. Action with Respect to Reports**

Action to be taken on the reading and approval of the following:

##### **1. Minutes of the Previous Stockholders, Meeting**

The Minutes of the Annual Stockholders Meeting held on November 28, 2014 are available for inspection by stockholders at the principal offices of the Company.

Matters taken up during the 2014 Stockholders' Meeting were:

- a) Reading and approval of the Minutes of 2013 Stockholders Meeting
- b) Approval of the Annual Report including the Audited Financial Statements for 2013;
- c) Approval and ratification of all Management Acts, Transactions, Decisions and Resolutions of the Board for 2013 and up to the date of the 2014 Stockholders' Meeting;

- d) Appointment of KL Siy & Associates as external auditors;
- e) Re-appointment of transfer agent; and
- f) Election of Directors of the Company for 2014.

The resolution to be adopted will be for the approval of the Minutes of the November 28, 2014 Annual Stockholders' Meeting.

## 2. Management Reports

The Company's Management Report/Acts, Transactions, Decisions and Resolution, which includes the Audited Financial Statements for 2014 will be submitted for approval by the Stockholders. A copy of the Management Report is attached to this Information Statement. Upon written request, shareholders shall be provided with a copy of the Company's Annual Report on SEC Form 17-A free of charge.

The resolution to be adopted will be the approval of the Management Reports and the Audited Financial Statements of the Company for the year ended December 31, 2014.

### Item 16. Matters not required to be submitted

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

### Item 17. Amendment of Charter, By-Laws and Other Documents

### Item 18. Other Proposed Action

Action is to be taken on the ratification and approval of all management acts, transactions, decisions and resolution of the Board and officers for the corporate year 2014 to 2015.

### Item 19. Voting Procedures

Stockholders as of October 31, 2015 may vote at the Annual Stockholders' Meeting on November 27, 2015. Registration of stockholders and proxies attending the meeting will open at 8:00 a.m. of November 27, 2015.

#### 1. Votes required

Proposed Corporate Action	Vote Required
Approval of the 2014 Minutes of Stockholders' Meeting and all Acts of the Board of Directors and Management	Majority of the outstanding shares of common stock entitled to vote
Election of five (5) directors including two (2) independent directors	Five (5) nominees receiving the highest number of votes of shares of common stock entitled to vote will be declared elected as directors and two (2) of them who have been pre-qualified as independent directors will be elected as such.
Ratification and Confirmation of all acts, proceedings, transactions and resolutions of the board of directors since the previous annual and stockholders' meeting up to the present.	Majority of the outstanding shares of common stock entitled to vote

#### 2. Manner of Voting

Voting shall be done *viva voce* or by raising of hands and the votes for or against the matter submitted shall be tallied by the Corporate Secretary in case of a division of the house.

#### 3. Method of Counting Votes

Counting of votes will be done by the Corporate Secretary or his authorized representative with the assistance of the representative of the stock transfer agent of the company, Asian Transfer & Registry Corporation.

All votes attaching to the shares of common stock entitled to vote owned by stockholders whose proxies were received by the Company will be cast in accordance with the instructions given or authority granted under the proxies.


**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. The report is signed in the City of Quezon on November 21, 2015.

ABRA MINING & INDUSTRIAL CORPORATION

November 21, 2015

BY:

  
**JEREMIAS B. BELOY**  
Chairman & President

UPON WRITTEN REQUEST OF THE STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) **FREE OF CHARGE UPON WRITTEN REQUEST ADDRESSED TO:**

**ATTY. DANILO D. LUNA**  
Corporate Secretary  
Abra Mining & Industrial Corporation  
Suite 3, Jafer Building  
118 West Avenue, Quezon City

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **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 and was granted extension of corporate life on September 26, 2015. Its shares of stock was listed at the Philippine Stock Exchange (PSE).

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 is located at Lipcann, Bangued, Province of Abra, and the business office is located at Suite 3, 3<sup>rd</sup> Floor, Jafer Center Building, 118 West Avenue, Quezon City.

### **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 & Geoscience 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**  
The Company has not allocated funds for its 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 2014, Registrant has 20 employees broken down as follows:

Administrative	4
Technical	7
Operations	5
Finance	4
<b>Total</b>	<b>20</b>

For the ensuing twelve months period, the Company has no intention of hiring new personnel.

The Company has no Collective Bargaining Agreement with employees and no strike or labor dispute of any kind has occurred for the past three (3) years

- (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.

**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.

<b>Property</b>	<b>Location</b>
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

### **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.

### **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**

### **Market for Issuer’s Common Equity and Related Stockholder Matters**

#### **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 from 2013, 2014 and 1<sup>st</sup> Quarter to 3<sup>rd</sup> Quarter of 2015:

<i>Calendar Period</i>	<i>Prices per share (in pesos)</i>	
	<i>High</i>	<i>Low</i>
<b>2015</b>		
First Quarter	0.0071	0.0052
2 <sup>nd</sup> Quarter	0.0059	0.0047
3 <sup>rd</sup> Quarter	0.0074	0.0046
<b>2014</b>		
First Quarter	0.0056	0.0030
2 <sup>nd</sup> Quarter	0.0051	0.0044
3 <sup>rd</sup> Quarter	0.0049	0.0043
4 <sup>th</sup> quarter	0.0098	0.0061
<b>2013</b>		
First Quarter	0.007	0.0056
Second Quarter	0.0052	0.0038
Third Quarter	0.0057	0.0038
Fourth Quarter	0.007	0.0043

#### **Holders**

Registrant has 869 holders of the company’s outstanding shares of common stock and the following are the top twenty (20) holders of said shares as of October 31, 2015:

<i>Name of Stockholders</i>	<i>Outstanding shares held</i>	<i>% of Total Shares Held</i>
1. PCD Nominee Corporation	104,711,466,755	52.54%
2. Jabel Corporation	78,050,000,000	39.16%
3. Discovery Mines, Inc.	1,050,000,000	0.52%
4. Lu Ben Hua	380,000,000	
5. Ferdinand U. Callado	200,000,000	
6. Li Chih Hui	200,000,000	
7. Bartholome W. Dybuncio Young	180,000,000	



8.	<i>Mariano O. Chua</i>	<i>167,000,000</i>
9.	<i>Antonia So Ngu</i>	<i>156,000,000</i>
10.	<i>Anselmo C. Roque</i>	<i>143,000,000</i>
11.	<i>Tansengco &amp; Co., Inc.</i>	<i>134,320,000</i>
12.	<i>Rafael Tansengco</i>	<i>100,000,000</i>
13.	<i>Jeremias B. Beloy</i>	<i>100,000,000</i>
14.	<i>Valley Plywood</i>	<i>100,000,000</i>
15.	<i>Dulce Oliva</i>	<i>100,000,000</i>
16.	<i>James G. Beloy</i>	<i>100,000,000</i>
17.	<i>Elma Laguinia</i>	<i>100,000,000</i>
18.	<i>Yu &amp; Company, Inc.</i>	<i>99,290,000</i>
19.	<i>Amelia G. Beloy</i>	<i>88,300,000</i>
20.	<i>Sammy Ngu</i>	<i>70,000,000</i>

### **Dividends**

No dividends have been declared by the company.

### **Recent Sales of Unregistered Securities**

Registrant has not issued additional shares.

### **Description of Registrant's Securities**

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

## **PRESIDENT'S MESSAGE**

### **TO THE STOCKHOLDERS:**

Our country is already emerging slowly from a very tough and challenging year amidst the impact of devastating natural calamities which could severely cripple our economy already beset by capital outflows and slow growth. The international community is awed by our resiliency to mitigate the magnitude of such devastation. Despite such scores of disruption, the country managed to uphold its credit rating and surpass the gloomy annual economic growth forecast of the international community. It further heightened its status as a fertile investment destination true to its being dubbed as the fastest growing economy in Southeast Asia region. The year ended saw the catastrophic collapse of the value of metals and its derivatives that battered the mining industry giving rise to suspension of operations and closures. As the prices of metals rebound, many companies have pondered to pursue their suspended projects in the country as several nations banned their export of minerals purportedly to conserve their resources. The Philippines has become attractive again as a mining investment destinations as it is known to have rich mineral reserves that are waiting to be tapped and with fairly stable political condition coupled by skilled manpower resources.

The Philippines is endowed with abundant mineral resources that are practically untapped until today because of discordant regulatory policies that hinder the pursuit of legitimate mining ventures. These relevant projects are requisite investment in the countryside to provide inclusive growth and alleviate poverty. This opportunity to obtain free capital and stimulate the prime development of our rural areas must be the foremost consideration of our regulatory authorities to clinch the resolute and serious foreign venture investors.

Our country is well positioned to become the leading producer of minerals in Southeast Asia with proper incentives and government support including the political will to implement the National Law governing the Mining Act of 1995. This includes the power to overrule contradictory local policies to hasten commercial operations of all mining ventures in the countryside. It is an opportunity of our company to be still in the forefront of the Philippine Mining Industry with our legitimate reserves intact such as gold-copper and iron mineral holdings tenements are great assets offering investors opportunity ready for development to enrich the economic share values of our company.

Presently, the Philippines is the focus of international attention as the fastest growing economy in Southeast Asia region offering great opportunities for rapid growth and investment. Many international companies are mulling to relocate there operations in these areas which are bountiful in natural and human resources. The demographic region is the home of a third of the global

population that can sustain burgeoning internal market consumer demand essential in business ventures and other industries. A good prospect for the Philippines to clinch majority of these foreign investors who are attracted to our impressive growth performance for the past several years and the remarkable achievement of our government in the structural reforms of public governance. More particularly, our abundant natural resources ranked as one of the richest countries in the world in terms of strategic mineral reserves of gold, platinum, copper, chromite, nickel, iron, manganese and nonmetals such as limestone, silica, to name a few, including oil and natural gas deposits. It is also worthy to note the significance of our agriculture and aquaculture sector that can be developed for inclusive growth and sustainable productivity for self-sufficiency and for export ventures especially our huge aquamarine resources. A remarkable headway in our robust growth for self-sufficiency have greatly strengthen our country's defenses from within and external shocks to any fearsome tragic financial crisis.

