



# ALCORN GOLD RESOURCES CORPORATION

2<sup>nd</sup> Floor, Tabacalera Building 2, 900 D. Romualdez Sr. St., Paco, Manila 1007 Philippines  
Tel No.: (632) 524-9236; (632) 524-9238 Fax No: (632) 524-7452  
Website Address: [www.alcorngold.com](http://www.alcorngold.com) E-Mail: [agrc@info.com.ph](mailto:agrc@info.com.ph)

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April 12, 2013

**CORPORATE FINANCE DEPT.**

Securities & Exchange Commission  
SEC Building, EDSA, Greenhills  
City of Mandaluyong, Metro Manila

Attention : **Atty. Justina F. Callangan**  
Director

**DISCLOSURE DEPARTMENT**

Philippine Stock Exchange  
The PSE Plaza  
Ayala Ave., Makati City

Attention : **Ms. Janet Encarnacion**  
Head

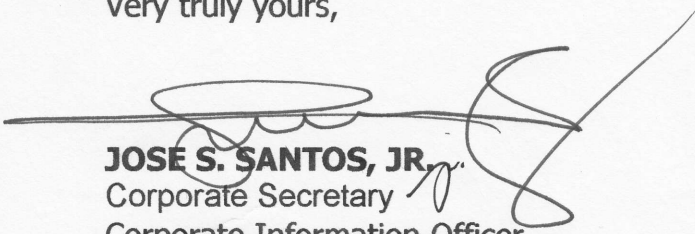
Re: 1<sup>st</sup> Quarter 2013 Progress Report on the  
Application of Proceeds from Stock Rights Offering  
as of March 31, 2013

Gentlemen:

In compliance with PSE's reportorial requirement on AGRC's Stock Rights Offering on November 15-26, 2010 and as enumerated in your letter of approval dated October 7, 2010, please find attached above report including the Report of Independent Auditors for your reference.

We hope this conform to your requirements. Thank you.

Very truly yours,

  
**JOSE S. SANTOS, JR.**  
Corporate Secretary  
Corporate Information Officer

/attachments



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April 5, 2013

## SECURITIES & EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills  
City of Mandaluyong, Metro Manila

Attn: Atty. Justina F. Callangan  
Director, Corporate Finance Dept.

## PHILIPPINE STOCK EXCHANGE

3/F Tower One - Phil. Stock Exchange Centre  
Ayala Avenue, Makati City

Attn: Ms. Janet A. Encarnacion  
Head, Disclosure Department

Mr. J.V. B. Zuno III  
Head, Listing Department

**Re: Progress Report on the  
Application of Proceeds from Stock Rights Offering  
For the 1<sup>st</sup> Quarter of 2013**

Gentlemen:

In compliance with PSE's reportorial requirement, we hereby submit **Alcorn Gold Resources Corporation's** Report on the Use of Proceeds on its Stock Rights Offering for the quarter ending March 31, 2013.

1. Total net proceeds from Stock Rights Offering as of March 31, 2013 amounted to PESOS: Ninety-nine million two hundred sixty one thousand seven hundred twenty eight & 74/100 (PhP99,261,728.74). Please see details below:

**Proceeds from the Stock  
Rights Offering**

Gross proceeds during issuance	P	39,229,965.42
Subsequent collections during year 2011		60,569,086.49
Subsequent collections during year 2012		200,948.09
Subsequent collections during 1 <sup>st</sup> quarter 2013		-0-
<b>Total proceeds as of March 31, 2013</b>		<b>100,000,000.00</b>
Less listing and registration expenses		452,160.22
Less: Disbursements during: 1 <sup>st</sup> quarter 2013		286,111.04

<b>Remaining proceeds as of March 31, 2013</b>	<b>P</b>	<b>99,261,728.74</b>
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## 2. Operations Update for 1<sup>st</sup> quarter 2013:

Following the presentation of the results of the 3D review and initial interpretations presented during the TCM/OCM of November 26, 2012, Project Operator, Resource Management Associates (RMA) submitted the 2013 Work Program and Budget (WPB) to the consortium for review and approval amounting to \$21.6M. It was divided into two components: Component 1 - \$ 4.7M to cover the first six months of the 2013 budget year, Component 2 - \$17.0M to cover the long lead items and materials for drilling. Aside from the 2013 WPB, additional works to enhance the area will also be conducted by the operator for additional budget of \$337,500. The Operator is tasked with providing necessary documentation to enable such approval.

