



Consolidated Resources & Holdings, Inc.

No. 28 N. Domingo St., near corner Gilmore St., New Manila, Quezon City

Tel. Nos. 724-3759 / 725-7875 / 724-5055; Fax No. 724-3290

17 February 2012

JANET A. ENCARNACION

Head, Disclosure Department

The Philippine Stock Exchange, Inc.

3rd Floor Philippine Stock Exchange Plaza

Ayala Triangle, Ayala Avenue, Makati City

Dear Ms. Encarnacion:

We hereby disclose the execution of a Supplemental Deed of Assignment of Mining Rights in Exchange for Shares of Stock by and between our company and its fully owned subsidiary, Abacus Goldmines Exploration and Development Corporation.

This supplemental deed modifies and completes the document entitled "Deed of Assignment of Mining Rights In Exchange for Shares of Stock" which the same parties executed on 27 December 2011.

As you will recall, the exchange price of P290 million stated in the earlier document was based on a presumptive or estimated valuation of the gold mining rights therein assigned, inasmuch as the definitive appraisal report was still in the process of preparation. Since the actual fair valuation, as certified in the report of Cuervo Appraisers, Inc. dated 29 December 2011, reached more than P2.6 billion, the parties decided to increase the exchange price to P490 Million. The parties consider the latter price to be more reasonable and fair, not only because of the P2.6 billion fair valuation of the gold deposits, but also considering that the appraiser's report does not even include the deposit potential of the same mining area for other metals like silver and copper.

The Supplemental Deed also seeks to complete the earlier document by making explicit reference to the valuation report of Cuervo Appraisers, Inc. and indicating that the mining rights were acquired via assignment on 20 March 1990, that is, even prior to the effectivity of Republic Act No. 7942, the current mining law.

In order to provide the public a full background on the transaction involving the Supplemental Deed and the earlier Deed of Assignment, we enclose herewith the pertinent comprehensive corporate disclosure, together with the supporting documents.

We trust you will find the foregoing in order and will kindly upload these disclosures for the information of all interested parties.

Very truly yours,


JOAQUIN E. SAN DIEGO
Corporate Secretary

COMPREHENSIVE CORPORATE DISCLOSURE

Re: Assignment of Gold Mining Rights in Exchange for Shares of Stock

- a) Copy of all agreements relevant to the transaction.

Supplemental Deed of Assignment of Mining Rights In Exchange for Shares of Stock (Annex “A”)

Deed of Assignment of Mining Rights in Exchange for Shares of Stock (Annex “B”).

- b) Reason/purpose of and benefits expected from the transaction.

The transaction is preparatory to the company’s entry into a joint venture, such as with a Chinese Group with which the company has been in discussions or other arrangement with the end in view of engaging in gold mining operations. The assignment, together with the necessary procedure of estimating and appraising the mining rights, will enable ACRHI to record a further book income of approximately 500 Million Pesos for fiscal year 2011. The assignment will also place the company in a better position to enter into business deals with its gold mining rights.

- c) Terms and condition of the transaction

c.1. Number of shares to be issued by ABAGOLD and the aggregate issuing amount.

ABAGOLD will issue Four Hundred Ninety Million (490,000,000) new fully paid and non assessable common shares with a par value of One Peso (P1.00) per share with an aggregate issuing amount equivalent to Four Hundred Ninety Million Pesos (P490,000,000.00).

c.2 Basis upon which the value of the Contract was determined.

The transaction price of Four Hundred Ninety Million Pesos (P490,000,000.00) has been set on the basis of the fair value of the gold mining rights estimated at Two Billion Six Hundred Twenty Five Million Thirteen Thousand Nine Hundred Ninety One Pesos (P2,625,013,991.00) by Cuervo Appraisers, Inc., an independent third party appraisal company duly accredited with the Securities and Exchange Commission and the Philippine Stock Exchange.

c.3 Independent fairness opinion concerning the valuation of the Contract.

As stated above, the independent fairness opinion has been prepared by Cuervo Appraisers, Inc. per its Appraisal Report identified as CAI File No.12-2011-0791 dated 29 December 2011 (Annex “C”)

- d) Any material relationship between ACRHI and ABAGOLD, its directors, officers, or any of its affiliates.

ABAGOLD is a 100%-owned subsidiary of ACRHI.

e) Detailed background of ABAGOLD

e.1 Date of incorporation: 28 April 2008

Nature of business: operation and exploration of gold mines

e.2 Major projects and investments : None has been undertaken.

e.3 Capital structure

	Before	After (subject to SEC approval)
Authorized capital stock	₱40 million	P500 million
Issued and outstanding shares	10 million	500 million
Listed Shares	None	None
Par Value	₱1.00	P1.00

e.4 Subsidiaries and affiliates : None

e.5 Ownership structure

Principal Stockholders	Before			After (subject to SEC approval)		
	Amount in Pesos	No. Of share	%	Amount in Pesos	No. Of share	%
Abacus Consolidated Resources & Holdings, Inc.	₱9,999,993.00	9,999,993	99.99%	P499,999,993.00	499,999,993	99.99%
Juliano T. Lim	1.00	1	Less than 1.00%	1.00	1	Less than 1.00%
Leonardo S. Gayao	1.00	1	Less than 1.00%	1.00	1	Less than 1.00%
Jose V. Romero Jr.	1.00	1	Less than 1.00%	1.00	1	Less than 1.00%
Manuel A. De Leon	1.00	1	Less than 1.00%	1.00	1	Less than 1.00%
Joaquin E. San Diego	1.00	1	Less than 1.00%	1.00	1	Less than 1.00%
Jose L. Carlos Jr.	1.00	1	Less than 1.00%	1.00	1	Less than 1.00%
Martha R. Horrigan	1.00	1	Less than 1.00%	1.00	1	Less than 1.00%
TOTAL	₱10,000,000.00	10,000,000	100.00%	P500,000,000.00	500,000,000	100%

e.6 Board of Directors and principal officers

Leonardo S. Gayao	-	Director/Chairman
Juliano T. Lim	-	Director/President
Jose Revilla Reyes Jr.	-	VP-Finance
Jose L. Carlos Jr.	-	Director/Treasurer
Joaquin E. San Diego	-	Director/Corporate Secretary
Jose V. Romero Jr.	-	Director
Martha R. Horrigan	-	Director
Manuel A. De Leon	-	Director

e.7 Latest audited financial statements : enclosed

- f) Timetable for the effectivity of the transaction. The Deed of Assignment and Supplemental Deed are both effective upon notarization. The issuance of ABAGOLD shares is subject to SEC approval which the company will be applying for within the month of February.
- g) Other relevant information: None

SUPPLEMENTAL DEED OF ASSIGNMENT OF MINING RIGHTS IN EXCHANGE FOR SHARES OF STOCK

KNOW ALL MEN BY THESE PRESENTS:

This Supplemental Deed of Assignment of Mining Rights In Exchange for Shares of Stock, made and executed by and between:

ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC., a corporation duly organized and existing under and by virtue of Philippine laws, with business address at No. 28 N. Domingo St., New Manila, Quezon City, represented in this act by its Chairman of the Board, JOSE V. ROMERO, JR., hereinafter to be known as the "ASSIGNOR",

-in favor of -

ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION, a corporation duly organized and existing under and by virtue of Philippine laws, with business address at No. 28 N. Domingo St., New Manila, Quezon City, represented in this act by its Chairman of the Board, LEONARDO S. GAYAO, hereinafter to be known as the "ASSIGNEE",

WITNESSETH: That -

WHEREAS, on 27 December 2011, the ASSIGNOR and the ASSIGNEE executed a "Deed of Assignment of Mining Rights in Exchange for Shares of Stock" (hereinafter, the "Deed of Assignment") whereby the ASSIGNOR assigned its gold mining rights in favor of the ASSIGNEE, in exchange for shares of stock of the latter;

WHEREAS, at the time the said Deed of Assignment was executed, the valuation report of Cuervo Appraisers, Inc. on the gold mining rights subject of the Deed of Assignment (hereinafter, the "Appraisal Report") was still in the process of preparation;

WHEREAS, the parties, in said Deed of Assignment, agreed that the ASSIGNEE shall issue P290 million worth of shares in favor of the ASSIGNOR in exchange for the latter's gold mining rights, and the said agreement was based merely on a valuation of the gold mining rights which was then estimated as exceeding P290 million;

WHEREAS, Cuervo Appraisers, Inc. has submitted its Appraisal Report, identified as CAI File No. 12-2011-0791 dated 29 December 2011, wherein the estimated fair value of ASSIGNOR's gold mining rights is P2,625,013,991;

NOW THEREFORE, for and in consideration of the above premises, the parties wish to supplement, and by these presents do hereby supplement the Deed of Assignment as follows:

1. That ASSIGNOR and ASSIGNEE accept and approve the Appraisal Report of Cuervo Appraisers, Inc. identified as CAI File No. 12-2011-0791 dated 29 December 2011, wherein the fair value of ASSIGNOR's gold mining rights is computed as P2,625,013,991;

2. That the parties wish to make it of record, and by these presents hereby make it of record, that ASSIGNOR acquired the above mentioned gold mining rights by virtue of various Deeds of Assignment all executed on 20 March 1990 as specified in the ASSIGNOR's List of Mining Claims, copy of which is attached hereto as Annex "A" and that, furthermore, said gold mining rights are covered by Exploration Permit Application (EPA) No. 000028-XIII;

3. That the parties agree that, in view of the aforesated fair value of ASSIGNOR's gold mining rights, the exchange price for ASSIGNOR's gold mining rights shall be increased from P290 million worth of ASSIGNEE's shares to P490 million worth of ASSIGNEE's shares, and this change in exchange price shall be made retroactive to 27 December 2011, the date of execution of the Deed of Assignment;

4. That the parties further agree that ASSIGNEE shall increase its authorized capital stock from Forty Million Pesos (P40,000,000.00) to Five Hundred Million Pesos (P500,000,000.00), or an increase of Four Hundred Sixty Million Pesos (P460,000,000.00), and that the ASSIGNOR assigns, transfers and conveys its entire title and interests in its gold mining rights unto and in favor of the ASSIGNEE, in exchange for which the ASSIGNEE shall issue Four Hundred Ninety Million (490,000,000) new fully paid and non-assessable common shares of the ASSIGNEE with a par value of One Peso (P1.00) per share in favor of the ASSIGNOR, broken down as follows:

-from the ASSIGNEE's existing capital stock, Thirty Million (30,000,000) shares

-from the increase in the ASSIGNEE's authorized capital stock from P40,000,000.00 to P500,000,000.00, Four Hundred Sixty Million (460,000,000) shares;

5. That ASSIGNEE shall issue the above mentioned 490,000,000 new fully paid and non-assessable common shares only after the Securities and Exchange Commission has approved the ASSIGNEE's increase of capitalization from P40,000,000.00 to P500,000,000.00;

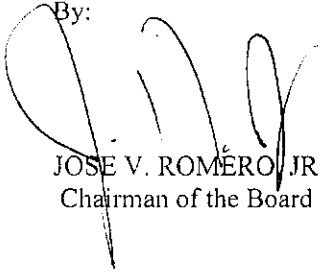
6. That the intention of the parties is that as a result of this assignment and exchange, the ASSIGNOR shall gain further control of the ASSIGNEE, in accordance with the provisions of Sec. 40(c)(2) of the National Internal Revenue Code;

7. That any expenses on the assignment of the ASSIGNOR's gold mining rights shall be for the account of the ASSIGNOR, while the documentary stamp taxes and any other expenses on the new/original issuance of shares of the ASSIGNEE shall be for the account of the ASSIGNEE;

IN WITNESS WHEREOF, we have set our hands hereinbelow this FEB 17 2012,
in Quezon City, Philippines.

