

LEPANTO CONSOLIDATED MINING Co.
BA-Lepanto Building, 8747 Paseo de Roxas, 1226 City of Makati, Philippines

17 October 2012

Disclosure Department
Listings and Disclosure Group
Philippine Stock Exchange, Inc.
PSE Center, Ayala Avenue
Makati City


Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Re: Use of 1:3.3 SRO Proceeds

Gentlemen:

In compliance with the terms of the listing of Lepanto's 1:3.3 Stock Rights Offering (SRO), we are pleased to submit herewith our final report on the utilization of the SRO proceeds as of 30 September 2012 as certified by our external auditor SGV & Co.

Very truly yours,


ODETTE A. JAVIER
Vice President and
Asst. Corporate Secretary

REPORT OF FACTUAL FINDINGS

The Stockholders and the Board of Directors
Lepanto Consolidated Mining Company
20th Floor, B.A. Lepanto Building
8747 Paseo de Roxas
Makati City

We have performed the procedures agreed with you and enumerated in Appendix I with respect to the updated report on the application of proceeds from the Stock Rights Offering (the Offering) of Lepanto Consolidated Mining Company (the Company) as summarized in the table included in the Company's Quarterly Progress Report of the Proceeds from the Stock Rights Offering for the Third Quarter Period Covered July 1, 2012 to September 30, 2012 (see Appendix II). The procedures were performed solely to comply with the Philippine Stock Exchange (SEC) requirement for the Company to submit an external auditor's certification on the accuracy of the information being represented by the Company relating to the application of proceeds whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, "*Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*" applicable to Agreed-Upon Procedures engagements.

Because the procedures enumerated in Appendix I do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), we do not express any assurance on the use of proceeds from the Offering based on the said standards.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the updated report on the Company's use of proceeds from the Offering and items specified above and do not extend to any financial statements of Lepanto Consolidated Mining Company, taken as a whole.

SYCIP GORRES VELAYO & CO.


Eleanore A. Layug
Partner

CPA Certificate No. 0100794

SEC Accreditation No. A-540-A (Group A),

August 9, 2012, valid until August 8, 2015

Tax Identification No. 163-069-453

BIR Accreditation No. 08-001998-97-2012,

January 11, 2012, valid until January 10, 2015

PTR No. 3174801, January 2, 2012, Makati City

October 12, 2012

LEPANTO CONSOLIDATED MINING COMPANY
Agreed-Upon Procedures Performed and Associated Findings
Quarterly Progress Report
On the Applications of Proceeds from Stock Rights Offering
For the Period Covered July 1, 2012 to September 30, 2012

1. **Procedures Performed:**

Obtained from the Company its report on the application of the proceeds to the PSE, which contains an updated report on the use of proceeds from the Offering showing the following information:

- a) Unutilized proceeds as at July 1, 2012
- b) Listing, registration and other fees
- c) Description of expenditures
- d) Amount of disbursement in Philippine peso
- e) Net balance of proceeds from the Offering as at September 30, 2012.

Findings:

We noted that the Company already utilized all the proceeds from the Offering as at September 30, 2012. No exceptions were noted.

2. **Procedures Performed:**

Checked the mathematical accuracy of the table containing the updated report on the application of proceeds from the Offering, as summarized in the Company's letter to PSE.

Finding:

No exceptions were noted.

3. **Procedures Performed:**

Verified the movement of the proceeds from the Offering by tracing each amount disbursed by the Company to the related supporting documents such as passbook, invoices and official receipts from supplier, payment advice and bank statement of the Company.


Findings:

No exceptions were noted.

LEPANTO CONSOLIDATED MINING COMPANY
 Quarterly Progress Report of the Proceeds from the Stock Rights Offering
 For the 3rd Quarter Period Covered July 1, 2012 to September 30, 2012

PURPOSE	July 1, 2012	UTILIZATION		UNUTILIZED
	AMOUNT (in millions)	July to September	Total	AMOUNT
TRADE & OTHER PAYABLES	₱84.50	₱84.70	₱84.70	(₱0.20)
COST OF OFFERING	0.20	-	-	0.20
TOTAL	₱84.70	₱84.40	₱84.70	₱-

Certified true and correct by:


Ma. Lourdes B. Tuason
 Vice-President and Treasurer