A gloomy forecast of the looming global financial disruptions and fundamental financial changes in the years ahead will make gold assets increase in value during any period of instability and will also become a vital part of the future monetary system. Gold is an abundant natural reserve in our country that can shield the value of our monetary system in the event of a financial turmoil. On account of which we can become the leading producer in the region with a proper program of exploitation. The Chinese people are frantically buying gold as much as they can afford at a frenzied pace to counter declining values of their multi-trillion dollar horde and their strong demand to convert their dollar is a pivotal role that will keep gold price soaring in the long term. Even Central Bank of emerging nations are persistently buying gold as their counterpart Central Banks of the major countries of the world are quietly preparing and converting gradually their Dollar Reserves into gold. These brewing conditions provide a perfect recipe for gold as an excellent refuge. The undisputed acceptability of gold for more than 5000 years ago to preserve wealth since time immemorial gives credence to its stature that it should be the foundation of all currencies. The stature of the value of the U.S. dollar as the international settlement currency is slowly decreasing due to unabated printing by the U.S. Fed to bankroll their debt obligations further intensifying inflation and accelerating the increase of the value of Gold as the true currency that cannot be printed. It is forecast that the price of Gold will skyrocket imminently chased by enormous fiat of the dollar as the physical gold available is dwindling and furthermore worsened by limited supply of mined gold.

The incessant pursuit of the AMIC Officers and Board to seek the fitting recipe to achieve its long term goal pursuant to our mining mission-vision for a variety of *Opulent Investors and Strategic Partners* to expedite the economic utilizations of its vast and diverse AMIC mineral properties in its mining tenement holdings. The program of management to refocus its game plan for a multi-investor approach is aimed to explore the most attractive and beneficial deal that can be ratified to further enhance and fortify the financial stability of the company rather than with a unilateral partner for its several mine property resource bank.

The prime concern now that metal prices are consolidating and the foreseeable outlook on increasing values because of dwindling supplies due to some mine closures and curtailment of exports is to search for a financial provider or investor with the financial muscle to promptly launch the commercial operations of the several mining projects. These are the Abra River Alluvial Gold Magnetite Project, Limestone and Lime Project and the Patok Gold Mine. Likewise, other investor that can expedite the massive expansion of the Alluvial Dredging Operations and able to provide the funding requirements of a large scale magnetite operations including downstream conversion of magnetite to sponge iron and the recovery of precious metals. The Company seeks to achieve this goal by engaging the services of Foreign Financial Advisers, International Stock Brokers and Underwriters who have the expertise to lead the investment promotions and close deals with the right group of foreign investors and private placement that fits in our five years Corporate Management plan. Their engagement can also help the Company tap their services to conduct foreign road show promotions when the planned offshore equity primary and secondary shares offerings are conducted in the international stock exchanges..

Meanwhile, as Management is working for the entry of the various bigger projects in the pipeline to materialize, the most suitable project of the company with the least capital requirement are the Baticang Lime Project (BLIME) and the Abra River Alluvial Gold-Magnetite Operation (ARA-GMO). These company projects have the most extensive economic R&D viability study and position for ready commercial scale plant installation. The immediate operations can yield high returns and provide ready cash flow at the least capital cost and notably much faster plant construction and commissioning than the envisioned broader mining projects.

The Company is carefully working to secure funds for the set up of the Baticang Lime Plant Kiln in our massive Bucay Limestone Deposit for the production of Lime (CaO), Ground Calcium Carbonate (GCC) and Precipitated Calcium Carbonate (PCC). This project has been studied & researched meticulously during the seven year period that the Company patiently waited for the approval of its ECC permit. The viability to supply the targeted market areas has been noted to manifest an impressive rising demand and sales figures as the mining and agricultural activities are growing extensively. It is pertinent to note that the Market study was undertaken when both business sectors were at its lowest, and even then, the sales figures were very encouraging and with a very promising future. This venture was largely isolated from the rest of the projects and envisioned to provide the Company with high returns at the least capital cost and notably with plant construction and commissioning much faster than the bigger hard rock projects. The plant design has already been completed and all the plant equipment from mining, crushing, vertical kiln and roasting equipment, finishing mill and delivery equipment have all been stored at Baticang yard ready for the construction and installation upon availability of funds. This lime project are integral part of the resumption of the Patok Gold Project for its lime requirement. Primarily, it will supply the lime requirements of the existing Baticang Polymetallic Ore Mill Plant. Meanwhile, the Lime production of the Baticang plant can supply immediately the lime requirements of the central plain and surrounding areas of Luzon. The integral lime mine plant requirements of the Baguio Mining District where most of the mines are located can acquire their supplies as well as the agricultural lime requirements of northern and central Luzon areas being the only producer in the Northern Region. Lime is also a very strategic material input for the agriculture industry as soil

conditioner and organic fertilizer. The demand is foreseen to increase significantly due to the heightened government program of food security, self-sufficiency and the very promising prospect of agrifoods and value added products for export to the huge demand of the international markets.

To pursue AMIC's strategy to establish the Baticang Mine Plant Complex is to provide the cluster compound of varied mine plant operations. Apart from the Lime Plant Operations and its by-product processing complex, the Baticang Metallic Mill Plant was built and conceived to be a noble design that can integrate and process efficiently multiple types of ore deposits present in our different mining tenement areas. The plant design flow sheet can process simultaneously the Company's different types of run of mine ore from its Alluvial and Patok Properties including ores of small scale miners. This ingenious system merges the Alluvial Gold and the complex ore type of Patok Gold and other ores into a continuous single processing method using Gravity, Centrifuge, CIL and CIP Technology while simultaneously being able to treat sulphide ores by flotation method from both properties.

During AMIC's inception, its Technical Officers thought the existence of an Alluvial deposit in the province of Abra an emerging mining concept in the country which is not popular and was overlooked due to the abundance of hard rock deposits. After decades of technical evaluation and research, the huge Abra River flood plain was found to contain alluvial deposits of boulders, gravel and sand aggregates intermixed with magnetite and precious metals that can be exploited for commercial operations. It was conceived in the early eighties to launch an extensive exploration and research works to verify the feasibility of a large scale commercial operation in the advent of the Company's concept of a productive Alluvial Magnetite-Gold Project of the huge Abra River deposits. The objective is to develop a viable processing plant during the research and exploration stage to recover the iron and precious metals in the deposit as the start-up operation of the Company's blueprint of an active mining operation. This project has been envisioned to last a good number of years chiefly because the deposits are replenished every flood season and have been ascertained whilst still in the exploration stages to contain commercial quantity of black material called Magnetite Iron Sand. The magnetite iron sand industry during the late 70's and early 80's has a booming market and the major buyer is Japan. Presently, the world Iron supply is now fast dwindling mainly due to some iron-producing countries like Indonesia, India and Brazil have passed laws limiting or banning altogether their export to conserve and supply the requirements of their own growing domestic steel industries. These policies translate to a steadily rising iron prices due to tight supply and burgeoning global demand.

The Company's Magnetite-Gold Operation, with an initially installed pilot mill plant capacity of 30-50MTPD over a sole production shift which is modest enough considering intermittent operations and as research runs occupy the daily priorities in recovering the finer gold values. Paramount efforts are being undertaken to maximize the alluvial mineral resource to recover not only Magnetite Iron Sand but also the more valuable precious other metals. Recovery of fine gold is quite a tricky business as it could just as easily appear and vanish in the operational line in the blink of an eye. Topmost in the development and research program is to fully implement a more productive magnetite iron sand recovery system with utmost attention to improving the plant flow sheet to recover the finer free gold particles including those interlocked within. With the Magnetite iron sand stockpile fast rising and turning into a warehousing problem, efforts are now shifting from production tune-ups to product marketing for international buyers such as Japan, Korea and China. Research is underway to convert the magnetite to sponge iron as another alternative to add value to the product and greatly reduce the hauling cost to market.

AMIC's Engineering Research Department seeks to put gold recovery with the utmost concern for the least impact on the environment. Research is in high gear for the most efficient recovery of very fine gold barring the use of conventional toxic chemicals. Prime concern is being undertaken to maximize the alluvial mineral resource to recover not only magnetite iron sand but also the more valuable super fine gold and other precious metals. The recovery of alluvial fine gold particles is quite daunting and a complicated operation because the magnetite mineral has the same associated weight with most gold alluvial deposits that gravely impede the recovery of super fine gold values. This makes the conventional methods of recovery of very fine precious metal inefficient but invaluable in the plant recovery system. The continuous upgrading process of our plant flow sheet is the endless endeavor of our Engineering Research Team which constantly monitors the operations. In conformity with the results of their study, research and interfaced refinement are integrated immediately to generate a more efficient progressive plant design to maximize the recovery technique to ensure the viability of the subsequent master plan envisioned in the large scale commercial operations.

The expansion program for the Alluvial ARA-GMO plant incorporated in the earlier design will undergo major revisions based on the updated flowsheet on the latest R&D results which will incorporate three noble line methods of concentrating system to recover magnetite iron sand and the precious metals as the following details previously mentioned before in our reports.

- The flow line starts by digging or dredging the riverbed as feed material to de-rocking circuit producing sand aggregates that are further screened to finer mesh. The fine sand products will be the feed material to the main recovery circuit consisting of magnetic separation system for the recovery of magnetite iron sand followed by hydro mechanical jigs methods to recover the coarse to medium fine gold particles and other precious metals. For the second line gravity concentration system, the process will use *Centrifugal Force Technology*. The tailings feed derived from the tails of the magnetic separators and discharge by hydro mechanical jigs will have to be further screened to minus 14 mesh as required by the machine to efficiently recover the super fine gold particles. The tailings of the centrifugal concentrators will be discharged onto the third line of sluice boxes as recovery system for the super microscopic floating gold particles. To be functional, the flow of the tails slurry to the sluice boxes are highly controlled to avoid turbulence to allow the particle to settle

and attached itself at the corduroy line bottom by static affinity and thence finally into the tailings pond. Completing the final level of the expansion program, the linear modular processing system will be retrofitted to integrate a multi-processing recovery system of operation in series of clusters consisting of Six (6) Magnetic Separators, Three (3) Jigs, Five (5) Centrifuge and Sluice Box discharge per cluster.