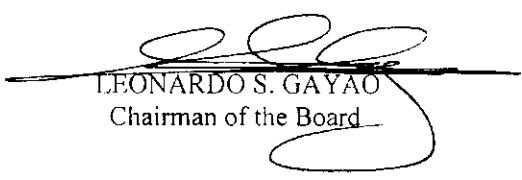
ABACUS CONSOLIDATED
RESOURCES & HOLDINGS, INC.

By:


JOSE V. ROMERO, JR.
Chairman of the Board

ABACUS GOLDMINES EXPLORATION
& DEVELOPMENT CORPORATION

By:


LEONARDO S. GAYAO
Chairman of the Board

Signed in the presence of:





ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

QUEZON CITY) S.S

BEFORE ME, a Notary Public for and in QUEZON CITY, this
FEB 17 2012 2012 personally appeared the following persons:

NAME	COMPETENT IDENTIFICATION	PARTICULARS
Jose V. Romero, Jr.	SSS ID No. 06-0015645-1	Valid until: Lifetime
Leonardo S. Gayao	Passport No. XX0449982	Valid until Jan. 30, 2013

known to me and to me known to be the same persons who executed the foregoing instrument consisting of three (3) pages including this acknowledgment page, and they acknowledged to me that the same is their own true, free and voluntary act and deed and that they have been duly authorized by the corporations they represent.

WITNESS MY HAND AND SEAL.

ATTY. JOEL G. GORDOLA
NOTARY PUBLIC
NOTARIAL COMMISSION NO. 066
COMMISSION EXPIRES DEC. 31, 2012
PTR NO. 6010756, 1/03/2012, Q.C.
IBP NO. 823224 DEC. 2, 2011, Q.C.
ROLL OF ATTORNEY NO. 25103

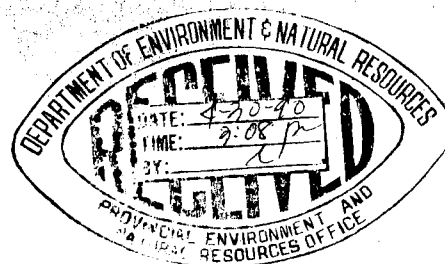
Doc. No. 186;

Page No. 78;

Book No. 080;

Series of 2012





ANNEX "A"

ABACUS Consolidated Resources & Holdings, Inc.
List of Mining Claims Located in the Provinces of
Surigao del Sur and Agusan del Sur

Location		Claim Name	Area	Locator	Declaration DOA with	
Municipality	Province				of Loc.	Abacus
1	Barobo	Surigao Sur	Andrew-3	81.00	Susan Reliquette	28-May-87 20-Mar-90
2	Barobo	Surigao Sur	Andrew-4	81.00	Susan Reliquette	28-May-87 20-Mar-90
3	Barobo	Surigao Sur	Kaye-1	81.00	Vitaliano N Lim	28-May-87 20-Mar-90
4	Barobo	Surigao Sur	Ronnie-3	81.00	Ronnie C. Orcullo	28-May-87 20-Mar-90
5	Barobo	Surigao Sur	Ronnie-4	81.00	Ronnie C. Orcullo	28-May-87 20-Mar-90
6	Barobo	Surigao Sur	Ronnie-5	81.00	Ronnie C. Orcullo	28-May-87 20-Mar-90
7	Barobo	Surigao Sur	Ronnie-6	81.00	Ronnie C. Orcullo	28-May-87 20-Mar-90
8	Barobo	Surigao Sur	Val-1	81.00	Olimpio Valenzuela	28-May-87 20-Mar-90
9	Barobo	Surigao Sur	Val-2	81.00	Olimpio Valenzuela	28-May-87 20-Mar-90
10	Barobo	Surigao Sur	Val-6	81.00	Olimpio Valenzuela	28-May-87 20-Mar-90
11	Bayugan II	Agusan Sur	Andrew-1	81.00	Susan Reliquette	28-May-87 20-Mar-90
12	Bayugan II	Agusan Sur	Andrew-2	81.00	Susan Reliquette	28-May-87 20-Mar-90
13	Bayugan II	Agusan Sur	Andrew-5	81.00	Susan Reliquette	28-May-87 20-Mar-90
14	Bayugan II	Agusan Sur	Andrew-6	81.00	Susan Reliquette	28-May-87 20-Mar-90
15	Bayugan II	Agusan Sur	Kakoy-1	81.00	Ciriaco I. Arancon	28-May-87 20-Mar-90
16	Bayugan II	Agusan Sur	Kakoy-2	81.00	Ciriaco I. Arancon	28-May-87 20-Mar-90
17	Bayugan II	Agusan Sur	Kakoy-3	81.00	Ciriaco I. Arancon	28-May-87 20-Mar-90
18	Bayugan II	Agusan Sur	Kakoy-4	81.00	Ciriaco I. Arancon	28-May-87 20-Mar-90
19	Bayugan II	Agusan Sur	Kakoy-5	81.00	Ciriaco I. Arancon	28-May-87 20-Mar-90
20	Bayugan II	Agusan Sur	Kakoy-6	81.00	Ciriaco I. Arancon	28-May-87 20-Mar-90
21	Bayugan II	Agusan Sur	LCM-1	81.00	Letecia C. Mosende	28-May-87 20-Mar-90
22	Bayugan II	Agusan Sur	LCM-2	81.00	Letecia C. Mosende	28-May-87 20-Mar-90
23	Bayugan II	Agusan Sur	LCM-3	81.00	Letecia C. Mosende	28-May-87 20-Mar-90
24	Bayugan II	Agusan Sur	LCM-4	81.00	Letecia C. Mosende	28-May-87 20-Mar-90
25	Bayugan II	Agusan Sur	LCM-5	81.00	Letecia C. Mosende	28-May-87 20-Mar-90
26	Bayugan II	Agusan Sur	LCM-6	81.00	Letecia C. Mosende	28-May-87 20-Mar-90
27	Bayugan II	Agusan Sur	Rosa-1	81.00	Rosa A. Gomez	28-May-87 20-Mar-90
28	Bayugan II	Agusan Sur	Rosa-2	81.00	Rosa A. Gomez	28-May-87 20-Mar-90
29	Bayugan II	Agusan Sur	Rosa-3	81.00	Rosa A. Gomez	28-May-87 20-Mar-90
30	Bayugan II	Agusan Sur	Rosa-4	81.00	Rosa A. Gomez	28-May-87 20-Mar-90
31	Bayugan II	Agusan Sur	Rosa-5	81.00	Rosa A. Gomez	28-May-87 20-Mar-90
32	Bayugan II	Agusan Sur	Rosa-6	81.00	Rosa A. Gomez	28-May-87 20-Mar-90
33	Bayugan II	Agusan Sur	Val-3	81.00	Olimpio Valenzuela	28-May-87 20-Mar-90
34	Bayugan II	Agusan Sur	Val-4	81.00	Olimpio Valenzuela	28-May-87 20-Mar-90
35	Bayugan II	Agusan Sur	Val-5	81.00	Olimpio Valenzuela	28-May-87 20-Mar-90
36	Bayugan III	Agusan Sur	Dayday-5	81.00	Allan G. Piczon	28-May-87 20-Mar-90
37	Bayugan III	Agusan Sur	Dayday-6	81.00	Allan G. Piczon	28-May-87 20-Mar-90
38	Bayugan III	Agusan Sur	Eliza-1	81.00	Eliza G. Tarongoy	28-May-87 20-Mar-90
39	Bayugan III	Agusan Sur	Eliza-2	81.00	Eliza G. Tarongoy	28-May-87 20-Mar-90
40	Bayugan III	Agusan Sur	Eliza-3	81.00	Eliza G. Tarongoy	28-May-87 20-Mar-90
41	Bayugan III	Agusan Sur	Eliza-4	81.00	Eliza G. Tarongoy	28-May-87 20-Mar-90
42	Bayugan III	Agusan Sur	Eliza-5	81.00	Eliza G. Tarongoy	28-May-87 20-Mar-90
43	Bayugan III	Agusan Sur	Rosal-1	81.00	Rosadi S. Cao	28-May-87 20-Mar-90
44	Bayugan III	Agusan Sur	Rosal-2	81.00	Rosadi S. Cao	28-May-87 20-Mar-90
45	Bayugan III	Agusan Sur	Rosal-3	81.00	Rosadi S. Cao	28-May-87 20-Mar-90

JP

ABACUS Consolidated Resources & Holdings, Inc.
List of Mining Claims Located in the Provinces of
Surigao del Sur and Agusan del Sur

