

PROCEDURES AND IMPLEMENTING GUIDELINES FOR THE STOCK RIGHTS OFFERING OF ALCORN GOLD RESOURCES CORPORATION

(These Guidelines supplement and do not supersede or revoke, and must be read in conjunction with the Terms and Conditions of the Application to Subscribe and Purchase [the "Application"], the Prospectus of ALCORN GOLD RESOURCES CORPORATION prepared in relation to the Stock Rights Offering of Common Shares to be distributed during the Offer. All requirements stated in the Application must be complied with, except when clearly inconsistent herewith. All capitalized terms used have the same meanings ascribed to them in the Prospectus, unless otherwise defined herein.)

ALCORN GOLD RESOURCES CORPORATION (the "Company" or "AGRC") is conducting a 1 : 11.7241 stock rights offering (the "Offer") amounting to 10,000,000,000 common shares (the "Rights Shares") from November 15, 2010 to November 26, 2010 (the "Offer Period") to stockholders of record as of October 28, 2010 (the "Record Date") at Offer / Subscription Price of PhP0.01 per share.

The Stock Rights shall be governed by the following payment scheme:

- a) 25% payment of the Subscription Price for both the Rights Entitlement and Additional Subscription shall be payable upon submission of the Application to Subscribe.
- b) The balance of the Subscription Price for both the Rights Entitlement and Additional Subscription shall be paid within 12 months from the end of the Offer Period or from Nov. 27, 2010 to Nov. 26, 2011.

The payment schedule notwithstanding, stockholders have the option to fully pay the Subscription Price of their stock rights entitlement and Additional Subscription at any time before the due date of payment for balance.

Partially paid subscription shall be considered issued and shall be listed but cannot be traded until full payment of the subscription price has been received by the Company.

The common shares of the Company may be held by any person or entity, regardless of nationality, subject to the right of the Company to reject an Application or reduce the number of Rights Shares applied for subscription or purchase if the same will cause the Company to be in breach of Philippine ownership requirement under relevant Philippine laws.

Fractions of Rights Shares will not be allotted to existing shareholders and fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Such fractions will be aggregated and sold for the benefit of the Company.

Subscription to the Rights Shares in certain jurisdictions may be restricted by law. Foreign investors interested in subscribing or purchasing the Rights Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and

regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Rights Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Rights Shares.

All eligible stockholders as of the Record Date will be timely notified of the Offer by courier service. The following documents will be attached to the Notice of Entitlement:

- Application to Subscribe
- Signature Cards
- Procedures and Implementing Guidelines for the Rights Offer
- Prospectus

Eligible stockholders may also get a copy of the Application during the Offer Period at the following offices:

Stock Transfer Agent: **Rizal Commercial Banking Corporation – Stock Transfer Division**
Ground Floor, Grepa Life Building
#221 Sen. Gil Puyat Avenue
Makati City
Tel. No. +632 892-4156

Receiving Agent: **Rizal Commercial Banking Corporation – Trust & Investment Division**
9th Floor Yuchengco Tower, RCBC Plaza
6819 Ayala Avenue
Makati City
Tel. No. +632 894-9006 / +632 878-3315-16

Underwriter : **ASIAN ALLIANCE INVESTMENT CORPORATION**
22th Floor BDO Equitable Bank Tower
8751 Paseo de Roxas,
Makati City
Tel. No. +632 886-0601

or may download a copy of the Application from the Company's website:
<http://www.alcorngold.com>.

Eligible stockholders may also download a copy of the Prospectus from the Company's website indicated above or from the website of The Philippine Stock Exchange, Inc. ("PSE"):
<http://www.pse.com.ph>.

Eligible stockholders may indicate in the Application their willingness to subscribe to additional Rights Shares over and above their respective Rights Entitlements ("Additional Subscription") and may be allocated such additional Rights Shares on a pro-rata basis. The Application to Subscribe, which is attached to the notice, must be accomplished and submitted to RCBC Trust & Investment Division, 9th Floor Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue, Makati City no later than 12:00 noon of November 26, 2010.

Should there be any stockholders who do not exercise their entitlement to subscribe to the Rights Shares and thus resulting in unsubscribed Rights Shares, stockholders who: (i) fully subscribed to their stock rights entitlement; (ii) paid the required minimum 25 per cent amount due on their stock rights subscription; and (iii) formally indicated in the Application to Subscribe their willingness to subscribe to additional shares will be allocated such additional Rights Shares (the "Additional Subscription") based on the percentage of their original shareholdings in the Company as of Record Date.

Asian Alliance Investment Corporation ("AAIC") shall act as Underwriter of the Offer in compliance with the requirements of the Philippine Stock Exchange, through an Underwriting Agreement to purchase any unsubscribed Rights Shares remaining after satisfying Additional Subscriptions of stockholders.

In compliance with PSE Memorandum dated May 4, 2010 mandating all listed companies to comply with the Amended Rule on Lodgment of Securities, all Rights Shares will be scripless on Listing Date.

Procedure for the Payment of Subscriptions during the Offer Period

A. For Immobilized Holdings (Lodged Shares)

1. Shareholders shall advise their Depository Participants ("DP") of their intention to subscribe and DPs shall follow the usual procedure for rights offerings where take-up of rights is done through the PDTC system. Check payments representing the total Rights Offer Price from DPs must be received by the Philippine Depository and Trust Corporation ("PDTC") on or before **12:00 noon of November 23, 2010**.
2. PDTC shall accomplish and submit the Application to Subscribe (one for Filipino and one for Non-Filipino subscribers) reflecting all the rights shares taken up by the DPs as well as the additional shares requested relative to the second round offering together with the payment representing the required initial payment of at least 25 per cent of the total subscription price (for both Entitlement and Additional Subscription) to the office of the Receiving Agent, RCBC Trust & Investment Division, 9th Floor Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue, Makati City on or before **12:00 noon of November 23, 2010**. PDTC shall also provide the Receiving Agent with a list of availing DPs for purposes of computing their respective Additional Subscription allocations.