To maximize the commercial profitable outturn is to employ Dredging Machine for a more efficient mining methods of continuous and dedicated production per series of production clusters. To further enhance the profitability of the alluvial operation is to employ onsite river flow generators to minimize the use of expensive fossil fuel to run the operations.

The Company is seriously mulling over a program at the earliest possible schedule upon availability of funds to reopen the Patok Gold Mine with the most judicious strategic plan to address all issues including community relations and fund deployments. To launch the most cost effective approach to minimize cost overruns in the rehabilitation and retooling the surface and underground facilities of the former Gold Mine especially at this time when securing funds are difficult and scarce due to poor appetite of Bankers and Venture Capitalist to provide loan accommodations in the mining industry

The Patok Gold Project was the main Company operation back in the late 70's and early 80's when it was sidetracked primarily from unsettling oil embargo problems of the 80's when at one point in our history, fuel was being rationed. Preparations are being set-up to undertake the Community Relation Work Programs which is a mandatory requirement of the New Mining Law before any mining related activities can commence even though our Patok Gold Operation is not subject to this compulsory requirement being an Old Operating Mine under the MGB-DENR Non Coverage Program. In spite of the project category, AMIC prefers to conduct the Community Relation and Livelihood Programs prior to the start-up of rehabilitations and retooling programs scheduled upon the completion of the ongoing identical Community Relation Campaign at Capcapo Copper Gold Project as a gesture of goodwill and also to manifest our good relationship to the host communities. As previously stated, the Patok project enjoys a relatively easier and faster development since the high grade ores are already blocked by the former operations and readily accessible by reopening the previous tunnels. The company reiterates the windfall factor 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 Community Programs and ECC papers are being processed. Time is the prime consideration here for it takes a long processing time for the approval of the ECC, seven years to be exact as experienced in the Company's Alluvial Project. The Patok Mine is another milestone project on deck for the company when it brings forth the greatest positive cash flow upon operation. The Patok property is just a few aerial kilometers southwest of the Capcapo Project of our Canadian partner BESRA.

The greatest concern in the reopening of Patok Gold Mine is to set up an alternative and dependable main power source to be back-up by the Company's standby generators to avoid costly power outage. This valuable knowledge dictates the priorities to ensure viability of the Patok Gold Mine and secure reliable continuous power supply. Upon resumption of the work program, a request to reinstate our suspended Electric Service Contract from Abra Electric Cooperative, Inc. (ABRECO) for the completion and upgrade of the Single Phase two wire 13.8 KV High Voltage Hydroelectric Power line to the Standard 3-Wire Three Phase 13.8 High Voltage Circuit in conformity with the requirements of our Mine and Mill operations. Short distances of interconnection to the company's substation will be constructed simultaneously with the ABRECO construction programs. Unfortunately the Hydro Power Line Project was left unfinished at that time when the Philippine economy was under financial and economic recession during the Martial Law Regime. Credit facilities for our operation eventually dried up since we are not in the favored Circle of the previous Martial Law Regime, and the only recourse left was to shutdown the operations.

The installed Two (2) Wire High Voltage System is for Single Phase Operation which will require another High Voltage Wire to upgrade to the Standard 3-Wire Three Phase 13.8 High Voltage Circuit was left unfinished by ABRECO construction group during our previous operation. Since the Single Phase Power Line is idle at that time, ABRECO requested permission from our Company to utilize the Power Line to energize the residential areas of the surrounding communities particularly Baay side of the Municipality of Licuan-Baay, Abra the host community of our operations. As a gesture of goodwill, the Company gladly endorsed the proposal as a vital component of our social development and management programs. This is a requisite of the new Mining Act and the achieved social impact that benefitted these communities.

The hefty amount sunk to develop the mine and mill facilities of the Patok Gold Mine has now become a blessing and an outstanding investment leverage in this era of high cost and scarce capital. It will be cumbersome and prohibitive to reopen the Patok Mine without these aforementioned significant leverages. These were noted in prior reports constituting significant assets comprising our tunnels, mill equipment and camp site, road networks and, most notably, the access roads linking the Abra-Kalinga Highway, namely the 8Km Vaquero route on the North and the 25km Quirsodan Dale on the West along with the construction of the 45km 13.8 KV Hydroelectric Power line that has now become a great capital cost advantage to jumpstart the Patok Gold Mine. The most remarkable mileage is the availability of our mine and mill equipment stored in our Warehouse Equipment Banking Resource Yard in our Baticang mine complex in Bucay, Abra that can facilitate immediate construction and installation without the tedious documentation process of importation and time wasting waiting period. The components are ball mills, crushers, flotation & filtration equipment, underground compressors among others. The Patok reopening can become financially debilitating without these aforementioned leverage especially during these financially difficult periods. By today's standards, the present project cost is beyond the financial capacity of your company without incurring huge bank borrowings that will derail focus in mine development and might eventually enslave the company with its creditors. From here on, our reentry to the Patok Mine to make it viable and sustainable would be a tedious process that begins with the restoration and retooling of all damaged facilities including completion of all unfinished mine work programs.

The present most exciting hard rock project of the company is the huge Capcapo porphyry gold-copper deposit located north of the prolific Baguio-Mankayan gold district and within the famous gold-copper belt zone of Northern Luzon. Our JVA partner BESRA GOLD mention as a “truly world class copper-gold discovery typical of the premium deposits found in the Philippines and the potential of a giant system to host a large scale pit style resource”. Capcapo is the product of 40 years of hard work by AMIC groups and its predecessors is well aware of the potentials for a massive epithermal-porphyry gold-copper system similar to that of the Baguio-Mankayan district just 85 km to the south, on strike. To transform the Capcapo resource into viable and bankable asset is to move forward to massive detailed drilling to international standard feasibility study compliant to JORC or NI 43-101 deposit resource and highly competent to sustain a large scale operations.

Our Joint Venture Canadian Strategic Partner Olympus Pacific Minerals, Inc. now “BESRA GOLD, INC.” (TSX: “BEZ”; ASX: BEZ; OTCOX: BSRAF) is a classic teammate of AMIC that have the capability to implement the massive drilling program necessary to prove up the gold rich copper porphyry deposit. Presently, a total of 15 drill holes have been drilled to initially validate the viability of the Company’s Capcapo porphyry gold-copper MPSA project and the findings manifest the presence of a world class deposit that requires further detailed drilling to finally block an international mining code standard compliant minable reserves. 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, our partner’s effort to appease and maintain diplomatic relations with this small community decided to temporarily halt further drillings in the area and conducted the requisite Community Relation Program in lieu of Free and Prior Inform Consent (FPIC). A bureaucratic requisite in the mining law where IP occupied areas are present. Our Canadian partner “BEZ” hired a third party DENR accredited Community and Environmental Consultant to manage the program from the barangay level as well as all the surrounding communities. They prepared a comprehensive independent report that is transparent and the factual sentiment of the host communities of the mining tenement which was submitted to the NCIP for further evaluation and final ratification of the mining project. It is, however, a very tedious process whereby the Consultant conducts consultations on the concerned community to explain the mining agenda and their benefits with the wishful prayer of getting their affirmative vote to proceed with the mining activities.

The consultation campaign program have been completed at year end and the comprehensive report by the consultant was submitted to the provincial and regional NCIP office for final deliberation to obtain endorsement of the mineral exploration programs. This measure will hopefully educate the community about the benefits of mining development to their underprivileged communities while at the same time dispel any misconceptions and smear campaigns that opposing minority group have spread while we maintain vital presence in the project area. Those people who were very vocal against mining are now the very same illegal small scale miners of the area clearly revealing their ulterior motives contrary to their clamour for the JVA Group to undertake a genuine “Free Prior and Informed Consent” or FPIC program.

As stated previously in our reports that consultations in the wrong hands of money making, well connected, politically motivated and extremely rightists groups, these dubious provisions in the mining law are obstructive platform that is unwarranted and extremely destructive to launch any mining projects and the mining industry in general. Basically it stalls mine projects for years by lending the decision making process of multi-million dollar countryside investments in the hands of the uneducated few and the easily coerced cultural minorities. This law provision has seriously derailed mining projects resulting in the industry’s protracted growth. Additional information and drilling results about the Capcapo Project is available via Besra Gold, Inc. website at [www.besra.com](http://www.besra.com).

As we wrap up another chapter of our mine odyssey, we ponder at the great efforts we have rendered to a very tedious and arduous task to advance the Company’s Vision-Mission goal to move forward our mining projects that are in its advanced stage of development to attain a robust mining operation. In these present difficult times, our vision is focus on what is sustainable to attain growth and innovate continuously in our mining operations to stay afloat and ahead to clinch opportunities in mineral outturn that will complement our share values. A review of our corporate governance policy is sought to deal with the requisites of these very challenging times and incorporate the same in our business goal to achieve sustainable and strong growth.

We thank again the Lord Almighty and His abundant goodness whom we have entrusted to our company the rare privilege to possess this precious mining assets and grant us the benefit to be in the league of our country’s mining industry. The wisdom and perseverance to endure in these turbulent times that beset our country’s mining industry and finally overcome these obstacles no matter how difficult with His guidance to achieve our mining vision-mission goal. His protection and guidance to our Board of Directors, Officers and faithful Employees to carry on this arduous task beyond the call of duty is a symbol of triumph and dedication for a successful mining venture.

Our profound appreciation to our stockholders and stakeholders who have persevered to stay with us and their moral support during good and bad times are an inspiration to the Board of Directors, Officers and Employees to aspire to improve further our operation into a viable operating mine and safeguard our success to a more prosperous venture. Our earnest compliments to our hard working Officers and Employees for their exemplary performance and self-sacrifice in whatever adversities in our journey in these tough times. Our shareholders, stakeholders and employees who are with us and those planning to join are welcome in our forthcoming event to celebrate our golden jubilee.