Location		Claim Name	Area	Locator	Declaration DOA with	
Municipality	Province				of Loc.	Abacus
46	Bayugan III	Agusan Sur	Rosal-4	81.00	Rosadi S. Cao	28-May-87 20-Mar-90
47	Bayugan III	Agusan Sur	Rosal-5	81.00	Rosadi S. Cao	28-May-87 20-Mar-90
48	Bayugan III	Agusan Sur	Rosal-6	81.00	Rosadi S. Cao	28-May-87 20-Mar-90
49	Bayugan III	Agusan Sur	Shaolim-1	81.00	Lamberto N. Lim	28-May-87 20-Mar-90
50	Bayugan III	Agusan Sur	Shaolim-2	81.00	Lamberto N. Lim	28-May-87 20-Mar-90
51	Bayugan III	Agusan Sur	Shaolim-3	81.00	Lamberto N. Lim	28-May-87 20-Mar-90
52	Bayugan III	Agusan Sur	Shaolim-4	81.00	Lamberto N. Lim	28-May-87 20-Mar-90
53	Bayugan III	Agusan Sur	Shaolim-5	81.00	Lamberto N. Lim	28-May-87 20-Mar-90
54	Bayugan III	Agusan Sur	Shaolim-6	81.00	Lamberto N. Lim	28-May-87 20-Mar-90
55	Rosario	Agusan Sur	Arsenfina-1	81.00	Josefina P. Macaldo	28-May-87 20-Mar-90
56	Rosario	Agusan Sur	Arsenfina-3	81.00	Josefina P. Macaldo	28-May-87 20-Mar-90
57	Rosario	Agusan Sur	Arsenfina-4	81.00	Josefina P. Macaldo	28-May-87 20-Mar-90
58	Rosario	Agusan Sur	Arsenfina-5	81.00	Josefina P. Macaldo	28-May-87 20-Mar-90
59	Rosario	Agusan Sur	Arsenfina-6	81.00	Josefina P. Macaldo	28-May-87 20-Mar-90
60	Rosario	Agusan Sur	Ching-1	81.00	Joseph C.R. Santiago	28-May-87 20-Mar-90
61	Rosario	Agusan Sur	Ching-2	81.00	Joseph C.R. Santiago	28-May-87 20-Mar-90
62	Rosario	Agusan Sur	Ching-3	81.00	Joseph C.R. Santiago	28-May-87 20-Mar-90
63	Rosario	Agusan Sur	Ching-4	81.00	Joseph C.R. Santiago	28-May-87 20-Mar-90
64	Rosario	Agusan Sur	Ching-5	81.00	Joseph C.R. Santiago	28-May-87 20-Mar-90
65	Rosario	Agusan Sur	Ching-6	81.00	Joseph C.R. Santiago	28-May-87 20-Mar-90
66	Rosario	Agusan Sur	Condor-1	81.00	Leonides C. Ramos	12-May-86 20-Mar-90
67	Rosario	Agusan Sur	Condor-2	81.00	Leonides C. Ramos	12-May-86 20-Mar-90
68	Rosario	Agusan Sur	Condor-3	81.00	Leonides C. Ramos	12-May-86 20-Mar-90
69	Rosario	Agusan Sur	JCE- 1	81.00	Samson G. Gidayawan, Jr	20-May-86 20-Mar-90
70	Rosario	Agusan Sur	JCE- 2	81.00	Samson G. Gidayawan, Jr	20-May-86 20-Mar-90
71	Rosario	Agusan Sur	JCE- 3	81.00	Samson G. Gidayawan, Jr	20-May-86 20-Mar-90
72	Rosario	Agusan Sur	JCE- 4	81.00	Samson G. Gidayawan, Jr	20-May-86 20-Mar-90
73	Rosario	Agusan Sur	JCE- 5	81.00	Samson G. Gidayawan, Jr	20-May-86 20-Mar-90
74	Rosario	Agusan Sur	JCE- 6	81.00	Samson G. Gidayawan, Jr	20-May-86 20-Mar-90
75	Rosario	Agusan Sur	JCE- 7	81.00	Arestides M. Altres	20-May-86 20-Mar-90
76	Rosario	Agusan Sur	JCE- 8	81.00	Arestides M. Altres	20-May-86 20-Mar-90
77	Rosario	Agusan Sur	JCE- 9	81.00	Arestides M. Altres	20-May-86 20-Mar-90
78	Rosario	Agusan Sur	JCE-10	81.00	Arestides M. Altres	20-May-86 20-Mar-90
79	Rosario	Agusan Sur	JCE-11	81.00	Arestides M. Altres	20-May-86 20-Mar-90
80	Rosario	Agusan Sur	JCE-12	81.00	Arestides M. Altres	20-May-86 20-Mar-90
81	Rosario	Agusan Sur	JCE-13	81.00	Domingo L. Ponseca	20-May-86 20-Mar-90
82	Rosario	Agusan Sur	JCE-14	81.00	Domingo L. Ponseca	20-May-86 20-Mar-90
83	Rosario	Agusan Sur	JCE-15	81.00	Domingo L. Ponseca	20-May-86 20-Mar-90
84	Rosario	Agusan Sur	JCE-16	81.00	Domingo L. Ponseca	20-May-86 20-Mar-90
85	Rosario	Agusan Sur	Joy-1	81.00	Josephine L. Garcia	28-May-87 20-Mar-90
86	Rosario	Agusan Sur	Joy-2	81.00	Josephine L. Garcia	28-May-87 20-Mar-90
87	Rosario	Agusan Sur	Joy-3	81.00	Josephine L. Garcia	28-May-87 20-Mar-90
88	Rosario	Agusan Sur	Joy-4	81.00	Josephine L. Garcia	28-May-87 20-Mar-90
89	Rosario	Agusan Sur	Joy-5	81.00	Josephine L. Garcia	28-May-87 20-Mar-90
90	Rosario	Agusan Sur	Joy-6	81.00	Josephine L. Garcia	28-May-87 20-Mar-90

ABACUS Consolidated Resources & Holdings, Inc.
List of Mining Claims Located in the Provinces of
Surigao del Sur and Agusan del Sur

Location		Claim Name	Area	Locator	Declaration DOA with	
Municipality	Province				of Loc.	Abacus
91	Rosario	Agusan Sur	Kaye-2	81.00	Vitaliano N Lim	28-May-87 20-Mar-90
92	Rosario	Agusan Sur	Kaye-3	81.00	Vitaliano N Lim	28-May-87 20-Mar-90
93	Rosario	Agusan Sur	Kaye-4	81.00	Vitaliano N Lim	28-May-87 20-Mar-90
94	Rosario	Agusan Sur	Kaye-5	81.00	Vitaliano N Lim	28-May-87 20-Mar-90
95	Rosario	Agusan Sur	Kaye-6	81.00	Vitaliano N Lim	28-May-87 20-Mar-90
96	Rosario	Agusan Sur	Ronnie-1	81.00	Ronnie C. Orcullo	28-May-87 20-Mar-90
97	Rosario	Agusan Sur	Ronnie-2	81.00	Ronnie C. Orcullo	28-May-87 20-Mar-90
98	Rosario	Agusan Sur	Shanghai-1	81.00	Sonia M. Ajoc	28-May-87 20-Mar-90
99	Rosario	Agusan Sur	Shanghai-2	81.00	Sonia M. Ajoc	28-May-87 20-Mar-90
100	Rosario	Agusan Sur	Shanghai-3	81.00	Sonia M. Ajoc	28-May-87 20-Mar-90
101	Rosario	Agusan Sur	Shanghai-5	81.00	Sonia M. Ajoc	28-May-87 20-Mar-90
102	Rosario	Agusan Sur	Shanghai-6	81.00	Sonia M. Ajoc	28-May-87 20-Mar-90

[Handwritten signature]

DEED OF ASSIGNMENT OF MINING RIGHTS IN EXCHANGE FOR SHARES OF STOCK

KNOW ALL MEN BY THESE PRESENTS:

This Deed of Assignment, made and executed by and between:

ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC., a corporation duly organized and existing under and by virtue of Philippine laws, with business address at No. 28 N. Domingo St., New Manila, Quezon City, represented in this act by its Chairman of the Board, JOSE V. ROMERO, JR., hereinafter to be known as the "ASSIGNOR",

-in favor of-

ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION, a corporation duly organized and existing under and by virtue of Philippine laws, with business address at No. 28 N. Domingo St., New Manila, Quezon City, represented in this act by its Chairman of the Board, LEONARDO S. GAYAO, hereinafter to be known as the "ASSIGNEE",

WITNESSETH: That

WHEREAS, the ASSIGNOR is the owner of certain gold mining rights covered by Exploration Permit Application (EPA) No. 000028-XIII containing an area of 6,731.953 hectares located in Municipality of Barobo, Surigao del Sur and Municipalities of San Francisco and Rosario, Agusan del Sur;

WHEREAS, the aforesaid gold mining rights have an estimated valuation that exceeds the amount of Two Hundred Ninety Million Pesos (P290,000,000.00);

WHEREAS, the ASSIGNEE is a stock corporation with an authorized capital stock of Forty Million Pesos (P40,000,000.00) divided into Forty Million (40,000,000) shares with a par value of One Peso (P1.00), of which the amount of Ten Million Pesos (P10,000,000.00) has been subscribed and Two Million Five Hundred Thousand Pesos (P2,500,000.00) has been paid;

WHEREAS, the ASSIGNEE is increasing its authorized capital stock from Forty Million Pesos (P40,000,000.00) to Three Hundred Million Pesos (P300,000,000.00), or an increase of Two Hundred Sixty Million Pesos (P260,000,000.00);

WHEREAS, the ASSIGNEE has as its primary purpose the commercial operation and exploration of gold mines;

WHEREAS, the ASSIGNOR is willing to assign its gold mining rights described in the first whereas clause hereof in favor of the ASSIGNEE, and in exchange therefor the ASSIGNEE is willing to issue Two Hundred Ninety Million (290,000,000) new fully paid and non-assessable common shares with a par value of One Peso (P1.00) per share as follows:

-from the ASSIGNEE's existing capital stock, Thirty Million (30,000,000) shares

-from the increase in the ASSIGNEE's authorized capital stock from P40,000,000.00 to P300,000,000.00, Two Hundred Sixty Million (260,000,000) shares;

WHEREAS, the ASSIGNEE is willing to accept the assignment, exchange and conveyance of the gold mining rights of the ASSIGNOR in exchange for a total of Two Hundred

*Indicates
Agusan del Sur*

Ninety Million (290,000,000) new fully paid and non-assessable common shares of the ASSIGNEE with a par value of One Peso (₱1.00) per share;

WHEREAS, the intention of the parties is that as a result of this assignment and exchange, the ASSIGNOR shall gain further control of the ASSIGNEE, in accordance with the provisions of Sec. 40(c)(2) of the National Internal Revenue Code;

NOW THEREFORE, for and in consideration of the above premises, the ASSIGNOR hereby assigns, exchanges and conveys, unto and in favor of the ASSIGNEE, its gold mining rights described in the first whereas clause hereof, with an estimated valuation exceeding the amount of Two Hundred Ninety Million Pesos (P290,000,000.00), in exchange for Two Hundred Ninety Million (290,000,000) new fully paid and non-assessable common shares of the ASSIGNEE, with a par value of One Peso (₱1.00) per share, subject to the following terms and conditions:

1. That the ASSIGNEE shall issue new shares of stock to the ASSIGNOR, as follows:
 - 1.1 Thirty Million (30,000,000) shares from the unsubscribed capital stock of the ASSIGNEE
 - 1.2 Two Hundred Sixty Million (260,000,000) shares from the increase in the ASSIGNEE's authorized capital stock from Forty Million Pesos (₱40,000,000.00) to Three Hundred Million Pesos (₱300,000,000.00);
2. That the above mentioned shares shall be issued only after the Securities and Exchange Commission has approved the ASSIGNEE's increase of capitalization from ₱40,000,000.00 to ₱300,000,000.00;
3. That any expenses on the assignment of the ASSIGNOR's gold mining rights shall be for the account of the ASSIGNOR, while the documentary stamp taxes and any other expenses on the new/original issuance of shares of the ASSIGNEE shall be for the account of the ASSIGNEE;
4. That the validity of this assignment shall be subject to the approval of the proper agencies of the Philippine government, including but not limited to the Securities and Exchange Commission.

DEC 27 2011

IN WITNESS WHEREOF, we have set our hands hereinbelow this _____, 2011, in Quezon City, Philippines.

ABACUS CONSOLIDATED
RESOURCES & HOLDINGS, INC.

By:

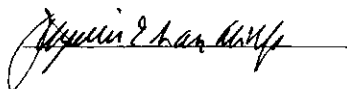
JOSE V. ROMERO, JR.
Chairman of the Board

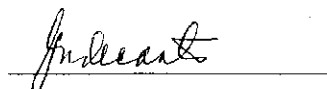
ABACUS GOLDMINES EXPLORATION
& DEVELOPMENT CORPORATION

By:

LEONARDO S. GAYAO
Chairman of the Board

Signed in the presence of:





ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

QUEZON CITY) S.S

BEFORE ME, a Notary Public for and in QUEZON CITY, this
DEC 27 2011, 2011 personally appeared the following persons:

NAME	COMPETENT IDENTIFICATION	PARTICULARS
Jose V. Romero, Jr.	Passport No. UU0605266	Valid until Feb. 2, 2012
Leonardo S. Gayao	Passport No. XX0449982	Valid until Jan. 30, 2013

known to me and to me known to be the same persons who executed the foregoing instrument consisting of three (3) pages including this acknowledgment page, and they acknowledged to me that the same is their own true, free and voluntary act and deed and that they have been duly authorized by the corporations they represent.

