

LEPANTO CONSOLIDATED MINING COMPANY
BALANCE SHEET

(Amounts in Philippines thousand pesos)

	Actual June 30, 2017*	Projected December 31 2017	Projected December 31 2018	Actual December 31** 2016
A S S E T S				
CURRENT ASSETS				
Cash	36,811	344,898	145,062	41,657
Receivables, net	265,522	280,522	350,653	321,153
Inventories, net	316,644	311,644	358,391	289,637
Prepayments and Other Current Assets	354,077	405,714	449,729	261,545
Total current assets	973,054	1,342,778	1,303,834	913,992
NON-CURRENT ASSETS				
Investment and Advances	961,117	961,117	989,951	960,818
Available-for-sale Investments	79,626	79,626	79,626	79,626
Deferred Income Tax Assets	438,366	438,366	438,366	438,366
Property, Plant and Equipment	6,513,498	7,157,562	7,160,116	6,493,073
Mine Exploration Costs and Other Noncurrent Assets	242,003	338,843	338,365	85,406
Total non-current assets	8,234,610	8,975,514	9,006,424	8,057,289
TOTAL ASSETS	9,207,664	10,318,292	10,310,258	8,971,281
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade and Other Payables	1,156,665	759,965	393,482	1,341,097
Short-term Borrowings	266,802	254,542	254,542	68,065
Income Tax Payable	-	-	-	-
Total Current Liabilities	1,423,467	1,014,507	648,024	1,409,162
NON-CURRENT LIABILITIES				
Long-term Borrowings, net of current portion	127,500	70,833	14,166	-
Retirement Benefit Obligations	1,550,976	1,513,044	1,323,044	1,597,632
Stock Subscription Payable	11,443	11,443	11,443	11,443
Liability/Provision for Mine Rehabilitation Cost	66,246	67,744	70,740	64,748
Total Non-current Liabilities	1,756,165	1,663,064	1,419,393	1,673,823
Total Liabilities	3,179,632	2,677,571	2,067,417	3,082,985
EQUITY				
Capital Stock	5,469,706	6,637,706	6,637,706	5,134,706
Additional Paid-in Capital	4,499,345	5,071,345	5,071,345	4,334,358
Net unrealized gain (loss) on AFS financial assets investments	(9,966)	(9,966)	(9,966)	(9,966)
Remeasurement gain (loss) on retirement benefits liability	(396,183)	(396,183)	(396,183)	(396,183)
Deficit	(3,534,870)	(3,662,181)	(3,060,062)	(3,174,619)
Total Equity	6,028,032	7,640,721	8,242,840	5,888,296
TOTAL LIABILITIES AND EQUITY	9,207,664	10,318,292	10,310,257	8,971,281

* Unaudited

** Audited

LEPANTO CONSOLIDATED MINING COMPANY
INCOME STATEMENT

(Amounts in Philippines thousand pesos)

	Actual Jan.-June 2017*	Projected 2017	Projected 2018	Actual 2016**
INCOME				
Metal Sales	652,359	1,828,576	3,468,014	1,431,928
Other Income				4,304
	652,359	1,828,576	3,468,014	1,436,232
COST & EXPENSES				
	1,001,782	2,299,193	2,842,291	2,194,187
INCOME (LOSS) FROM OPERATIONS				
	(349,423)	(470,617)	625,723	(757,955)
FINANCE COSTS, net	10,828	24,231	23,604	93,380
INCOME (LOSS) BEFORE INCOME TAX				
	(360,251)	(494,848)	602,119	(851,335)
(PROVISION FOR) BENEFIT FROM				
INCOME TAX				
Current	-	-	-	-
Deferred	-	-	-	28,110
	-	-	-	28,110
NET INCOME (LOSS)				
	(360,251)	(494,848)	602,119	(823,225)
EARNINGS (LOSS) PER SHARE				
Basic & Diluted	(0.0070)	(0.0075)	0.0091	(0.0160)
	(-P360,251,000 / 51,355,248,170 shs)	(-P494,848,000 / 66,395,964,553 shs)	(P602,119,000 / 66,395,964,553 shs)	(-P823,225,000 / 51,365,964,553 shs)

*Unaudited

**Audited

LEPANTO CONSOLIDATED MINING COMPANY
2017 Stock Rights Offering

ASSUMPTIONS:

The Stock Rights Offering proceeds in the amount of P1.752 billion will be fully collected in 2017.

The P1.752 billion will be utilized in 2017; P860 million for acquisition of depreciable assets; P540 million will be spent for capital development; payment of cost of offering at P12 million; P80 million is allocated to exploration; and, settlement of debt including pension contribution totaling P260 million. Other working capital requirements will be funded by cash flows from the operations.

As at December 31, 2017 and in comparison with balance as of June 30, 2017, Capital Stock on the Equity section of the Balance Sheet will show an increase of P1.168 billion equivalent to the 11.68 billion shares of SRO at P.010 par value. Likewise, the Additional paid-in capital (APIC) will increase by P572 million, net of the P12 million cost of offering, on account of the P0.05 excess over par value of P0.15 offer price. As mentioned, cost of offering is presented as deduction from APIC.