**FROM TEAM ABRA:  
GOD BLESS YOU ALL AND GOOD LUCK !!**



**JEREMIAS B. BELOY**

President and Chief Executive Officer

## **Management's Discussion and Analysis or Plan of Operation**

### **Management plans**

The updated AMIC management plans that have been laid out previously with five years period work programs entails a sustained operative strategy of transformation, revisions and progressive strategic policy of management to adapt to very challenging operational cost escalations. The recent rebound of the price of gold at these current levels, displayed its fundamental strength as crisis tested time and time again and remains the absolute vanguard in these prevalent episodes of elusive global economic stability. We reiterate that the Philippines has not yet fully embraced to recognize precious metals as the redeemer of catastrophic economies. If the mining industry could only be catapulted to the production levels of pre-oil crisis of the late seventies coupled with the sustained remittances of OCW's and vibrant manufacturing including the other sectors, the Philippine economy could easily surpass the BRIC nations which have meager growth rates in these turbulent times of widespread economic debacles. *Never has the Philippine mining industry been at the crossroads by divergent sectors of society who know nothing about the industry's resurrection coupled with undesirable effects as unanimously highlighted by self-proclaimed environmentalists.* Yet government is helpless without police powers in preventing illegal miners and small scale mining. Some hiding under the blanket of the mining law and some with strong political clout freely going about in their illicit mining business, unregulated and unmitigated. The present context of uncertainty brought by current events dictate the priorities that the Company will undertake seeking balance in its executive decisions regarding directions the Company undertakes. However wearisome, the laid out five year management plan hold steadfast over the future of the mining industry and the Philippine economy amidst the global economic dilemma.

The extension of the Company's five year tiered management program has minimal changes starting with AMIC's vast Alluvial Resource Projects. We restate that the enormous Abra River Channel, the Baticang Magnetite & Gold Operation of the Bucay River takes the driver's seat. This project has been ascertained to contain magnetite deposits that would last extended years of operation chiefly because of the requirements for steel and iron derivatives. The mineral tenement has been ascertained years prior, whilst still in the exploration stages of its MPSA till the grant of its ECC, to contain an indispensable quantity of the black material Magnetite Iron Sand. Since its operational trial runs in 2006 under the initial older plant design, it has been battered by several destructive seasonal typhoons over the years. As in any type of alluvial operations, the main setback is always the torrential rainy season. These wet cyclical breaks give management enough time to assess the operability of the project plant design. In the past years, the Bucay River Alluvial Project has been suspended due to several typhoons that normally visit the area rendering river operations dangerous, if not impossible, due to flooding of the working area marked by Typhoon Feriea in 2007, Typhoon Igme in 2008, Typhoon Undoy in 2009, and an endless list of other seasonal natural disasters of milder ferocity but equally debilitating to some extent. Since then, the Bucay River Plant has had several revisions, modifications, and expansions brought about by discoveries of higher gold values along the flood plains.

The churning action of the floodwaters and the refilling of the Abra floodplains during these wet season has allowed our engineers to study meticulously how the enormous magnetite and gold deposition come about. These water actions likewise create higher grades of gold values that prompted management to redesign the magnetite recovery plant to better benefitiate the finer gold values. Management decisions are in consonance with events that dictate where prices of precious metals might be several years from now. These are the most common concerns that management contend with in order to stay ahead of the game. Currently, additional recovery equipment is being constructed to augment the present 50MTPD magnetite recovery plant over a unilateral production shift.

Engineering research seeks to put gold recovery in primary gear with the utmost concern for the least impact on the environment. Research is in high gear for the most efficient recovery of very fine gold barring the use of conventional chemicals some even toxic. Paramount efforts are being undertaken to maximize the alluvial mineral resource to recover not only magnetite iron sand but also the more valuable precious metals. The recovery of fine gold alluvial particles is a very tricky and quite complicated business in that it has the same weight as the magnetite associated with most alluvial deposits hence gravely interfering with fine gold recovery. This makes the conventional methods of recovery of the very fine precious metal invaluable however inefficient. Management program thus, seek endless research and analysis with constant monitoring is a must tool in the perpetual refinement and improvement of plant design for these type of deposits. This is just one way the Company can stay ahead of the game in conjunction with the implementation of the essential recovery plant expansion program spread-out over the years as aided by engineering researches, analyses and innovation.

Simultaneously, with the primary projects in operation the five year tiered management plan is to setup and commissioned the Baticang Lime Kiln Plant in Bucay, Abra. This makes productive use of the company's Limestone Deposit for the production of Lime ( $\text{CaCO}_3$ ), Ground Calcium Carbonate (GCC) and Precipitated Calcium Carbonate (PCC). Project studies have long been finalized & researched methodically during the seven year period that the Company project was delayed prior to the grant of its ECC permit and approval. Targeted market areas has likewise been studied and isolated with the sales figures increasing as mining and agricultural activities intensifies. It is important to note that the Market study was undertaken when both sectors

were at its lowest point of activities. Nonetheless, the computed sales figures are encouragingly profitable. This project shall be developed singly or concurrently with the ongoing projects that will provide the Company with high yields and immediate cashflow at the least capital outlay. Another plus factor is the relatively shorter time element needed for plant construction and commissioning as compared to the company's other hard rock projects. The lime plant has already been designed and project construction will commence immediately upon completion of the ongoing funding engagement. This lime project becomes a fundamental part of the Patok reopening in that it will also supply the lime requirements of the operation. The Baticang Lime Plant being the only lime producer in Northern Luzon can aptly monopolize supplies of lime requirements for the nearby mines in the Baguio Mining District and the Agri and Aqua farms of Northern Luzon where current supplies are sourced from the distant provinces of Southern Luzon and the Visayas. It is anticipated that heightened demand of industrial lime and possible shortage due to growth of consumers in the manufacturing sector and lime requirements of the aggressive food promotion program of the government for the Agriculture and Aquaculture industry to attain inclusive growth and alleviate poverty in the countryside.

The second stage of the five year management plan was also retained with the Capcabo Copper-Gold Project where AMIC signed a Joint Venture Agreement ("JVA") with Canadian Strategic Partner formerly Olympus Pacific Minerals, Inc. now Besra Gold Incorporated and Listed at Toronto Stock Exchange TSX: "BEZ"; Australian Stock Exchange ASX:"BEZ"; Frankfurt Stock Exchange:"OP6.F" and OTCQX: BSRAF U.S. While all mineral documentations including MPSA permits have been issued, community relations program takes precedence before any drilling exploration can continue. It is worth noting here that after the signing of the MOA on November 23, 2006, drilling started in early 2007 before it was abruptly interrupted by the nearby community's clamor for an FPIC. By law, an FPIC is only needed if the mineral tenement is part of the Indigenous People's territorial domain. That is precisely the premise why the Company was able to obtain an MPSA. The Capcabo mineral tenement was never the IP's domain and that the area is widely covered by tax declarations already and mostly acquired by our group companies. Furthermore, there are no host communities within the Capcabo 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 drill holes have been drilled to date, including eight drill holes by OYM/BEZ, yielding very encouraging results to validate the Company's Capcabo tenement. Since 1999, the project documents are all in order from the MPSA to the NCIP approval, with no less than the Chairman then of the National Commission of Indigenous People (NCIP) affixing his signature and further qualifying in that document that the area is not covered by IP's. However, diplomacy dictates our progression so that we maintain better socio-cultural and geo-political relation with the nearby barangays even if there are no communities within our Capcabo mineral tenement and that even if it is not an IP's territorial domain.

An experienced consultant group well knowledgeable in the steps and platforms of community relations in the mining parlance was commissioned by the Joint Venture (JV) group 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. The community program should bear fruit within a period of six months so additional drilling can continue afterwards.

All foreign players' eyes are tightly glued on the Philippine mining map more particularly the Tampakan Property in the Southern Mindanao if the incumbent Aquino government can make good on its promise to make the country a hub for mining despite the numerous challenges it faces. To say it is one thing but to do it is another. It is puzzling as we point out that the DENR is quicker to turn down long standing mining applications and even cancel existing ones than approve long standing older applications. While we envisage that the community relations in our Capcabo property to be no easy task either, it is hoped to be relatively less complicated than that of the others. LGU support is paramount in any business attempts in the countryside where risks are much greater and not only quantifiable in ordinary terms of invested dollars but in socio-cultural and geo-political relations as well. This is where your company and its foreign partner plan to strengthen its ties as part of its management game plan.

The consultative body in community relations also aims 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. Additional information and drilling results on the Capcabo Project is available via Besra Gold website at [www.besra.com](http://www.besra.com).

Posting Fourth gear in the five year tiered management plan is the immediate re-opening of the Patok Gold Operation and the work program will be retained and pursued according to schedule. The Patok Gold Project was the main company operation back in the late seventies and to the early eighties when operation was inevitably sidetracked due primarily to the unsettling oil embargo problem of the 80's when at one point in our history fuel was being rationed. The Patok property is targeted to be lithely at the fourth 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 ore reserve of average grade of 10 grams has been blocked with tunneling. 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 the prime consideration here in that it takes quite a long time for the ECC papers' approval, hopefully less than seven years as in the ECC of the company's Alluvial Project. The Patok property is just a few aerial kilometers southwest of the Capcabo Project of our Canadian partner Besra.

At the helm of the fifth gear in the Company's five year tiered 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 operation. Thereafter when capital is in surplus, the Company plans to employ a bulk material dredging operation of continuous system. Bulk handling 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 expensive. This method entails a lot of capital as you need to increase the plant capacity as well in line with bulk production but can be extremely profitable if the deposit warrants it. This method is farther down the line of our five year tiered management plan and right now part of the program is 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 Company's persistent quest for strategic and financial partners takes center stage again in AMIC's Management Plan and Mission-Vision encompassing all the rest of the projects in its resource bank. Management shall aggressively pursue its previous visions for a multi-partner approach strategy for AMIC's diverse projects in that this route is more risk averse than with a solitary partner. This will be the home plate of AMIC's management program and the highest priority for the Company's mission vision statement to fastrack its numerous projects.