WITNESS MY HAND AND SEAL.

ATTY. JOEL G. GORDOLA
NOTARY PUBLIC
JUDICIAL COMMISSION NO. NP-052
COMMISSION EXPIRES DEC 31, 2011
PTR NO. 4859910; 1/03/2011; Q.C.
IBP NO. 774185; 1/12/2010; Q.C.
ROLL OF ATTORNEY NO. 25103/

Doc. No. 441 ;

Page No. 97 ;

Book No. 57-0 ;

Series of 2011.

[Handwritten signature]

ANNEX CC C 11

VALUATION OF GOLD MINING RIGHTS

Property of the
ABACUS CONSOLIDATED RESOURCES AND HOLDINGS, INC. ("ABACUS")

Located in
**Rosario and San Francisco, Province of
Agusan del Sur**



The Management of Cuervo Appraisers is leading the advocacy in the valuation industry for the conservation of our trees through minimal use of paper products and encouraging electronic-generated reports.

"The earth we abuse and the living things we kill will, in the end, take their revenge; for in exploiting their presence, we are diminishing our future." - Marya Mannes, More in Anger, 1958



Cuervo Appraisers®
Asset Valuation Solutions



29 December 2011

ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC.No. 28 N. Domingo Street
New Manila, Quezon City
Metro Manila, PhilippinesAttention : **ATTY. LEONARDO S. GAYAO**
PresidentSubject : **CAI File No. 12-2011-0791**
Valuation of Mining Rights

Gentlemen :

We express our professional statement of opinion on the valuation of certain gold mining rights of the **ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC. ("ABACUS")**, which are located in Rosario and San Francisco, Province of Agusan del Sur, described in this Independent Valuation Report. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by Abacus, as well as on our analyses and research of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Abacus and its management are responsible for the preparation and fair presentation of information and internal data provided to us. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by Abacus and its management.

The intention of our report is to gather, summarize and interpret the material information contained in the Report on the Geology and Resource Potential of the Mineral Claims (GRPMC) of Abacus Consolidated Resources and Holdings, Inc. made by Joel D. Chan dated November 29, 2011. Accordingly, we have regarded the above-mentioned GRPMC Report and other information given to us as expert reports.

Our responsibility as valuation professionals is to come up with an appropriate reasonable financial valuation for the gold mining rights of Abacus based on information, internal data and market data available to us, as well as on our own analyses. Our valuation report was made on reasonable information that adequately supports our conclusions to establish the fair value of the subject gold mining rights of Abacus as of December 29, 2011.

Our valuation is intended to be used for financial planning and reporting purposes. Our valuation does not in any way, guarantee or confirm the estimate of available reserves.

Our approach to value is based on globally accepted standards of valuation, including, but not limited to, analyses of the income and/or cash flow generating capacity of the assets, its economic potential, as well as its relative value vis-à-vis other similar assets in the industry, where such comparison was possible.


In our opinion, and as discussed in the following narrative, the estimated fair value of the gold mineral rights of Abacus identified in this report as of *December 29, 2011* is reasonably represented in the amount of **US DOLLARS: SIXTY MILLION ONE HUNDRED THIRTY SEVEN THOUSAND SEVEN HUNDRED SEVENTY EIGHT ONLY, (US\$60,137,778.00) or PHILIPPINE PESO: TWO BILLION SIX HUNDRED TWENTY FIVE MILLION THIRTEEN THOUSAND NINE HUNDRED NINETY ONE PESOS ONLY (PHP2,625,013,991.00).**


We certify that we have neither present nor prospective interest in Abacus Consolidated Resources and Holdings, Inc. or on the reported value.

Very truly yours,

CUERVO APPRAISERS, INC.

By:


LIBERTY SANTIAGO-AÑO, I.P.A.
General Manager
Real Estate Appraiser
PTR No. 7578762
18 January 2012
City of Pasig


ALEJANDRO S. CALDERON
Consultant, Business Valuation

NARRATIVE REPORT

I. GENERAL PRINCIPLES GOVERNING THIS REPORT

This report covers an analysis and evaluation of the fundamental characteristics of an asset, in this case certain mining rights, using information contained in the Report on the Geology and Resource Potential of the Mineral Claims (GRPMC) done by Joel D. Chan dated November 29, 2011 for Abacus Consolidated Resources and Holdings, Inc. together with other supporting documents on mine site soil analysis, pictures and maps. Our report was made for the purpose of expressing an opinion on the value of the mining rights under consideration as of *29 December 2011*.

The term ***"value of the mining right"*** is defined as the benefits of a firm from a mining assets that exceeds its costs of developing said asset. These benefits may be received in the near or distant future, and costs include certain direct cost of the development & research and the cost of capital used therein.

The underlying theme in fundamental analysis is that the true value of a firm or asset can be related to its financial characteristics: its growth prospects, risk profile, and cash flows. Efficient market hypothesis, on the other hand, implies that the market price at any points in time represents the best estimate of the true value of the firm.

A ***"mining right"*** provides a firm with the right to develop the mining assets and appropriate such asset. The mining right granted to the owner for a certain period of time enables the owner to recoup the cost of development, production and marketing of the products. The mining right is an appropriable asset, and can thus be transferred or licensed which is necessary for its commercialization.

"Valuation" is the process of determining the true value of a firm or asset, as well as determining what assumptions about growth and risk are implied in the market price, or why an asset, share of stock, bond, option or future will sell for its price.

The valuation methods used in this report are widely used and accepted by various international institutions, and have been carefully developed over time by experienced global practitioner in the area of valuation.

II. BRIEF PROFILE OF ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC.

A. Company Overview

Abacus Consolidated Resources and Holdings, Inc., through its subsidiaries is engaged in the financial services, real estate, and gold and coal mining businesses in the Philippines. Its financial services include arrangement of project financing for various real estate, logistics, and infrastructure projects. The company's primary real estate project is a residential, pilgrimage, and recreation complex located in a 100 hectare plus property located in Matuco Point, Batangas City. It holds 102 gold mining claims in San Francisco and Rosario, Agusan del Sur. The company also engages in wholesale and retail, publishing, aqua and fishery, construction, maritime commerce, games technology, real property management, and insurance agency businesses; and the manufacture and warehousing of cement, aggregates, lime stones, or their derivatives. It was formerly known as Piedra Negra Mining Corporation and changed its name to Abacus Consolidated Resources and Holdings, Inc. in 1989. The company was incorporated in 1981 and is based in Quezon City, the

Philippines. As of December 31, 2009, Abacus Consolidated Resources and Holdings, Inc. operates as a subsidiary of Blue Stock Development Holdings, Inc.

B. Shareholders and Officers

Abacus Consolidated Resources and Holdings, Inc. is listed with the Philippine Stock Exchange.

Abacus Consolidated Resources and Holdings, Inc. current Board of Directors is composed of the following:

- Jose V. Romero
- Manuel A. de Leon
- Calixto Y. Laureano
- Ricardo T. Leong
- Martha R. Horrigan
- Willy N. Ocier
- William Y. Tieng
- Cindy B. Cayanan
- Leonardo S. Gayao
- Gonzalo G. Puyat II - Independent Director
- Jose A. Syjuco, Jr. - Independent Director
- Jose L. Carlos, Jr.
- Antonio Victoriano F. Gregorio III
- Manuel R. Moje
- Arturo V. Magtibay

Among its Officers are the following:

Chairman	:	Jose V. Romero Jr.
Vice Chairman	:	Manuel A. De Leon
Managing Director	:	William Y. Tieng
President	:	Leonardo S. Gayao
Vice President & Corporate Secretary	:	Joaquin E. San Diego
Treasurer	:	Jose L. Carlos, Jr
Comptroller	:	Rico G. De los Reyes

C. Summary of Financial Information

This study or evaluation of the gold mining rights of Abacus Consolidated Resources and Holdings Inc. has been based on the geological and resource potential report made by Mr. Joel Chan on November 29, 2011. We have also used relevant operational data from Medusa Mining Limited which has gold mining operations not far from the same geographic area. We used the amount of US\$150.00 per actual mined troy ounce of gold as operational cost of mining the deposit. This estimated cost figure is about 15% less than that of Medusa Mining's actual cost which has a much higher overhead burden including royalty payments to its principal.

III. EARNINGS FORECAST

In evaluating the mining rights, we have solely referred to the estimated tonnage volumes and mineral yields of the mine sites cited in the Report on the Geology and Resource Potential of the Mineral Claims (GRPMC) of Mr. Chan submitted to Abacus Consolidated Resources and Holdings, Inc. Based on the report's forecasted basic soil and rock tonnage to be processed, we computed a "life of mine" period of about 18 years assuming a ball milling capacity of one 500 ton unit on the first and second years, and another 500 ton unit to be added and operational by the third year. A significant capital expenditure of about \$2,000,000 in the initial year is being allocated for the initial ball mill and other processing facilities including supporting facility equipment such as power generating sets, backhoes, and transport equipment. Minimal capital expenditures have been allocated in all the other years with significant allocation of \$500,000 in the second year for conveyors and other moving equipment, \$1,000,000 in the third year for the second balling mill and its operational accessories, and \$500,000 in the tenth year for rehabilitation or upgrade of the two existing ball mills.

The following data shows a summary of the potential resource of the mineral reserve contained in the Report on the Geology and Resource Potential of the Mineral Claims (GRPMC) of Abacus Consolidated Resources and Holdings, Inc.

Table III - Computation table for potential resource of Abacus prospect

I. Hard Rock Potential Resource

Structures	Width (m)	Length (m)	Thickness (m)	Volume (cbm)**	T.F. [†]	Tonnage (DMT)****	Payability at 40%	Au/gpt [‡]	Grams Au
a.) Seguilisan II	10	500	100	500,000	2.50	1,250,000	500,000	4.5	2,250,000
b.) Sumugpong	10	500	100	500,000	2.50	1,250,000	500,000	5.0	2,500,000
c.) Guinhalinan	10	600	100	600,000	2.50	1,500,000	600,000	3.0	1,800,000
d.) Mat-i	13	600	100	780,000	2.50	1,950,000	780,000	1.5	1,170,000
Sub-Total				2,380,000		5,950,000	2,380,000	3.1	7,720,000
II. Placer Gold Potential				5,000,000			2,000,000	0.2	380,000
Grand Total				7,380,000			4,380,000	1.8	8,100,000

3.5 CONCLUSION AND RECOMMENDATION

A combined total of the hard rock and alluvial potential resource was placed at 8,100,000 grams gold equivalent to 260,245 ounces gold-as follows:

Classification	Gold (grams)
1.) Hard Rock	7,720,000
2.) Alluvial	<u>380,000</u>
Total	8,100,000 grams Gold
Equivalent to	260,245 ounces Gold

Financial highlights of annual sales, capital expenditures, and mining costs projections in US\$ based on the technical data provided us are as follows:

FINANCIAL HIGHLIGHTS

Year	Gross Sales		Capital Cost	Cost to Mine
Y1 to Y18				
1	19,229,073		2,000,000	1,677,823
2	19,229,073		500,000	1,677,823
3	27,785,968		1,000,000	2,472,581
4	27,785,968		150,000	2,472,581
5	27,785,968		100,000	2,472,581
6	27,785,968		100,000	2,472,581
7	27,785,968		100,000	2,472,581
8	27,785,968		100,000	2,472,581
9	27,785,968		100,000	2,472,581
10	27,785,968		500,000	2,472,581
11	27,785,968		50,000	2,472,581
12	27,785,968		50,000	2,472,581
13	27,785,968		50,000	2,472,581
14	22,341,855		50,000	1,966,935
15	18,278,306		50,000	1,589,516
16	18,278,306		50,000	1,589,516
17	12,222,056		50,000	1,027,016
18	6,759,556			627,823
TTL Y1 to Y18	421,983,871	-	5,000,000	37,354,839
				42,354,839

NPV (based on 12%)

177,603,441

19,180,973

The minerals prices assumed for the projection were as follows:

Gold Price = US\$1,615.00 / Troy Ounces (T.O.) on December 27, 2011

In addition, we used our assumptions for our valuation, as follows:

Risk free return (r) based on latest local fixed long-term treasury issues: 6.5%

IV. VALUATION

For ABACUS CONSOLIDATED RESOURCES & HOLDINGS, INC., we have used the Option Pricing Approach to Mining Rights Patent Valuation. Specifically for this purpose, we have used the **Black Scholes Merton Valuation Model**.