A separate check is required for additional subscriptions in excess of entitlements ("Additional Subscription").

The payment schedule notwithstanding, stockholders have the option to fully pay the Subscription Price of their stock rights entitlement and Additional Subscription at any time before the due date of payment for balance.

3. The Stock Transfer Agent, upon receipt of the final sales report, shall release to PDTC a Registry Confirmation Advice for the Rights Shares in favor of PCD Nominee Corporation ("PCD Nominee").

4. PDTC, upon receipt of the Registry Confirmation Advice from the Stock Transfer Agent, will confirm and credit the Rights Shares to the securities accounts of the DPs on Listing Date.

B. For Certificated Shareholders

1. Certificated shareholders shall accomplish the Application to Subscribe to the Rights Offer and designate a DP. All shareholders must designate a DP, whose depository account will be credited for the subscribers' entitlements upon full payment. Designation of a DP is a requirement to avail of the Rights Offer. The failure to designate a DP is a ground for rejection of the Application to Subscribe. The designated DP must affix its signature in the Application to Subscribe to signify conformity.
2. The subscriber must then submit his duly accomplished Application to Subscribe to the designated office of the **Receiving Agent, RCBC Trust & Investment Division, 9th Floor Yuchengco Tower, RCBC Plaza 6819 Ayala Avenue, Makati City** together with the required supporting documents and separate check payments representing the required initial payment of at least 25 per cent of the total subscription price for the rights entitlement and for Additional Subscriptions. The checks should be made payable to "**ALCORN RIGHTS OFFER**" covering the required payment for the entire subscription being taken up (i.e., Stock Rights Entitlement) A separate check is required for any Additional Subscription to be taken up.

The payment schedule notwithstanding, stockholders have the option to fully pay the Subscription Price of their stock rights entitlement and Additional Subscription at any time before the due date of payment for balance.

3. The Stock Transfer Agent shall issue and release to PDTC the corresponding Registry Confirmation Advice for the Rights Shares in favor of the PCD Nominee on Listing Date.
4. PDTC, upon receipt of the Registry Confirmation Advice from the Stock Transfer Agent, will confirm and credit the Rights Shares to the securities accounts of the DPs on Listing Date.

The Receiving Agent shall likewise furnish a printed copy and a soft copy of the Final Sales Report to the PDTC and the PSE within four (4) days after the end of the Offer Period (on or before November 26, 2010).

The Receiving Agent shall provide subscribers an acknowledgement copy of the Application to Subscribe to the Stock Rights Offering and a provisional receipt covering the payment for the total subscription price.

The Receiving Agent will generate a sales report summarizing the list of subscribers who have already paid the subscription price. This shall include the corresponding number of shares subscribed, amount paid, and checks details. The Receiving Agent shall forward this report to the Company together with copies of the Application to Subscribe forms submitted by certificated subscribers. A copy of the Sales Report (in soft and hard forms) showing among others the total number of partially paid and fully paid stock rights shall be furnished to PDTC and PSE.

In the event the Company rejects the Rights Shares applied for subscription, or rejects or scales down the Additional Subscriptions applied for, the Company, through the Receiving Agent, shall refund, without interest, within five (5) banking days from the end of the Offer Period, all or a portion of the payment corresponding to the number of Rights Shares wholly or partially rejected.

After full payment and lodgment with the PDTC, subscribers may request for the upliftment of the Rights Shares through their respective DPs using the existing upliftment procedure. Any expense to be incurred for the issuance of certificates shall be borne by the subscriber.

After the listing of the Right Shares, the Company shall notify the PSE of any full payments made by the Subscribers within the prescribed period to facilitate the tradability of the remaining partially-paid Rights Shares.

Any questions related to the Rights Offer or the Procedures and Implementing Guidelines for the Offer may be directed to the representatives of the following:

HELPDESK HOTLINES:

ALCORN GOLD RESOURCES CORPORATION

2nd Floor Tabacalera Building
900 D. Romualdez Sr. St., Paco, Manila
Attention: Ms. Maryknoll B. Zamora
Telephone number +63 2 5249236

RIZAL COMMERCIAL BANKING CORPORATION – TRUST AND INVESTMENT DIVISION

(As Receiving Agent)

9th Floor Yuchengco Tower, RCBC Plaza
6819 Ayala Avenue, Makati City
Attention: Mr. Eric B. Victoria
Telephone Nos. +63 2 894-9006 / 878-3315-16

RIZAL COMMERCIAL BANKING CORPORATION STOCK TRANSFER DIVISION

(As Transfer Agent)

Ground Floor, Grepa Life Building
221 Sen. Gil Puyat Avenue
Makati City
Attention: Mr. Reynaldo I. Abella
Telephone number +63 2 8924156

ASIAN ALLIANCE INVESTMENT CORPORATION

(As Underwriter)

22nd Floor BDO Equitable Bank Tower
8751 Paseo de Roxas,
Makati City
Attention: Ms. Rikka Cervantes
Telephone number +63 2 886-0601