After the signing of the JVA for the Capcapo Copper Gold Project, all eyes will be on AMIC's Patok Gold Project. Manning the gate in AMIC's continuous search for financial partner is the Patok Gold Operation for the next stage of the planned increased capacity; and at the same time another financial partner able to provide the muscle to the Company for all the other projects in its portfolio, more specifically for the massive expansion of the Alluvial Dredging Operation.

The Company launched a capital raising program to raise funds for its numerous projects and to achieve this goal faster by engaging the services of foreign Investment Houses and Venture Fund Managers who can negotiate deals with foreign companies to firm up the Company's mission-vision and management program. Their engagement will enable AMIC to tap their services for the planned primary and secondary offerings including road show presentations and private placements which will be pursued during the ensuing year as we foresee a bright opportunity at this time.

### **PLAN OF OPERATIONS**

Management plan is the immediate re-opening of the Patok Gold Operation and the work program will be retained and pursued according to schedule. The Patok Gold Project was the main company operation back in the late seventies and to the early eighties when operation was inevitably sidetracked due primarily to the unsettling oil embargo problem of the 80's when at one point in our history fuel was being rationed. The Patok property is targeted to be lithely at the fourth 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 ore reserve of average grade of 10 grams has been blocked with tunneling. 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 the prime consideration here in that it takes quite a long time for the ECC papers' approval, hopefully less than seven years as in the ECC of the company's Alluvial Project. The Patok property is just a few aerial kilometers southwest of the Capcapo Project of our Canadian partner Besra.

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The Company for the next 12 months period will raising funds via equity private placements.

### **RESULTS OPERATIONS (2014)**

AMIC has not started normal commercial extraction of mine products. As shown in the accompanying financial statements, AMIC has incurred cumulative losses of P52,275,518, P47,986,540 and P44,380,065 in the year 2014, 2013 and 2012, 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 (2013)**

AMIC has not started normal commercial extraction of mine products. As shown in the accompanying financial statements, AMIC has incurred cumulative losses of P47,986,540 in 2013, P44,380,065 in 2012 and P40,073,020 in 2011. 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 (2012)**

AMIC has not started normal commercial extraction of mine products. As shown in the accompanying financial statements, AMIC has incurred cumulative losses of ₱44,380,065 in 2012, ₱40,073,020 in 2011 and ₱36,099,301 in 2010. 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.

## **FINANCIAL CONDITION**

Comparative financial condition for the last three (3) fiscal years are presented below:

	<b>2014</b>	2013	2012
Total Current Assets	7,822,826	8,010,140	7,299,132
Total Non-Current Assets	1,719,259,477	1,665,825,430	1,540,771,960
<b>Total Assets</b>	<b>1,727,082,303</b>	<b>1,673,835,570</b>	<b>1,548,071,092</b>
Current Liabilities	21,776,129	20,944,853	16,409,321
Non-Current Liabilities	6,745,450	2,930,115	2,760,094
<b>Total Liabilities</b>	<b>28,521,579</b>	<b>23,874,968</b>	<b>19,169,415</b>

## **Additional disclosure Requirements**

Reconciliation of Retained earnings Available for Dividend

**Not applicable**

Comparative Schedule of financial soundness indicators as of December 31, 2014 and 2013

<b>Ratios</b>	<b>2014</b>	2013
Current/Liquidity Ratios	<b>0.36:1</b>	0.38:1
Solvency ratios	<b>-0.15:1</b>	-0.14:1
Debt to Equity Ratio	<b>1.02:1</b>	0.01:1
Asset to Equity Ratio	<b>1.02:1</b>	1.01:1
Interest Rate Coverage Ratio	<b>0</b>	0
Profitability Ratio (Return on Equity Ratio)	<b>-0.003:1</b>	-0.002:1

## **Registrant Five (5) key indicators are as follows:**

AMIC identifies its Five (5) key indicators for the years ended December 31, 2014 and 2013 as follows:

a) Working Capital (Current Assets less Current Liabilities)

	<b>2014</b>	2013
Current Assets	<b>7,882,826</b>	8,010,140
Current Liabilities	<b>21,776,129</b>	20,944,853
Working Capital	<b>-13,893,303</b>	-12,934,713

b) Current Ratio (Current assets over current liabilities)

	<b>2014</b>	2013
Current Assets	<b>7,882,826</b>	8,010,140
Current Liabilities	<b>21,776,129</b>	20,944,853
Current Ratio	<b>0.36:1</b>	0.38:1

c) Quick Ratio (Quick asset over liabilities)

	2014	2013
Quick Assets	318,306	403,983
Current Liabilities	21,776,129	20,944,853
Quick Ratio	0.014:1	0.019:1

d) Debt to assets ratio (Total liabilities over total assets)

	2014	2013
Total Liabilities	28,521,579	23,874,968
Total Assets	1,719,259,477	1,665,825,430
Debt to Assets Ratio	0.016:1	0.014:1

e) Debt to Equity Ratio (Total liabilities over Total Equity)

	2014	2013
Total Liabilities	28,521,579	23,874,968
Total Equity	1,698,560,724	1,649,960,602
Debt to Equity Ratio	0.016:1	0.014:1

### **Commitment for Capital Expenditure**

For 2015, Registrant plan to spend about P30 Million 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 cyclicity in its business operation that would have a material effect on the company's financial condition or results of operations. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationship of the company with unconsolidated entities or other persons.

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.

### **Financial Risk Management Objectives and Policies**

#### **Financial risk factors**

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

The main risk arising from AMIC's financial assets are liquidity risk and credit risk. AMIC has no significant financial instruments that are exposed to interest rate risk and foreign currency rate risk as of December 31, 2013 and 2012.

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

AMIC's risk management policy is addressed as follows:

### 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

The table below summarizes the maturity profile of AMIC's financial liabilities as of December 31, 2014 and 2013 based on undiscounted payments:

<b>2014</b>			
	On Demand	120 days and more	Total
Accrued expenses and other payables	21,776,129	-	21,776,129
Advances from an affiliated company	-	3,161,500	3,161,500
Accrued retirement benefit	-	3,583,950	3,583,950
<b>Total</b>	<b>21,776,129</b>	<b>6,745,450</b>	<b>28,521,579</b>

<b>2013</b>			
	On Demand	120 days and more	Total
Accrued expenses and other payables	20,944,853	-	20,944,853
Advances from an affiliated company	-	-	-
Accrued retirement benefit	-	2,930,115	2,930,115
<b>Total</b>	<b>20,944,853</b>	<b>2,930,115</b>	<b>23,874,968</b>

### 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.

	2014	2013
Cash in bank	9,152	402,683

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

### Financial Statements

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

### Information on Independent Accountants and Other Related Matters

#### *External Audit Fees and Services*

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

	2014	2013
<b>Audit fees</b>	<b>Php160,000.00</b>	Php102,000.00
<b>Tax fees</b>	<b>Php 20,040.00</b>	Php 12,240.00
<b>Other fees</b>	<b>Not applicable</b>	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

#### **Audit Committee's Approval Policies and Procedures**

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.

#### **Changes in and Disagreements with Accountants**

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.

#### **CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS**

##### **Related Party Transactions**

AMIC has entered into transactions principally consisting of advances related party transactions involved shareholders and AMIC's key management personnel.

The following are the Company's related party transactions:

##### **Advances from stockholder**

The Company relies on the support of its stockholders for its working capital requirements while it is not yet in operations.

Jeremias B. Beloy, the President and Chairman of the Corporation owns 26.70% interest in JABEL Corporation and also 1 Million shares in Discovery Mines, Inc. James G. Beloy, another director of the corporation, owns 9.30% interest in JABEL Corporation.

#### **PARENT OF THE REGISTRANT**

The corporation has no parent company.

#### **CORPORATE GOVERNANCE**

Compliance by the Company with its Amended Manual of Corporate Governance for the years 2012 and 2011 was monitored with the company's directors, officers and employees substantially complying with the leading practices and principles on good corporate governance as embodied in the manual.

The compliance officer is currently in charge of evaluating the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance.

Due to company's limited operations, measures are slowly being undertaken to fully comply with the adopted leading practices on good corporate governance.

There was no significant deviation from the company's Amended Manual of Corporate Governance noted during the period under review. The company plans to adopt whatever new principles and practices applicable that may evolve to improve its corporate governance.

**UNDERTAKING**

THE COMPANY UNDERTAKE TO **PROVIDE WITHOUT CHARGE TO EACH PERSON SOLICITED ON THE WRITTEN REQUEST OF ANY SUCH PERSON** a copy of the registrant's annual report on SEC form 17-A and shall indicate the name and address of the person to whom such a written request is to be directed **AT THE DISCRETION OF MANAGEMENT, A CHARGE MAY BE MADE FOR EXHIBITS, PROVIDED SUCH CHARGE IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE REGISTRANT IN FURNISHING SUCH EXHIBITS.**

**ALL REQUESTS MAY BE SENT TO:**

**Atty. Danilo D. Luna  
Corporate Secretary  
ABRA MINING & INDUSTRIAL CORPORATION  
Suite 3, 3<sup>rd</sup> Floor, Jafer Building  
118 West Avenue, Quezon City**

**FINANCIAL INFORMATION September 30, 2015**

AMIC has not started normal and commercial extraction of mine products. As shown in the accompanying financial statements, AMIC has incurred cumulative losses of 54.8 million in September 2015; P53.3 million in December 2014 and P51.1 million in September 2014. This condition indicates the existence of an uncertainty which may cast significant doubt about AMIC's ability to continue as a going concern.

Registrant has no income from operations as there were no commercial operations yet as of the end of the year. The company records administrative costs as expenses and all other disbursements are capitalized as unamortized exploration and development costs.

Total costs and expenses amounted to P1.5 million compared to P3.1 million during the same period last year, with the current nine months period comparably lower by 50% or P 1.5 Million.

Total Assets as of September 30, 2015 amounted to P1.7 Billion 6% higher or equivalent to P105.5 Million as against P1.6 Billion of the same period last year.

Current liabilities as of the quarter under review increased by 208% equivalent to P20.2 Million as compared to P6.5 Million in 2014.