The underlying asset in a mining right is the resource itself. The current value of the underlying asset is the present value of expected cash flows from this asset. The uncertainty in the cash flow estimates, such as is present in the quantification of natural resources, is the reason why the product option has value. If expected cash flows were known with certainty, there would be no need to adopt an option pricing framework, since there would be no value to the option.

The general model for this purpose is:

$$\text{Value of patent} = Se^{-yt}N(d_1) - Ke^{-rt}N(d_2)$$

$$\text{Where } d_1 = \frac{\ln(S/K) + (r - y + (\sigma^2/2))t}{\sigma\sqrt{t}}$$

$$d_2 = d_1 - \sigma\sqrt{t}$$

$N(d_1)$, $N(d_2)$ = cumulative normal distribution function of d_1 & d_2

\ln = natural logarithm

S = current value of underlying asset

K = strike price of the option

t = life to expiration of the option

r = riskless interest rate

σ^2 = variance in the $\ln(\text{value})$ of the underlying product

y = dividend yield

Our choice of valuation model was based on the following rationales:

1. The mining right has a large potential of producing cash flow in the future, and may be undervalued using traditional valuation techniques due to uncertainty factors.
2. A product option (mining right) is normally exercised if the expected product sales exceed its cost of development (call option concept).
3. Many natural resources investments have been traditionally evaluated using discounted cash flow techniques. The use of these techniques may not be appropriate, given the option that these firms possess to leave the investments untouched, if the price of the resource declines and, to exploit them fully, if the price rises.

1. We make the following revenue forecast per Mine Site based on the data in the GRPMC report.

A. Saguisilan

Tonnage	1,250,000	US\$/T.O	1,615.00
Payability %	40%	US\$ = PHP	43.65
Payability Tons	500,000	US\$ Cost	150.00
Au/gpt	4.50	to Mine	

Year	Balance	Year Output	Year @45%	Au Grams	Au T.O.	US\$	Total Cost to Mine
1	1,250,000	91,250	36,500	164,250	5298	8,556,895	794,758
2	1,158,750	91,250	36,500	164,250	5298	8,556,895	794,758
3	1,067,500	91,250	36,500	164,250	5298	8,556,895	794,758
4	976,250	91,250	36,500	164,250	5298	8,556,895	794,758
5	885,000	91,250	36,500	164,250	5298	8,556,895	794,758
6	793,750	91,250	36,500	164,250	5298	8,556,895	794,758
7	702,500	91,250	36,500	164,250	5298	8,556,895	794,758
8	611,250	91,250	36,500	164,250	5298	8,556,895	794,758
9	520,000	91,250	36,500	164,250	5298	8,556,895	794,758
10	428,750	91,250	36,500	164,250	5298	8,556,895	794,758
11	337,500	91,250	36,500	164,250	5298	8,556,895	794,758
12	246,250	91,250	36,500	164,250	5298	8,556,895	794,758
13	155,000	91,250	36,500	164,250	5298	8,556,895	794,758
14	63,750	63,750	25,500	114,750	3702	5,978,105	555,242
		1,250,000	500,000	2,250,000	72,581	117,217,742	10,887,097

B. Sumugpong

Tonnage	1,250,000	US\$/T.O	1,615.00
Payability %	40%	US\$ = PHP	43.65
Payability Tons	500,000	US\$ Cost	150.00
Au/gpt	5.0	to Mine	

Year	Balance	Year Output	Year @45%	Au Grams	Au T.O.	US\$	Total Cost to Mine
1	1,250,000	91,250	36,500	182,500	5887	9,507,661	883,065
2	1,158,750	91,250	36,500	182,500	5887	9,507,661	883,065
3	1,067,500	91,250	36,500	182,500	5887	9,507,661	883,065
4	976,250	91,250	36,500	182,500	5887	9,507,661	883,065
5	885,000	91,250	36,500	182,500	5887	9,507,661	883,065
6	793,750	91,250	36,500	182,500	5887	9,507,661	883,065
7	702,500	91,250	36,500	182,500	5887	9,507,661	883,065
8	611,250	91,250	36,500	182,500	5887	9,507,661	883,065
9	520,000	91,250	36,500	182,500	5887	9,507,661	883,065
10	428,750	91,250	36,500	182,500	5887	9,507,661	883,065
11	337,500	91,250	36,500	182,500	5887	9,507,661	883,065
12	246,250	91,250	36,500	182,500	5887	9,507,661	883,065
13	155,000	91,250	36,500	182,500	5887	9,507,661	883,065
14	63,750	63,750	25,500	127,500	4113	6,642,339	616,935
		1,250,000	500,000	2,500,000	80,645	130,241,935	12,096,774

C. Gulnhallinan

Tonnage	1,500,000	US\$/T.O	1,615.00
Payability %	40%	US\$ = PHP	43.65
Payability Tons	600,000	US\$ Cost	150.00
Au/gpt	3.0	to Mine	

Year	Balance	Year Output	Year @45%	Au Grams	Au T.O.	US\$	Total Cost to Mine
3	1,500,000	91,250	36,500	109,500	3532	5,704,597	529,839
4	1,408,750	91,250	36,500	109,500	3532	5,704,597	529,839
5	1,317,500	91,250	36,500	109,500	3532	5,704,597	529,839
6	1,226,250	91,250	36,500	109,500	3532	5,704,597	529,839
7	1,135,000	91,250	36,500	109,500	3532	5,704,597	529,839
8	1,043,750	91,250	36,500	109,500	3532	5,704,597	529,839
9	952,500	91,250	36,500	109,500	3532	5,704,597	529,839
10	861,250	91,250	36,500	109,500	3532	5,704,597	529,839
11	770,000	91,250	36,500	109,500	3532	5,704,597	529,839
12	678,750	91,250	36,500	109,500	3532	5,704,597	529,839
13	587,500	91,250	36,500	109,500	3532	5,704,597	529,839
14	496,250	91,250	36,500	109,500	3532	5,704,597	529,839
15	405,000	182,500	73,000	219,000	7065	11,409,194	1,059,677
16	222,500	182,500	73,000	219,000	7065	11,409,194	1,059,677
17	40,000	40,000	16,000	48,000	1548	2,500,645	232,258
		1,500,000	600,000	1,800,000	58,065	93,774,194	8,709,677

D. Mat-I

Tonnage	1,950,000	US\$/T.O	1,615.00
Payability %	40%	US\$ = PHP	43.65
Payability Tons	780,000	US\$ Cost	150.00
Au/gpt	1.5	to Mine	

Year	Balance	Year Output	Year @45%	Au Grams	Au T.O.	US\$	Total Cost to Mine
3	1,950,000	91,250	36,500	54,750	1766	2,852,298	264,919
4	1,858,750	91,250	36,500	54,750	1766	2,852,298	264,919
5	1,767,500	91,250	36,500	54,750	1766	2,852,298	264,919
6	1,676,250	91,250	36,500	54,750	1766	2,852,298	264,919
7	1,585,000	91,250	36,500	54,750	1766	2,852,298	264,919
8	1,493,750	91,250	36,500	54,750	1766	2,852,298	264,919
9	1,402,500	91,250	36,500	54,750	1766	2,852,298	264,919
10	1,311,250	91,250	36,500	54,750	1766	2,852,298	264,919
11	1,220,000	91,250	36,500	54,750	1766	2,852,298	264,919
12	1,128,750	91,250	36,500	54,750	1766	2,852,298	264,919
13	1,037,500	91,250	36,500	54,750	1766	2,852,298	264,919
14	946,250	91,250	36,500	54,750	1766	2,852,298	264,919
15	855,000	182,500	73,000	109,500	3532	5,704,597	529,839
16	672,500	182,500	73,000	109,500	3532	5,704,597	529,839
17	490,000	273,750	109,500	164,250	5298	8,556,895	794,758
18	216,250	216,250	86,500	129,750	4185	6,759,556	627,823
		1,950,000	780,000	1,170,000	37,742	60,953,226	5,661,290


Cuervo Appraisers®

Asset Valuation Solutions

E. PlacerGold

Tonnage	5,000,000	Au/gpt	0.19
Payability %	40%	US\$/T.O	1,615.00
Payability Tons	2,000,000	US\$ = PHP	43.65

Year	Au Grams	Au T.O.	US\$
	380000	12,258	19,796,774
1	22353	721	1,164,516
2	22353	721	1,164,516
3	22353	721	1,164,516
4	22353	721	1,164,516
5	22353	721	1,164,516
6	22353	721	1,164,516
7	22353	721	1,164,516
8	22353	721	1,164,516
9	22353	721	1,164,516
10	22353	721	1,164,516
11	22353	721	1,164,516
12	22353	721	1,164,516
13	22353	721	1,164,516
14	22353	721	1,164,516
15	22353	721	1,164,516
16	22353	721	1,164,516
17	22353	721	1,164,516
	380,000	12,258	19,796,774

**Cuervo Appraisers[®]**

Asset Valuation Solutions

- The table below shows the summary of annual revenues and costs per mine site. The forecasted "life of mine" of 18 years is based on the gross tonnage to be processed again based on the GRPMC report of Mr. Chan .

Abacus Consolidated Resources & Holdings, Inc.

Revenue per Site & Total Cost to Mine

YEAR	A SAGUISILAN	B SUMUGPONG	C GUINHALINAN	D MAT-I	E PLACER GOLD	TOTAL REVENUE	TOTAL COST
1	8,556,895	9,507,661			1,164,516	19,229,073	1,677,823
2	8,556,895	9,507,661			1,164,516	19,229,073	1,677,823
3	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
4	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
5	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
6	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
7	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
8	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
9	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
10	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
11	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
12	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
13	8,556,895	9,507,661	5,704,597	2,852,298	1,164,516	27,785,968	2,472,581
14	5,978,105	6,642,339	5,704,597	2,852,298	1,164,516	22,341,855	1,966,935
15			11,409,194	5,704,597	1,164,516	18,278,306	1,589,516
16			11,409,194	5,704,597	1,164,516	18,278,306	1,589,516
17			2,500,645	8,556,895	1,164,516	12,222,056	1,027,016
18				6,759,556		6,759,556	627,823
TOTAL	117,217,742	130,241,935	93,774,194	60,953,226	19,796,774	421,983,871	37,354,839

- Expected capital expenditures of \$5,000,000 and mining costs of \$37,354,839 for 18 years will total to US\$42,354,839.00. However using a net present value discount rate of 12%, this will be shown as \$19,180,973 as detailed in the next computation table.
- The exchange rate assumed in the Financial Projection is PhP43.65/US\$ based on BSP actual rate on December 27, 2011. This valuation acknowledges that the project value is sensitive to exchange rates. Any strengthening of the local currency will have an adverse impact on present values.

