

COSCO CAPITAL, INC.

(Formerly ALCORN GOLD RESOURCES CORP.)

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July 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 2nd Quarter of 2013

Gentlemen:

In compliance with PSE's reportorial requirement, we hereby submit **Cosco Capital, Inc.'s (formerly Alcorn Gold Resources Corporation)** Report on the Use of Proceeds on its Stock Rights Offering for the quarter ending June 30, 2013.

1. Total net proceeds from Stock Rights Offering as of June 30, 2013 amounted to PESOS: Ninety-nine million one hundred eighty-six thousand nine hundred forty-three & 48/100 (Php99,186,943.48). 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 year 2013		-0-
Total proceeds as of June 30, 2013		100,000,000.00
Less listing and registration expenses		452,160.22
Less: Disbursements during:		
1 st quarter 2013		286,111.04
2 nd quarter 2013		74,785.26
Remaining proceeds as of June 30, 2013	P	99,186,943.48

2. Operations Update for 2nd quarter 2013:

West Linapacan Reserves Re-certification

The reserves re-certification work for West Linapacan A (WLA) has been ongoing during the months of January through to May with a draft report from Independent Expert (IE) expected in July. During May the project focused on simulation history matching the WLA production in the 90's and then on running the simulation model forward to provide production profiles for the proposed A7 well and Full Field Development scenarios. This forms the basis for forecasting for reserves. This data has been provided to the independent expert for their comments and review.

Next steps are to finalize the WLA reserves and production scenarios, develop cost estimates for the testing and Full Field Development cases and apply commercial criteria to the production forecasts to give the 1P and 2P reserves.

Subsequently the WLB resource evaluation will be commenced and a review of exploration potential.

Exploration Potential - Leads and Prospects Mapping

Leads were identified and mapped within the SC14C2 block as well as 5 reefal plays sub Linapacan Limestone in the West Linapacan B area.

Risking of these leads is underway to elevate eligible leads to Prospects prior to review by the Independent Expert

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 Cosco Capital Inc. (formerly 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



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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Cosco Capital, Inc.
2nd Floor, Tabacalera Building #2
900 D. Romualdez Sr. Street
Paco, Manila

We have reviewed the accompanying Progress Report of Cosco Capital, Inc. (formerly Alcorn Gold Resources Corporation) for the quarter ended June 30, 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 Cosco Capital, Inc. 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 Cosco Capital, Inc. for the quarter ended June 30, 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. 08-001987-10-2013

Issued May 9, 2013; valid until May 8, 2016

PTR No. 3669522MC

Issued January 2, 2013 at Makati City

July 12, 2013

Makati City, Metro Manila