Total non-current liabilities decreased by 74% from P69.0 million in 2014 to P17.6 million as of the quarter under review.

**FINANCIAL CONDITION**

Comparative financial condition as of September 30, 2015 & 2014 and December 31, 2014 are presented below:

	<b>September 30, 2015</b>	<b>September 30, 2014</b>	<b>December 31, 2014</b>
Total Current Assets	<b>8,226,442</b>	6,526,550	7,822,826
Total Non-Current Assets	<b>1,756,746,113</b>	1,652,853,201	1,719,259,477
<b>Total Assets</b>	<b>1,764,972,555</b>	<b>1,659,379,751</b>	<b>1,727,082,303</b>
Current Liabilities	<b>20,266,880</b>	6,584,029	21,726,129
Non-Current Liabilities	<b>17,650,587</b>	69,073,490	6,745,450
<b>Total Liabilities</b>	<b>37,917,467</b>	<b>75,657,519</b>	<b>28,471,579</b>

**September 30, 2015 vs. September 30, 2014**

Cash increase by 29% from Php418,362 to Php540,992 as of the end of September 30, 2015. Supplies and Inventory increases by 26% from P6.1 Million to P7.6 Million, Deferred Exploration also increased from P819.2 Million to P887.8 Million equivalent to P68.5 Million.

Current liabilities also increases by 208% or P6.5 Million to P20.2 Million

Total costs and operating expenses amounts to Php 1.5M , 50% lower or Php1,567,417 compared with Php3,117,053 posted in 2014 of the same period.

**September 30, 2015 vs. December 31, 2014**

Comparative data shows that cash balances increases by 70% or Php222,686 from Php318,306 to Php540,992 as of the end of the quarter under review.

Deferred Exploration increase by 5% from P842.5 Million to P887.8 Million due depreciation expenses.

For the Nine months period the total costs and operating expenses amounted to P1.5 Million or 50% decreased of P1.5 Million.

Registrant has no income from operations as there were no commercial operations yet as of the end of the year. The company records administrative costs as expenses and all other disbursements are capitalized as unamortized exploration and development costs.

#### **2015 Third Quarter versus 2014 Third Quarter**

The Company ended the third quarter of 2015 with total assets of P1.7 billion higher than end of September 2014 level of P1.6 billion. Comparative data shows as of the end of the nine period under review supplies and inventory increase by 26% from P6.1 million to P7.6 million.

Deferred exploration and development cost increased by 8% from P819 million to P887 million as of the end of September 30, 2015. Net loss increased by 7% from P51.1 Million to P54.8 Million.

Registrant has no income from operations as there were no commercial operations yet as of the end of the year. The company records administrative costs as expenses and all other disbursements are capitalized as unamortized exploration and development costs.

**Causes for any material change/s (5%) from period to period which shall include vertical and horizontal analyses of any material item.**

#### **Statement of Expenses**

##### **September 30, 2015 vs. September 30, 2014-Quarter Ended**

Travel and Representation decreased by 80% due to lesser activities involving due diligence in the mine site.

73% decrease in Repairs and maintenance due to slow down the operations and activities of the company.

55% decrease in Communication due to cost cutting implemented by the Company.

44% decrease in Office Expense due to cost cutting implemented by the Company.

31% decrease in Taxes and Licenses due to the payment of the arrears in taxes during the prior quarter.

##### **September 30, 2015 vs September 30, 2014 (NINE MONTHS PERIOD)**

83% decrease in Repairs and maintenance due to slow down the operations and activities of the company.

66% decrease in Travel and Representation due to lesser activities involving due diligence in the mine site.

62% decrease in Communication due to cost cutting implemented by the Company.

53 % decrease in Office Expense due to cost cutting implemented by the Company

17% decrease in taxes and licenses. Mainly due to the payment of taxes in the 1<sup>st</sup> and 2<sup>nd</sup> quarter

##### **September 30, 2015 vs DECEMBER 31, 2014**

96% decrease in Repairs and Maintenance  
Due to less purchase of parts and equipment

91% decrease in Taxes and Licenses  
Due to the payment of taxes that fall due

90% decrease in Travel and Representation  
Less travel of officers and due to cost cutting implemented by the company

69% decrease in Office Expense  
Mainly due to cost cutting implemented by the company

75% decrease in Depreciation and Amortization  
Due mainly to the increase in property and equipment

88% decrease in Communication  
Mainly due to cost cutting implemented by the company

78% decrease in Rent  
Due to deferment of previous payments

Comparative Financial Ratios as of September 30, 2015 and September 30, 2014 pursuant to SRC Rule 68, as amended with comparative annual figures for 2014

<b>Ratios</b>	<b>September 2015 Unaudited</b>	September , 2014 Unaudited	<b>December 31, 2014 Audited</b>
<b>Current/Liquidity Ratios</b>	<b>0.99</b>	1.12	<b>1.05</b>
<b>Solvency ratios:</b>			
<b>Debt to Equity Ratio</b>	<b>0.047</b>	0.092	<b>0.019</b>
<b>Asset to Equity Ratio</b>	<b>1.15</b>	1.15	<b>1.02</b>
<b>Interest Rate Coverage Ratio</b>	<b>0.00</b>	0.00	<b>0</b>
<b>Profitability Ratio</b>	<b>-0.0294</b>	-0.0294	<b>-0.0296</b>

The key performance indicators are as follows:

a) Working Capital (Current Assets less Current Liabilities)

	<b>September 30, 2015</b>	September 30, 2014	December 31, 2014
Current Assets	<b>8,226,442</b>	6,526,550	7,504,520
Current Liabilities	<b>20,266,880</b>	6,584,029	21,726,129
<b>Working Capital</b>	<b>-12,040,438</b>	-57,479	-14,221,609

b) Current Ratio (Current assets over current liabilities)

	<b>September 30, 2015</b>	September 30, 2014	December 31, 2014
Current Assets	<b>8,226,442</b>	6,526,550	7,504,520
Current Liabilities	<b>20,266,880</b>	6,584,029	21,726,129
<b>Current Ratio</b>	<b>0.40:1</b>	0.99:1	0.34:1

c) Quick Ratio (Quick asset over current liabilities)



	<b>September 30, 2015</b>	September 30, 2013 <sup>4</sup>	December 31, 2014
Quick Assets	<b>540,992</b>	418,362	318,306
Current Liabilities	<b>20,266,880</b>	6,584,029	21,726,129
Quick Ratio	<b>0.03:1</b>	0.06:1	0.014:1

d) Debt to assets ratio (Total liabilities over total assets)

	<b>September 30, 2015</b>	September 30, 2013	December 31, 2014
Total Liabilities	<b>37,917,467</b>	75,657,519	28,471,579
Total Assets	<b>1,764,972,555</b>	1,659,379,751	1,727,082,303
Debt to Asset Ratio	<b>0.02:1</b>	0.04:1	0.02:1

e) Debt to Equity Ratio (Total liabilities over Total Equity)

	<b>September 30, 2015</b>	September 30, 2013	December 31, 2013
Total Liabilities	<b>37,917,467</b>	75,657,519	28,471,579
Total Equity	<b>1,727,055,088</b>	1,461,744,040	1,698,610,724
Debt to Equity Ratio	<b>0.02:1</b>	0.092:1	0.017:1

## **INCOME STATEMENT**

For the past several years, the company has not derived any income from 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

### **Known Trends, Events or Uncertainties**

There are no material events that will trigger direct or contingent financial obligations to the Company.

There are no material off-balance sheet transactions, arrangement, obligations, and other relationship of the Company with unconsolidated entities or other persons that the Company is aware of during the quarter. As of the quarter under review, there are no material events or uncertainties known to management that had material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company.

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

**Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.**

The company has no financial obligation to any financial institution or outside borrowings that will adversely affect the operations of the company.

**All material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.**

These transactions are properly recorded in the books of accounts and with approval of the Board.

**Trends or events that will impact on net sales or income from operations**

The company has no sales or income from operations.

**Significant elements of income or loss that did not arise from the issuers continuing operations.**

There are no significant elements of income or loss that arises from company's continued operations.

**Cause for any material change from period to period in one or more line items of the financial statement and seasonal aspects that impact financial conditions/results of operations**

The company's activities were not affected with seasonal or cyclical events like peak periods of production or changes in the weather since the company is in the exploration stage. During the quarter under review the company made a borrowing from various sources. This led to a higher liability compared to last year. Some of the assets were used to secure these borrowings. The company's estimates during the prior period did not change materially in this period under review. No issuance of stocks was made and no stocks were put to treasury. Dividends are still beyond the capability of the company with the present trend of accumulating net losses. No subsequent events of any scale happened after the quarter. There were no business combinations and changes in the organization of the company and it does not have any contingent assets or liability during the prior period up to the present period.

#### **Financial Risk Management Objectives and Policies**

Company's principal financial instruments comprise mainly of cash and advances from affiliates. The main purpose of these financial assets is to finance company's operations. The company has other financial liability such as accrued expenses and other payables, which arise directly from its operations.

The main risk arising from company's financial assets are liquidity risk and credit risk. Company has no significant financial instruments that are exposed to interest rate risk and foreign currency rate risk as of September 30, 2013.

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

Company's risk management policy is addressed as follows:

#### ***Liquidity risk***

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

The table below summarizes the maturity profile of company's financial liabilities as of September 30, 2015, September 30, 2014 and December 31, 2014 based on undiscounted payments:

**September 30, 2015**

	On demand	120 days and more	Total
Accrued expenses and other payables	20,266,880		20,266,880
Advances from affiliated company		13,441,637	13,441,637
Others – Retirement benefit		<u>4,208,950</u>	<u>4,208,950</u>
<b>Total</b>	<b>20,266,880</b>	<b>17,650,587</b>	<b>37,917,467</b>

**September 30, 2014**

	On demand	120 days and more	Total
Accrued expenses and other payables	7,308,227		7,308,227
Advances from affiliated company		125,632,021	125,632,021
Others – Retirement benefit		<u>2,897,844</u>	<u>2,897,844</u>
<b>Total</b>	<b>7,308,227</b>	<b>128,529,865</b>	<b>135,838,092</b>

**December 31, 2014**

	On demand	120 days and more	Total
Accrued expenses and other payables	21,726,129	-	21,726,129
Advances from affiliated company		3,161,500	3,161,500
Others – Retirement benefit		3,583,950	3,583,950
<b>Total</b>	<b>21,726,129</b>	<b>6,745,450</b>	<b>28,471,579</b>

***Credit risk***

Company's credit risk relates to "cash in bank" account of company. 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.