The table below shows our computed numerical inputs to the valuation model we used:

NPV COMPUTATION

YEAR	S	NPV of S	K	NPV of K	12%	LnS	S/K
1	19,229,073	17,171,562	3,677,823	3,284,296	0.893	16.771934	5.23
2	19,229,073	15,325,571	2,177,823	1,735,725	0.797	16.771934	8.83
3	27,785,968	19,783,609	3,472,581	2,472,477	0.712	17.140042	8.00
4	27,785,968	17,671,875	2,622,581	1,667,961	0.636	17.140042	10.59
5	27,785,968	15,754,644	2,572,581	1,458,653	0.567	17.140042	10.80
6	27,785,968	14,087,486	2,572,581	1,304,298	0.507	17.140042	10.80
7	27,785,968	12,559,257	2,572,581	1,162,806	0.452	17.140042	10.80
8	27,785,968	11,225,531	2,572,581	1,039,323	0.404	17.140042	10.80
9	27,785,968	10,030,734	2,572,581	928,702	0.361	17.140042	10.80
10	27,785,968	8,947,082	2,972,581	957,171	0.322	17.140042	9.35
11	27,785,968	7,974,573	2,522,581	723,981	0.287	17.140042	11.01
12	27,785,968	7,140,994	2,522,581	648,303	0.257	17.140042	11.01
13	27,785,968	6,362,987	2,522,581	577,671	0.229	17.140042	11.01
14	22,341,855	4,580,080	2,016,935	413,472	0.205	16.921972	11.08
15	18,278,306	3,344,930	1,639,516	300,031	0.183	16.721225	11.15
16	18,278,306	2,979,364	1,639,516	267,241	0.163	16.721225	11.15
17	12,222,056	1,784,420	1,077,016	157,244	0.146	16.318753	11.35
18	6,759,556	878,742	627,823	81,617	0.130	15.726468	10.77

421,983,871 177,603,441 42,354,839 19,180,973

NPV 177,603,441 19,180,973 9.259355

Ln	2.2256344
Y	0.0555556
t	18.0000000
Vt	4.2426407
δ	0.3789498
δ ²	0.1436030
d1	2.2939299
d2	0.6861820
Nd1	0.9891027
Nd2	0.7537008

V. CONCLUSION

Based on our analyses of revenues and cash flow, the variables we have used, and the Black Scholes Merton Option Pricing Valuation Model, the estimated fair value for the reserves identified in this report *as of December 29, 2011* is **US DOLLARS: SIXTY MILLION ONE HUNDRED THIRTY SEVEN THOUSAND SEVEN HUNDRED SEVENTY EIGHT ONLY, (US\$60,137,778.00) or PHILIPPINE PESO : TWO BILLION SIX HUNDRED TWENTY FIVE MILLION THIRTEEN THOUSAND NINE HUNDRED NINETY ONE PESOS ONLY (PHP2,625,013,991.00).**

COVER SHEET

C	S	2	0	0	8	0	6	3	6	4
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S.E.C. Registration Number

A	B	A	C	U	S		G	O	L	D	M	I	N	E	S		E	X	P	L	O	R	A	T	I	O	N		
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A	N	D		D	E	V	E	L	O	P	M	E	N	T		C	O	R	P	O	R	A	T	I	O	N			
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(Company's Full Name)

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Q	U	E	Z	O	N		C	I	T	Y																			
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(Business Address : No. Street City/Town/Province)

ATTY. JOAQUIN E. SAN DIEGO

Contact Person

725-7875; 724-5055

Company Telephone Number

1	2
---	---

Month

3	1
---	---

Day

AFS '10

FORM TYPE

--	--

Month

--	--

Day

Annual Meeting

NA

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

ABACUS

Goldmines Exploration & Development Corporation

No. 28 N. Domingo St., New Manila, Quezon City

Tel. Nos. 724-3759 / 725-7875 / 724-5055; Fax No. 724-3290

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Abacus Goldmines Exploration & Development Corporation** is responsible for all information and representations contained in the financial statements for the year (s) ended December 31, 2010 and 2009. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

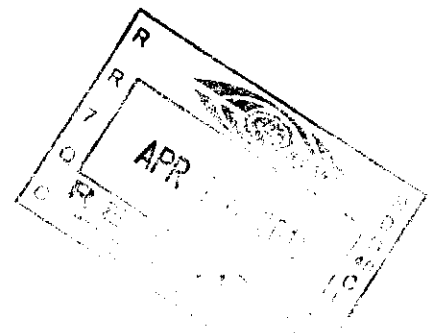
Valdes Abad & Associates, the independent auditors and appointed by the stockholders, has examined the financial statements of the company in accordance with generally accepted auditing standards and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to stockholders.



JULIANO T. LIM
Chairman & President



JOSE L. CARLOS, JR.
Treasurer



Valdes Abad & Associates

(Formerly: Carlos J. Valdes & Associates)

certified public accountants

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

Branches:

Cebu and Davao

Phone: (632) 892-5931 to 35
(632) 750-7563
Fax: (632) 819-1468
E-mail:
valdes.abad.associates@gmail.com

BOA/PRC Reg. No. 0314
SEC Accreditation No. 0024-FR-1



PARTNERING FOR SUCCESS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors

ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION

No. 28 N. Domingo St.

New Manila, Quezon City

Report on the Financial Statements

We have audited the accompanying financial statements of **ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION** which comprise the balance sheet as at December 31, 2010, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements of ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION as of December 31, 2009 were audited by another auditor whose report dated April 30, 2010 expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

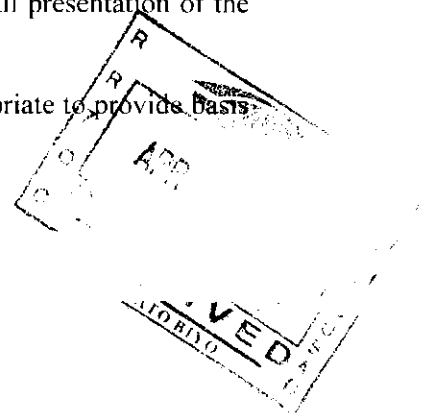
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.



Opinion

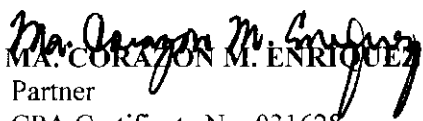
In our opinion, the financial statements present fairly, in all material respects, the financial position of **ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION** as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required under Revenue Regulation 15 – 2010

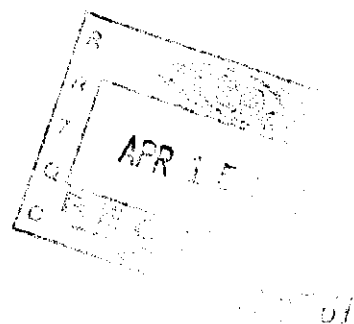
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 13 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VALDES, ABAD & ASSOCIATES

For the firm:

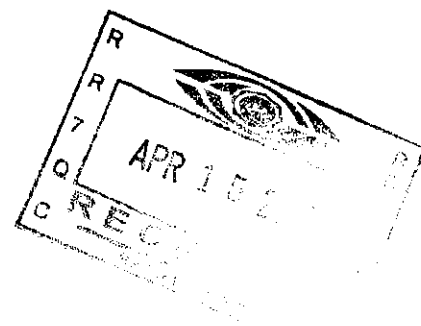
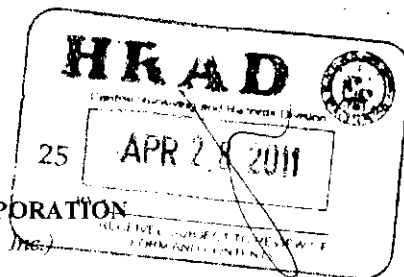

MA. CORAZON M. ENRIQUEZ
Partner
CPA Certificate No. 031628
TIN 123 – 046 – 974
PTR No. 2673576 – 1/10/2011
PRC – BOA Reg. No. 0314
SEC Accreditation No. 1081 - A
BIR Accreditation No. 08 – 002126 – 2

Makati City, Philippines
March 3, 2011



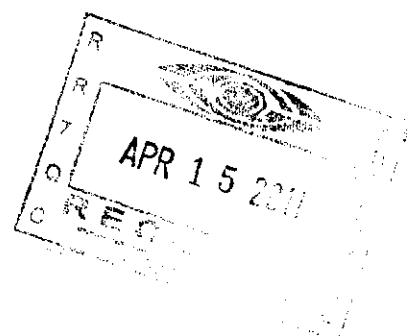
ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION*(A wholly-owned subsidiary of Abacus Consolidated Resources Holdings, Inc.)***STATEMENT OF FINANCIAL POSITION***(In Philippine Peso)**(With comparative figures for December 31, 2009)*

A S S E T S	Notes	December 31,	
		2010	2009
CURRENT ASSETS			
Cash	4	69,065	51,558
Advances to related party	7	2,180,000	2,219,520
Total current assets		2,249,065	2,271,078
NON-CURRENT ASSETS			
Property and equipment, net	5	13,887	32,404
TOTAL ASSETS		2,262,953	2,303,482
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	6	34,845	18,300
EQUITY			
Share capital	8	2,500,000	2,500,000
Retained earnings		(271,892)	(214,818)
Total equity		2,228,108	2,285,182
TOTAL LIABILITIES AND EQUITY		2,262,953	2,303,482

See Notes to Financial Statements

ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION*(A wholly-owned subsidiary of Abacus Consolidated Resources Holdings, Inc.)***STATEMENT OF COMPREHENSIVE INCOME***(In Philippine Peso)**(With comparative figures for December 31, 2009)*

For the Year Ended December 31,	Notes	2010	2009
REVENUE			
Interest income	4	464	259
EXPENSES			
Professional fees		32,200	18,300
Depreciation	5	18,516	18,516
Taxes and licenses		5,872	7,988
Representation		600	2,200
Travel and transportation		-	519
Miscellaneous		350	12,921
		57,538	60,444
INCOME/ LOSS BEFORE INCOME TAX		(57,074)	(60,185)
BENEFIT FROM INCOME TAX	9	-	-
INCOME/ (LOSS) AFTER TAX		(57,074)	(60,185)
OTHER COMPREHENSIVE INCOME		-	-
NET COMPREHENSIVE LOSS		(57,074)	(60,185)

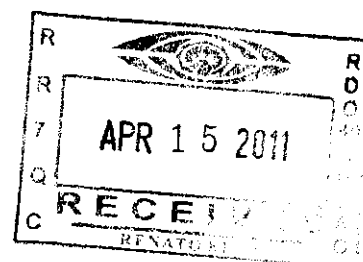
See Notes to Financial Statements

ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION
(A wholly-owned subsidiary of Abacus Consolidated Resources Holdings, Inc.)