The Consortium lead by its Operator, RMA has conducted the following Geophysical and Geological activities over the area:

- Reservoir Simulation Study underway
- Review includes the Reservoirs of GCU and intermediate limestone
- The study has included a full ground floor review including:
  - Petrophysics
  - Well Test Analysis
  - Geology and Geophysics
- A new geomodel has been prepared
- A dynamic reservoir simulator has been built
- Simulation includes production history matching
- Work with independent experts is on going
- In process of determining optimum well location, redevelopment

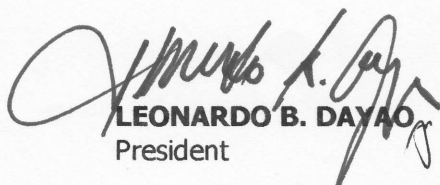
RMA will be drilling a well on the West Linapacan A field in 2014 with a production tie back later late 2014. Water depth is 350m (1150 ft). The campaign will be drill West Linapacan A7 well for 1<sup>st</sup> to 2<sup>nd</sup> quarter of 2014 and complete the well and tie back for EWT/EPS on 3<sup>rd</sup> to 4<sup>th</sup> quarter of 2014. The initial drilling campaign can begin earlier if opportunities for earlier rig sharing exist.

## 3. Remaining proceeds remain intact with the company and currently placed in short-term placements.

We trust that we have sufficiently complied with the disclosures requirements of the Exchange in relation to AGRC Stock Rights Offering. Rests assure that we shall continue to update the Exchange and the investing public on any material event on SC 14 West Linapacan Block and the proceeds from Stock Rights Offering.

Thank you.

Very truly yours,



**LEONARDO B. DAYAO**  
President



**Manabat Sanagustin & Co., CPAs**  
The KPMG Center, 9/F  
6787 Ayala Avenue  
Makati City 1226 Metro Manila, Philippines

Telephone: + 63 (2) 885 7000  
Fax: + 63 (2) 894 1985  
Website: www.kpmg.com.ph  
E-mail: manila@kpmg.com.ph

Branches: Subic · Cebu · Bacolod · Iloilo

## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders  
Alcorn Gold Resources Corporation  
2<sup>nd</sup> Floor, Tabacalera Building #2  
900 D. Romualdez Sr. Street  
Paco, Manila

We have reviewed the accompanying Progress Report of Alcorn Gold Resources Corporation for the quarter ended March 31, 2013 with respect to the planned use of proceeds from its stock rights offering of common shares. Management is responsible for the preparation and the fair presentation of the Progress Report in accordance with the planned use of the proceeds from the stock rights offering as presented in the Offering Prospectus of Alcorn Gold Resources Corporation. Our responsibility is to express a conclusion on the Progress Report based on our review.

We conducted our review in accordance with the applicable Philippine Standard on Assurance Engagements. A review of the Progress Report consists of making inquiries, primarily of persons responsible and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Progress Report of Alcorn Gold Resources Corporation for the quarter ended March 31, 2013 does not present fairly, in all material respects, the information on the use of proceeds from the stock rights offering as summarized in the Offering Prospectus.

**MANABAT SANAGUSTIN & CO., CPAs**

**ADOR C. MEJIA**

Partner

CPA License No. 0029620

SEC Accreditation No. 0464-AR-2, Group A, valid until March 24, 2016

Tax Identification No. 112-071-634

BIR Accreditation No. 08-001987-10-2010

Issued June 30, 2010; valid until June 29, 2013

PTR No. 3669522MC

Issued January 2, 2013 at Makati City

April 10, 2013

Makati City, Metro Manila