	<b>September 30, 2015</b>	September 30, 2014	December 31, 2014
Cash in bank	539,692	417,062	317,006

Cash in bank is considered as high grade as this pertains to demand deposits in a reputable bank. The company continuously reviews credit policies and processes and implement various credit actions depending on assessed risks to minimize credit exposure.

**ABRA MINING AND INDUSTRIAL CORPORATION**

**STATEMENTS OF FINANCIAL POSITION**  
As of September 30, 2015 & September 30, 2014

	Unaudited September 30, 2015	% to Assets	Unaudited September 30, 2014	Change Peso	%
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash	540,992	0.03%	418,362	122,630	29%
Supplies Inventory	7,685,450	0.44%	6,108,188	1,577,262	26%
<b>Total Current Assets</b>	<b>8,226,442</b>	<b>0.47%</b>	<b>6,526,550</b>	<b>1,699,892</b>	<b>26%</b>
<b>Non-current Assets</b>					
Property, plant and equipment, net	834,476,610	47.28%	833,579,450	897,160	0%
Deferred Exploration Costs	887,820,764	50.30%	819,273,751	68,547,013	8%
Advances to Affiliated Companies	34,448,739	1.95%	-	34,448,739	-%
<b>Total Non-Current Assets</b>	<b>1,756,746,113</b>	<b>99.53%</b>	<b>1,652,853,201</b>	<b>103,892,912</b>	<b>6%</b>
<b>Total Assets</b>	<b>1,764,972,555</b>	<b>100%</b>	<b>1,659,379,751</b>	<b>105,592,804</b>	<b>6%</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current Liabilities</b>					
Accrued expenses and other payables	20,266,880	1.15%	6,584,029	13,682,851	208%
<b>Non-Current Liabilities</b>					
Advances from an affiliated company	13,441,637	0.76%	65,689,540	(52,247,903)	-80%
Accrued retirement benefits	4,208,950	0.24%	3,363,950	825,000	24%
<b>Total Non-Current Liabilities</b>	<b>17,650,587</b>	<b>1.00%</b>	<b>69,073,490</b>	<b>(51,422,903)</b>	<b>-74%</b>
<b>Total Liabilities</b>	<b>37,917,467</b>	<b>2.15%</b>	<b>75,657,519</b>	<b>(37,740,052)</b>	<b>-50%</b>
<b>Equity</b>					
Capital Stock					
Issued and Outstanding	992,945,842	56.26%	829,468,825	163,477,017	20%
Subscribed and paid-up	788,967,900	44.70%	805,357,000	(16,389,100)	-2%
Deficit	(54,858,654)	-3.11%	(51,103,593)	(3,755,061)	7%
<b>Total Equity</b>	<b>1,727,055,088</b>	<b>97.85%</b>	<b>1,583,722,232</b>	<b>143,332,856</b>	<b>9%</b>
<b>Total Liabilities and Equity</b>	<b>1,764,972,555</b>	<b>100%</b>	<b>1,659,379,751</b>	<b>(105,592,804)</b>	<b>-6%</b>

The Company has no aging of receivables

**ABRA MINING AND INDUSTRIAL CORPORATION****STATEMENTS OF FINANCIAL POSITION**

As of September 30, 2015 &amp; December 31, 2014

	<b>Unaudited September 30, 2015</b>	<b>% to Assets</b>	<b>Audited December 31 2014</b>	<b>Change Peso</b>	<b>%</b>
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash	540,992	0.02%	318,306	222,686	70%
Supplies Inventory	7,685,450	0.43%	7,504,520	180,930	2%
<b>Total Current Assets</b>	<b>8,226,442</b>	<b>0.45%</b>	<b>7,822,826</b>	<b>403,616</b>	<b>5%</b>
<b>Non-current Assets</b>					
Property, plant and equipment, net	834,476,610	48.77%	842,256,346	(7,779,736)	-1%
Deferred Exploration Costs	887,820,764	48.78%	882,554,392	45,266,372	5%
Advances to Affiliated Companies	34,448,739	1.99%	34,448,739	-	0%
<b>Total Non-Current Assets</b>	<b>1,756,746,113</b>	<b>99.55%</b>	<b>1,719,259,477</b>	<b>37,486,636</b>	<b>2%</b>
<b>Total Assets</b>	<b>1,764,972,555</b>	<b>100%</b>	<b>1,727,082,303</b>	<b>37,890,252</b>	<b>2%</b>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current Liabilities</b>					
Accrued expenses and other payables	20,266,880	0.26%	21,726,129	(1,459,249)	-7%
<b>Non-Current Liabilities</b>					
Advances from an affiliated company	13,441,637	0.18%	3,161,500	10,280,137	325%
Accrued retirement benefits	4,208,950	0.21%	3,583,950	625,000	17%
<b>Total Non-Current Liabilities</b>	<b>17,650,587</b>	<b>0.39%</b>	<b>6,745,450</b>	<b>10,905,137</b>	<b>162%</b>
<b>Total Liabilities</b>	<b>37,917,467</b>	<b>1.65%</b>	<b>28,471,579</b>	<b>9,445,888</b>	<b>33%</b>
<b>Equity</b>					
Capital Stock					
Issued and Outstanding	992,845,842	57.49%	992,945,842	-	0%
Subscribed and paid-up	788,967,900	43.95%	758,967,900	300,000,000	4%
Deficit	(54,858,654)	-3.09%	(53,303,018)	(1,555,636)	3%
<b>Total Equity</b>	<b>1,727,055,088</b>	<b>95.44%</b>	<b>1,698,610,724</b>	<b>28,444,364</b>	<b>2%</b>
<b>Total Liabilities and Equity</b>	<b>1,764,972,555</b>	<b>100%</b>	<b>1,727,082,303</b>	<b>(37,890,252)</b>	<b>-2%</b>

The Company has no aging of receivables

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**COMPARATIVE STATEMENT OF EXPENSES**  
**Quarter Ended**

	<b>Unaudited September 30, 2015</b>	Unaudited September 30, 2014	Change Peso	%
<b>Revenue</b>	-	-	-	0%
Employee Benefits	151,523	557,193	(405,670)	-73%
Depreciation and amortization	59,000	59,000	-	0%
Travel and representation	27,577	134,690	(107,113)	-80%
Office expense	13,925	24,943	(11,018)	-44%
Communication	34,796	76,867	(42,071)	-55%
Repairs and maintenance	25,285	95,223	(69,938)	-73%
Rent	93,000	93,555	(555)	-1%
Taxes and licenses	15,115	22,022	(6,907)	-31%
Miscellaneous	11,200	105,457	(94,257)	-89%
<b>Total</b>	<b>431,421</b>	<b>1,168,950</b>	<b>(737,529)</b>	<b>-71%</b>
<b>Net Loss</b>	<b>(431,421)</b>	<b>(1,168,950)</b>	<b>737,529</b>	<b>71%</b>

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**COMPARATIVE STATEMENT OF EXPENSES**  
**Nine Months Ended September 30, 2015 & September 30, 2014**

	Unaudited September 30, 2015	Unaudited September 30, 2014	Change Peso	%
<b>Revenue</b>	-	-	-	0%
Employee Benefits	615,923	1,335,522	(719,599)	-54%
Depreciation and amortization	177,000	177,000	-	0%
Travel and representation	82,052	239,235	(157,183)	-66%
Office expense	62,678	134,001	(71,326)	-53%
Communication	84,980	223,108	(138,128)	-62%
Repairs and maintenance	69,165	401,614	(332,449)	-83%
Rent	287,000	288,225	(1,225)	0%
Taxes and licenses	161,561	194,430	(32,869)	-17%
Miscellaneous	15,280	123,918	(108,638)	-88%
<b>Total Expenses</b>	<b>1,555,636</b>	<b>3,117,053</b>	<b>(1,561,417)</b>	<b>-50%</b>
<b>Net Loss</b>	<b>(1,555,636)</b>	<b>(3,117,053)</b>	<b>1,561,417</b>	<b>50%</b>

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**COMPARATIVE STATEMENT OF EXPENSES**

**For the Quarter ended September 30, 2015 and Year Ended December 31, 2014**

	<b>Unaudited September 30, 2015</b>	<b>Year Audited December 31, 2014</b>	<b>Change Peso</b>	<b>%</b>
<b>Revenue</b>	-	-	-	0%
Employee Benefits	151,523	1,791,960	(1,640,437)	-92%
Depreciation and amortization	59,000	236,000	(177,000)	-75%
Travel and representation	27,577	280,665	(253,088)	-90%
Office expense	13,925	44,254	(30,329)	-69%
Communication	34,796	290,360	(255,564)	-88%
Repairs and maintenance	25,285	585,670	(560,385)	-96%
Rent	93,555	424,640	(331,640)	-78%
Professional Fee	-	57,000	(57,000)	-100%
Unrealized Forex Loss	-	60,900	(60,900)	-100%
Taxes and licenses	15,115	161,700	(146,585)	-91%
Miscellaneous	11,200	416,729	(405,529)	-97%
<b>Total Expenses</b>	<b>431,421</b>	<b>4,349,878</b>	<b>(3,918,457)</b>	<b>-379%</b>
<b>Net Loss</b>	<b>(431,421)</b>	<b>(4,349,878)</b>	<b>3,918,457</b>	<b>379%</b>



**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**For the nine months ended September 30, 2015 and September 2014**