STATEMENT OF CHANGES IN EQUITY
(In Philippine Peso)
(With comparative figures for December 31, 2009)

	<i>Notes</i>	Capital Stock	Deficit	Total
BALANCE AS OF DECEMBER 31, 2008	8	2,500,000	(154,633)	2,345,367
Issuance of shares of stock		-	-	-
Net comprehensive loss		-	(60,185)	(60,185)
BALANCE AS OF DECEMBER 31, 2009	8	2,500,000	(214,818)	2,285,182
Issuance of shares of stock		-	-	-
Net comprehensive loss		-	(57,074)	(57,074)
BALANCE AS OF DECEMBER 31, 2010		2,500,000	(271,892)	2,228,108

See Notes to Financial Statements



ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION*(A wholly-owned subsidiary of Abacus Consolidated Resources Holdings, Inc.)***STATEMENT OF CASH FLOWS***(In Philippine Peso)**(With comparative figures for December 31, 2009)*

For the Year Ended December 31,	Notes	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Income/ (loss) before income tax		(57,074)	(60,185)
Adjustments for:			
Depreciation	5	18,516	18,516
Interest income		(464)	(259)
Operating receipts before working capital changes		(39,022)	(41,928)
(Increase) decrease in:			
Advances to related party	7	39,520	10,000
Increase (decrease) in:			
Accounts payable and accrued expenses	6	16,545	-
Adjustment for:			
Interest income		464	259
Net cash from (used in) operating activities		17,507	(31,669)
NET INCREASE IN CASH		17,507	(31,669)
CASH, BEGINNING		51,558	83,227
CASH, ENDING		69,065	51,558

See Notes to Financial Statements

ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION
(A Wholly-owned Subsidiary of Abacus Consolidated Resources and Holdings, Inc.)

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

(With comparative figures for December 31, 2009)

NOTE 1 – CORPORATE INFORMATION

Abacus Goldmines Exploration and Development Corporation (the Company) is a domestic corporation that was incorporated in the Philippines on April 28, 2008. The Company is engaged to carry on the business of operating gold mines and of prospecting, exploration and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging and otherwise, producing and dealing in all other kinds of ores, metals and minerals, hydrocarbon, acids and chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced; to purchase, lease, option, locate, or otherwise acquire, own, exchange, sell or otherwise dispose of pledge, mortgage, deed in trust, hypothecate and deal in mines, mining claims, mineral lands, gold lands, timber lands, water and water rights, and other property, both real and personal.

The Company is a wholly-owned subsidiary of Abacus Consolidated Resources and Holdings, Inc., a domestic corporation operating as an investment house.

The Company's registered office is at No. 28 N. Domingo Street, New Manila, Quezon City.

The Company has not started commercial operations as yet pending completion of the granting of exploration permit.

The company has no employee and is under professional management.

The financial statements of the Company for the year ended December 31, 2010 (including the comparatives for the year ended December 31, 2009) were authorized for issue by the Board of Directors (BOD) on March 3, 2011.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

2.1.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRDC) from the pronouncements issued by the International Accounting Standards Board (IASB). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations which have been approved by the FRSC and adopted by the Securities and Exchange Commission (SEC).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment in associate.

The preparation of financial statements, in conformity with PFRS, requires the use of certain critical accounting estimates. It also requires the management to exercise judgments in the process of applying accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in Note 3.

2.1.2 Functional and Presentation Currency

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

2.2 Adoption of revised and new standards

The Company has adopted and applied the following Philippine Accounting Standards.

PAS 1	Presentation of Financial Statements
PAS 7	Cash Flow Statements
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
PAS 10	Events after the Balance Sheet Date
PAS 16	Property, Plant and Equipment
PAS 18	Revenue
PAS 24	Related Party Disclosures
PAS 32	Financial Instruments: Presentation
PAS 36	Impairment of Assets
PAS 37	Provisions, Contingent Liabilities and Contingent Assets
PAS 39	Financial Instruments: Recognition and Measurement
PFRS 7	Financial Instruments: Disclosure

- *PAS 1 (Amendment), Presentation of Financial Statements (effective from January 1, 2010).* The amendment clarifies the current and non-current classification of a liability that can, at the option of the counterparty, be settled by the issue of the entity's equity instruments. The Company will apply the amendment in its 2010 financial statements but expects to have no material impact in the Company's financial statements.
- *PAS 7 (Amendment), Statement of Cash Flows (effective from January 1, 2010).* The amendment clarifies that only an expenditure that results in a recognized asset can be classified as a cash flow from investing activities. The amendment will not have a material impact on the financial statements since only recognized assets are classified by the Company as cash flow from investing activities.
- *PAS 8 (Amendment), Accounting Policies, Changes in Accounting Estimates and Errors.* The Standard requires retrospective application of voluntary changes in accounting policies and retrospective restatement to correct prior period errors. It removes the allowed alternative in the previous version of IAS 8:
 - a) to include in profit or loss for the current period the adjustment resulting from changing an accounting policy or the amount of a correction of a prior period error; and
 - b) to present unchanged comparative information from financial statements of prior periods.
 As a result of the removal of the allowed alternative, comparative information for prior periods is presented as if new accounting policies had always been applied and prior period errors had never occurred.

- *PAS 10 (Amendment), Events after the Balance Sheet Date (effective from January 1 2005)* If an entity declares dividends to holders of equity instruments (as defined in IAS 32 *Financial Instruments: Presentation*) after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period. It also clarifies that if dividends are declared after the reporting period but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with IAS 1 *Presentation of Financial Statements*.
- *PAS 16 (Amendment), Property, Plant and Equipment (and consequential amendment to PAS 7, "Statement of Cash Flows") (effective from January 1, 2009)*. Entities whose ordinary activities comprise of renting and subsequently selling assets should present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to PAS 7 states that cash flow arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The Company will apply PAS 16 (Amended) and provides the required disclosure where applicable.
- *PAS 18 (Amendment), Revenue (effective from January 1, 2010)*. The amendment provides guidance on determining whether an entity is acting as a principal or as an agent.
- *PAS 24 (Amendment), Related Party Disclosure (effective from January 1, 2011)*. This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent, venturer or investor presented in accordance with IAS 27 *Consolidated and Separate Financial Statements*. This Standard also applies to individual financial statements.
- *PAS 32 (Amendment), 'Financial Instruments: Presentation', and PAS 1 (Amendment) 'Presentation of Financial Statements' – 'Puttable Financial Instruments and Obligations Arising on Liquidation' (effective from 1 January 2009)*. The amendment standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions.
- *PAS 36 (Amendment), 'Impairment of Assets' (effective from 1 January 2009)*. Where fair value less cost to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Company will apply PAS 36 (Amended) and provides the required disclosure where applicable for impairment tests.
- *PAS 37 Provisions, Contingent Liabilities and Contingent Assets*. The Standard prescribes the accounting and disclosure for all provisions, contingent liabilities and contingent assets, except those resulting from financial instruments that are carried at fair value; those resulting from executory contracts, except where the contract is onerous. Executory contracts are contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent; those arising in insurance entities from contracts with policyholders; or those covered by another Standard.
- *PAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement' (effective from 1 January 2009)*.

--This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.

--The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments management together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio in initial recognition.

--The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment.

--When remeasuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are cost. The Company will apply PAS 39 (Amendment) when it becomes relevant.

- *PFRS 7 (Amendment), Financial Instrument: Disclosure (effective from 1 January 2007)* The standard requires enhanced disclosures about fair value measurements and liquidity risk. These have been made to address application issues and provide useful information to users.

2.3 Cash

Cash is valued at face amount. The Company considers all highly liquid instruments purchased with maturity of three months or less from date of acquisition and that are subject to insignificant risk in value as cash equivalent. As of balance sheet date, the Company has no cash equivalents.

2.4 Financial Instruments

A *financial instrument* is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. It is recognized in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of an instrument.

2.4.1 Financial Assets

2.4.1.1 Classification

Financial assets are categorized by the management on initial recognition to different categories. These classifications are re-evaluated every reporting period when such accounting treatment is available and a choice of classification is available. Such accounting treatment is subject to compliance with its applicable accounting standards.

The following are categories of financial assets.

- *Financial assets at fair value through profit or loss*
This includes financial assets classified as held for trading purposes and those classified by the Company, at initial recognition, to be carried at fair value through profit or loss. Derivatives are included in this category, unless they fall under hedging instruments.

These assets are to be realized within 12 months from the end of the reporting period. Assets in this category are classified as current assets.

- *Loans and receivables*
These assets are non-derivative financial assets with fixed payments that are not quoted in an active market. Loans and receivables are considered current assets unless their maturities are more than 12 months after the reporting period; therefore, they are classified as non-current assets.
- *Held-to-maturity investments*
This asset includes non-derivative financial assets with fixed or determinable payments and a fixed maturity date, where the Company has the positive ability to hold it to maturity and has the intention to do so. When the Company sells any amount, significant or not, which results to the whole category to be tainted and reclassified as available-for-sale. Such assets are classified under non-current assets unless the maturity falls within 12 months from the reporting period, where it would be classified under current assets.

Subsequently, such assets are recognized at their amortized amount using the effective interest method, less any impairment loss. The impairment loss is the difference between the carrying amount and the present value of estimated cash flows of the assets.

- *Available-for-sale financial assets*
This includes non-derivative financial assets that do not qualify in any classifications or designated specifically as such. Such assets are classified under non-current assets unless the maturity falls within 12 months from the reporting period, where it would be classified under current assets.

2.4.1.2 Recognition and Measurement

- *Initial measurement*
Regular purchase and sales of investment are recognized on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction cost for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction cost are expensed in the statements of comprehensive income.
- *Subsequent measurement*
Financial assets at fair value through profit or loss and available for-sale financial assets are carried at fair value. Gains or losses arising from the change in the fair value are recognized in profit or loss in the statement of comprehensive income.

Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method. The changes in value of available for-sale financial assets are recognized in other comprehensive income.

2.4.1.3 Derecognition of financial assets

Financial assets are derecognized when, and only when the contractual rights to the cash flows from the financial asset expire; or the Company transfers the financial asset and the transfer qualifies for derecognition – when the Company transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

2.4.1.4 Impairment and uncollectibility of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If it is not possible to identify a single, discrete event that caused the impairment, a combined effect of several events may have caused the impairment.

Losses expected as a result of future events, no matter how likely, are not recognised.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about the following loss events:

- (a) significant financial difficulty of the issuer or obligor;
- (b) a breach of contract, such as a default or delinquency in interest or principal payments;
- (c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- (d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties;
- (f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - i. adverse changes in the payment status of borrowers in the group; or
 - ii. national or local economic conditions that correlate with defaults on the assets in the group.

The disappearance of an active market because an entity's financial instruments are no longer publicly traded is not evidence of impairment. A downgrade of an entity's credit rating is not, of itself, evidence of impairment, although it may be evidence of impairment when considered with other available information. A decline in the fair value of a financial asset below its cost or amortised cost is not necessarily evidence of impairment

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a

derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised.

The amount of the cumulative loss that is reclassified from equity to profit or loss under shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

2.4.2 Financial Liabilities

This includes interest-bearing loans, trade and other payables, due to related parties and other non-current liabilities.

Financial liabilities are measured at amortized cost using effective interest rate method. It is recognized when the Company becomes a party to contractual terms of the instrument. Interest-related charges are recognized as an expense in profit or loss in the statement of comprehensive income.

Trade payables are recognized at their fair value and subsequently at their amortized cost.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the entity.

Financial liabilities are derecognized only when the obligations are extinguished through discharge, cancellation or expiration.

2.5 Property and Equipment

Property and equipment are valued at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Additions, betterments, and major replacements are capitalized while minor repairs and maintenance are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any impairment loss are removed from the account and any resulting gain (loss) is credited (charged) to results of operations for the year.

Property and Equipment are carried at cost less accumulated depreciation and impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the properties.

<u>Property and equipment</u>	<u>Estimated useful life in years</u>
Office equipment	3 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Company's management periodically monitors the conditions of the property and equipment as well as the depreciation method used and the estimates on related useful lives to ensure that estimates adopted represent the actual situation. The carrying value of property and equipment amounted to **₱ 13,887 at December 31, 2010** and **₱ 32,404 at December 31, 2009** (see *Note 5* for related balances).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (computed as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of financial performance in the year the item is derecognized. The Company likewise assures that if any variation exists between the estimates and the actual scenario, it will have an immaterial effect on the financial statements.

2.6 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Provisions and Contingencies

Provisions for restructuring costs and legal claims are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

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

2.8 Share Capital

Ordinary shares are classified as equity.

Share capital is determined using the nominal value of shares that have been issued.

2.9 Retained earnings

Retained earnings include all current and prior period results of operations.

2.10 Revenue and expense recognition

Revenue is recognized when it is probable that the economic benefits, during the period, associated with the transaction will flow to the Company and the amount of revenue can be measured reliably; and the cost incurred or to be incurred can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates allowed by the entity.

Trading gain on securities is recognized when the significant risks and rewards of ownership of the securities have passed to the buyer and the amount of revenue can be measured reliably.

Dividend income is recognized when the shareholder's right to receive payment has been established.

Interest income is recognized as the interest accrues on a time basis, using the effective interest method.

Expenses are recognized in the income statement upon utilization of the services or consumption of goods or at the date they are incurred.

2.11 Current and deferred income tax

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the income statement.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been

enacted or substantively enacted at the balance sheet date.

2.12 Related party transactions and relationship

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity). It may either be a person or a reporting entity. A person or a close family member of that person is considered a related party when he is a member of the key management personnel of the reporting entity or of the parent of the reporting entity, has control over the reporting entity, or has joint control or significant influence over the reporting entity or has significant voting power in it.

Related party relationships exist when a reporting entity has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities, which are under common control with the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

2.13 Events after financial reporting date

Post year-end events that provide additional information about the Company's position at balance sheet date (adjusting events) are reflected in the financial statements, if any. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The financial statements prepared in accordance with PFRS require certain judgments and estimates to be made by the management. These judgments affect amounts reported in the financial statements, the income, expenses, resources and liabilities, and its related notes.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, such as its expectation of future events that are believed to be reasonable within certain circumstances.

3.1 Judgments

Determination of Functional Currency

Based on economic substance of the underlying circumstances relevant to the Company, the functional currency is denominated to be the Philippine peso. It is the currency that mainly influences the sale of services and the cost of providing the services.

3.2 Critical accounting estimates and assumptions

Estimating Financial Asset Impairment

The Company reviews its cash and cash equivalents, accounts receivable and its financial asset at fair value through profit or loss. This includes considering the counterparty in financial difficulty, default in trade payment, probability that they will enter bankruptcy or other financial reorganization and where the observable data indicate that there is measurable decrease in the estimated future cash

flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment of non-financial assets (see Note 2.6)

Provisions (see Note 2.7)

Revenue Recognition (see Note 2.10)

Classification of Financial Instruments (see Note 2.4.1.1)

Fair value of Financial Assets

Where fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to the financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to this model are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation.

NOTE 4 – CASH

	2010	2009
Cash in bank – BPI	₱ 69,065	₱ 51,558

Cash in bank earns interest based on daily bank deposit rates. The interest earned from the bank deposits amounted to **₱ 464** in 2010 and **₱ 259** in 2009.

Note 5 – PROPERTY AND EQUIPMENT

The gross carrying amount and accumulated depreciation at the beginning and end of 2010 and 2009 are shown below.

	2010	2009
Cost		
Beginning	₱ 55,549	₱ 55,549
Additions	-	-
Ending	55,549	55,549
Accumulated Depreciation		
Beginning	23,145	4,629
Provisions	18,516	18,516
Ending	41,662	23,145
Net Book Value	₱ 13,887	₱ 32,404

This account pertains to the office equipment owned by the company purchased in 2008. The useful life of the equipment is three years. Depreciation charged to operations in 2010 and 2009 amounted to **₱ 18,516**.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	2010		2009	
Accounts payable	₱	22,245	₱	-
Accrued expenses		12,600		18,300
	₱	34,845	₱	18,300

NOTE 7 – RELATED PARTY TRANSACTIONS

The Company's related party is Abacus Consolidated Resources and Holdings, Inc., the Company's parent company.

The company's advances to its parent are non-interest bearing, unsecured and repayable in 12 months.

The Company has the right to offset.

The details are as follows:

	2010		2009	
Advances to ABA-Coal:				
Balance at beginning of year	₱	2,219,520	₱	2,229,520
Additions		-		-
Payments		39,520		-
Adjustments		2,180,000		
Balance at end of year	₱	-	₱	2,219,520
Advances to ACRHI:				
Balance at beginning of year	₱	-	₱	-
Adjustments		2,180,000		
Balance at end of year	₱	2,180,000	₱	-

NOTE 8 – SHARE CAPITAL

Share Capital consists of:

	Shares		Amount	
	2010	2009	2010	2009
Common shares - ₱ 1				
Authorized	40,000,000	40,000,000	₱ 40,000,000	₱ 40,000,000
Issued and outstanding	2,500,000	2,500,000	₱ 2,500,000	₱ 2,500,000

As of December 31, 2010 and 2009, 100% of the issued and outstanding shares are owned by Abacus Consolidated Resources and Holdings Inc.

NOTE 9 – INCOME TAXES

The company has incurred a net taxable net loss for the reporting period 2010 amounting to ₱ 56,938. The details can be seen below.

Net income/ (loss) per books	₱	(57,074)
Add: Non-deductible expense Representation		600
Less: Income subject to final tax Interest income		(464)
Net taxable income/ (loss)	₱	<u>(56,938)</u>

No deferred income tax asset was recognized by the Company regarding their NOLCO because the management believes that future taxable profit would not be available against which the temporary difference can be utilized.

The details of NOLCO as of December 31, 2010 are presented below.

Year Incurred	Amount	Expired	Unapplied	Expiry Date
2010	₱ 56,938	₱ -	₱ 56,938	2013
2009	58,244	-	58,244	2012
2008	157,730	-	157,730	2011
	₱ 272,912		₱ 272,912	

The reconciliation between the provision for income tax computed and the actual income tax expense (benefit) is presented below.

	2010	2009
Income tax expense (benefit)	₱ (17,081)	₱ (17,473)
Addition (reduction) to income tax Unrecognized NOLCO	17,081	17,473
	₱ -	₱ -

NOTE 10 – FINANCIAL RISK MANAGEMENT

Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and other risks that results from both operating and investing activities.

The Company has no market risk.

Credit risk

Credit risk is the risk where a counterparty defaults on its obligation to the Company, thus, resulting to

a financial loss to the Company.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial position or in the detailed analysis provided for in the notes to the financial statements. Stated below are the financial assets.

	2010	2009
Cash	₱ 69,065	₱ 51,558
Advances to related party	2,180,000	2,219,520
	₱ 2,249,065	₱ 2,271,078

The Company's advances to its related party are neither past due nor impaired.

Liquidity Risk

Liquidity risk pertains to the Company not being able to meet its financial obligations as they fall due.

As of December 31, 2010, the Company's only financial obligations is the accounts payable amounting to ₱ 22,245 and accrued expenses amounting to ₱ 12,600, both with maturity of less than one year, while the accrued expense for the prior year amounted to ₱ 18,300.

The company has no liquidity risk.

Market Risk

Market risk is the risk of future earnings or future cash flows arising from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rate. The Company's market risk is manageable within conservative bounds.

- Interest Rate Risk

Interest rate risk is usually classified to cash flow and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

NOTE 11 – CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value.

The President has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The Company monitors capital on the basis of the debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is equivalent to accrued expense. Total equity comprises all components of equity including share capital and deficit. Total equity amounts to ₱ 2,228,108 and ₱ 2,285,182 for the year 2010 and 2009, respectively.

The Company is not subject to externally imposed capital requirements.

NOTE 12 – FINANCIAL INSTRUMENTS

Classification of financial Instruments

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash	₱ 69,065	₱ 69,065	₱ 51,558	₱ 51,558
Advances to related parties	2,180,000	2,180,000	2,219,250	2,219,250
	₱ 2,249,065	₱ 2,249,065	₱ 2,271,078	₱ 2,271,078
Financial Liability				
Accounts payable and accrued expense	₱ 34,845	₱ 34,845	₱ 18,300	₱ 18,300

Fair Value of Financial Instruments

The carrying amount of cash, advances to related party and accounts payable and accrued expenses approximate their fair value due to relatively short-term maturities of the said financial instruments.

Note 13 – SUPPLEMENTARY TAX INFORMATION UNDER RR 15-2010

TAXES, LICENSES AND FEES:

Municipal Permit – 2010	₱	4,082
Barangay Permit		750
Community Tax Certificate		540
BIR Registration – 2010		500
	₱	5,872

Valdes Abad & Associates

(Formerly: Carlos J. Valdes &
Associates)

certified public accountants

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

Branches:

Cebu and Davao

Phone: (632) 892-5931 to 35

(632) 750-7563

Fax: (632) 819-1468

E-mail:

valdes.abad.associates@gmail.com

BOA/PRC Reg. No. 0314

SEC Accreditation No. 0024-FR-1



PARTNERING FOR
SUCCESS

To the Board of Directors

ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION

No. 28 N. Domingo St.

New Manila, Quezon City

We have examined the financial statements of **ABACUS GOLDMINES EXPLORATION AND DEVELOPMENT CORPORATION** for the year the ended December 31, 2011 on which we have rendered the attached report dated March 3, 2010.

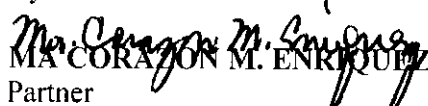
In compliance with SRC Rule 68, we are stating that the said company has a total number of one (1) stockholder owning one hundred (100) or more shares each.

Very truly yours,

VALDES, ABAD & ASSOCIATES

201 – 130 – 974

By:


MA CORAZON M. ENRIQUEZ

Partner

CPA Certificate No. 031628

TIN 123 – 046 – 974

PTR No. 2673576 – 01/10/11

PRC – BOA Reg. No. 0314

SEC Accreditation No. 1081 - A

Makati City, Philippines

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