	Unaudited September 30, 2015	Unaudited September 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total Losses	(1,555,636)	(3,117,053)
Adjustment for:		
Depreciation and amortization	45,266,372	993,366
Net Cash before working capital changes	43,710,736	(2,123,687)
(Increase)/Decrease in:		
Supplies Inventory	(180,930)	(1,497,969)
Increase/(Decrease) in:		
Accrued expenses and other payables	(1,459,249)	1,036,624
Accrued retirement benefits	625,000	(453,835)
Net Cash provided (used in)		
By operating activities	42,695,557	(3,038,867)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in Property, Plant and Equipment	(37,486,636)	(5,425,250)
Increased in Deferred exploration costs	(45,266,372)	(37,288,521)
Net Cash used in Investing Activities	(82,753,008)	(42,713,771)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from advances from an affiliate	10,280,137	-
Payment of advances from affiliate		44,930,023
Proceeds from collections of subscription receivables	30,000,000	-
Net Cash provided in Financing Activities	40,280,137	44,930,023
Net increase/(decrease) in Cash	222,686	(822,615)
Cash, Beginning	318,306	403,983
Cash, Ending	<b>540,992</b>	<b>(418,632)</b>

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**For the nine months ended September 30, 2015 and December 31, 2014**

	Unaudited September 30, 2015	Audited December 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total Losses	(1,555,636)	(3,604,474)
Adjustment for:		
Depreciation and amortization	45,266,372	29,443,132
Net Cash before working capital changes	43,710,736	25,838,658
(Increase)/Decrease in:		
Supplies Inventory	(180,930)	(889,457)
Increase/(Decrease) in:		
Accrued expenses and other payables	(1,459,249)	3,568,932
Accrued retirement benefits	625,000	170,021
Net Cash provided (used in)		
By operating activities	42,695,557	28,688,154
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in Property, Plant and Equipment	(37,486,636)	(114,418,771)
Increased in Deferred exploration costs	(45,266,372)	(12,705,327)
Net Cash used in Investing Activities	(82,753,008)	(127,124,098)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from advances from an affiliate	10,280,137	-
Payment of advances from affiliate		(27,372,504)
Proceeds from collections of subscription receivables	30,000,000	125,632,000
Net Cash provided in Financing Activities	40,280,137	98,259,496
Net increase/(decrease) in Cash	222,686	(176,448)
Cash, Beginning	318,306	580,431
Cash, Ending	<b>540,992</b>	<b>403,983</b>

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**For the quarter ended September 30, 2015 and December 31, 2014**

	Unaudited September 30, 2015	Audited December 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total Losses	(1,458,921)	(3,604,474)
Adjustment for:		
Depreciation and amortization	-	29,443,132
Net Cash before working capital changes	(1,458,921)	25,838,658
(Increase)/Decrease in:		
Supplies Inventory	(162,570)	(889,457)
Increase/(Decrease) in:		
Accrued expenses and other payables	11,388,108	3,568,932
Accrued retirement benefits	200,000	170,021
Net Cash provided (used in)		
By operating activities	9,966,617	28,688,154
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in Property, Plant and Equipment	149,584,445	(114,418,771)
Increased in Deferred exploration costs	50,697,426	(12,705,327)
Net Cash used in Investing Activities	200,281,871	(127,124,098)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of advances from an affiliate	(119,690,378)	
Advances to affiliate	(34,448,739)	
Proceeds from issuance of Stock	13,477,017	(27,372,504)
Proceeds from collections of subscription receivables	(69,389,100)	125,632,000
Net Cash provided in Financing Activities	(210,051,200)	98,259,496
Net increase/(decrease) in Cash	197,288	(176,448)
Cash, Beginning	343,704	580,431
Cash, Ending	<b>540,992</b>	<b>403,983</b>

**ABRA MINING AND INDUSTRIAL CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**  
For the Quarter ended September 30, 2015, September 30, 2014 &  
Year ended December 31, 2014

	<b>Unaudited September 30, 2015</b>	Audited December 31, 2014	Unaudited September 30, 2014
<b>Capital Stock</b>	1,751,913,742	1,465,912,310	1,464,813,760
Payment of Subscription	30,000,000	125,632,000	-
Balance, December 31	1,781,913,742	1,591,544,310	1,464,813,760
<b>DEFICIT</b>			
Less: Accumulated deficit during Development stage, beg	(53,303,018)		
Net Operating loss for the period	(1,555,636)	(4,705,025)	(3,069,720)
Balance, end of the period	(54,858,654)	(4,705,025)	(3,069,720)
<b>Total Equity</b>	<b>1,727,055,088</b>	<b>1,586,839,285</b>	<b>1,461,744,040</b>

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
ABRA MINING & INDUSTRIAL CORPORATION**  
Held at Lipcann, Bangued, Abra  
On November 28, 2014 at 9:00 a.m.

**STOCKHOLDERS PRESENT/REPRESENTED**

Stanley Sharpe	121,000,000
Jeremias B. Beloy	100,600,000
Amelia G. Beloy	88,300,000
Conde Claro Venus	3,000,000
Jocelyn G. Gonio	500,000
Desiree B. Palaroan	500,000
Wilma D. Borromeo	500,000
Premy Ann G. Beloy	450,000
Joel G. Beloy	450,000
Armando Javillinar	300,000
Felisa B. Siobal	65,352
Patricia Beloy	100,000
By Proxies	103,351,257,000
<b>Total</b>	<b>103,544,522,352</b>

**PROCEEDINGS****CALL TO ORDER**

Mr. Jeremias B. Beloy, Chairman and President called the meeting to order and presided over the same. Ms. Wilma D. Borromeo, Secretary of the Meeting recorded the minutes of the proceedings.

**PROOF OF NOTICE**

The Secretary of the Meeting certified that notice of the meeting had been sent to all stockholders of record and was published in The Manila Times, a newspaper of general circulation in its October 25, 2014 issue.

**CERTIFICATION OF QUORUM**

The Secretary also reported that there were present at the meeting , in person or by proxy, stockholders owning 103,544,522,352 representing at least 57% of the outstanding capital stock, and that a quorum was, therefore, present and existing for the transaction of business by the stockholders. (List of stockholders present and/or represented by proxy during the said meeting is on file at the office of the Corporation.)

**APPROVAL OF THE MINUTES  
OF THE PREVIOUS MEETING**

The Chairman stated that the next matter on the agenda was the approval of the minutes of the previous stockholders' meeting held on November 29, 2013 copies of which was earlier distributed to the stockholders. The highlights of the meeting was read by the President.

On motion duly made and seconded, the 2014 Minutes of the Annual Stockholders Meeting was APPROVED.

**PRESIDENT'S REPORT**

The President rendered his annual report, The body was also informed that a copy of the President's Report was attached to the Annual Report sent to the individual stockholders.

## **APPROVAL OF THE 2013 AUDITED FINANCIAL STATEMENTS**

Next in the agenda was the approval of the 2013 audited financial statements.

On motion duly made and seconded it was resolved that the 2013 audited financial statements of the Corporation be APPROVED.

## **APPROVAL AND RATIFICATION OF ALL MANAGEMENT'S ACTS, TRANSACTIONS, DECISIONS AND RESOLUTIONS OF THE BOARD**

The Chairman then stated that the next item on the agenda was the approval and ratification of all management's corporate acts, proceedings, transactions, resolutions and decisions authorized and entered into by of the Board of Directors and Officers of the corporation from the last annual stockholders' meeting to date, November 28, 2014.

On motion duly made and seconded it was resolved that all corporate acts, transactions, decisions and resolutions entered into by the Board from the last annual stockholders' meeting to date be **APPROVED, CONFIRMED AND RATIFIED.**

## **ELECTION OF DIRECTORS**

The next item in the agenda was the election of the members of the Board of Directors of the Corporation for the ensuing year. The stockholders were informed that five (5) members of the Board of Directors were to be elected.

Jeremias B. Beloy  
Yu Ting Guan  
James G. Beloy  
Premy Ann G. Beloy  
Ma. Belinda T. Gaskell

A motion was made and seconded to close the nominations for the members of the Board of Directors of the Corporation. Thereafter, the stockholders unanimously approved the motion to close the nominations for the members of the Board of Directors of the Corporation and to consider the above-named nominees as having been elected as directors of the Corporation to serve for the current term and until their successors have been elected and qualified as provided in the By-Laws.

## **APPOINTMENT OF EXTERNAL AUDITORS**

The next item on the agenda was the appointment of the external auditors of the corporation. There are three accounting firms who have submitted their proposal. **KL SIY & Associates** was nominated appointed external auditors of the corporation for the current year.

## **APPOINTMENT OF ASIAN TRANSFER & REGISTRY CORP.**

The next matter on the agenda was the re-appointment of transfer agent. Upon motion duly made and seconded, it was resolved that **ASIAN TRANSFER & REGISTRY CORPORATION** be reappointed as its transfer agent.

## **ADJOURNMENT**

There being no further business to transact, and on motion duly made and seconded the 2014 Annual Stockholders' Meeting was adjourned.

Attested by:

(Sgd) **WILMA D. BORROMEO**  
Secretary of the Meeting

(Sgd.) **JEREMIAS B. BELOY**  
Chairman & President

**BOARD OF DIRECTORS & CORPORATE OFFICERS**

**BOARD OF DIRECTORS**

***Jeremias B. Beloy***

***Premy Ann G. Beloy***

***James G. Beloy***

***Ma. Belinda T. Gaskell***

***Yu Ting Guan***

**CORPORATE OFFICERS**

***Jeremias B. Beloy***  
*Chairman and President*  
*President*

***Armando L. Javilinar***  
*Vice-President Operations*

***Joel Albert G. Beloy***  
*Vice President Management*

***James G. Beloy***  
*Executive Vice*

***Amelia G. Beloy***  
*Chief Financial Officer*  
*Asst. Secretary*

***Premy Ann G. Beloy***  
*Assistant Treasurer*

***Danilo D. Luna***  
*Corporate Secretary*

***Principal Banker***  
*Banco de Oro Universal Bank*

***Legal Counsels***  
*Atty. Danilo D. Luna*

***Auditors***  
*KL SIY & ASSOCIATES*

***Transfer Agent***  
*Asian Transfer and Registry Corporation*

***Listing***  
*Philippine Stock Exchange*

***Stock Symbol***  
*AR*