



# LEPANTO CONSOLIDATED MINING CO.

Lepanto Building, 8747 Paseo de Roxas, 1226 City of Makati, Philippines

15 April 2015

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 1:5.5 SRO Proceeds

**Gentlemen:**

In compliance with the terms of the listing of Lepanto Consolidated Mining Company's 1:5.5 Stock Rights Offering (SRO), we are pleased to submit herewith our report on the utilization of the SRO proceeds for the 1st quarter ending March 31, 2015 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  
21st Floor, 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 First Quarter Period Covered January 1, 2015 to March 31, 2015 (see Appendix II). The procedures were performed solely to comply with the Philippine Stock Exchange (PSE) 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.



Jaime F. del Rosario  
Partner  
CPA Certificate No. 56915  
SEC Accreditation No. 0076-AR-3 (Group A),  
March 21, 2013, valid until March 20, 2016  
Tax Identification No. 102-096-009  
BIR Accreditation No. 08-001998-72-2015,  
March 24, 2015, valid until March 23, 2018  
PTR No. 4751273, January 5, 2015, Makati City

April 15, 2015

**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 January 1, 2015 to March 31, 2015

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 January 1, 2015
- 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 March 31, 2015.

**Findings:**

We noted that the ending net balance of the proceeds from the Offering as at March 31, 2015 indicated in the Company's updated report on the application of proceeds to be submitted to PSE dated April 15, 2015, is properly supported by related passbooks.

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 statements of the Company.

**Findings:**


No exceptions were noted.

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**LEPANTO CONSOLIDATED MINING COMPANY**  
 Quarterly Progress Report of the Proceeds from the Stock Rights Offering  
 For the First Quarter Period Covered January 1, 2015 to March 31, 2015

PURPOSE	January 1, 2015	UTILIZATION		UNUTILIZED
	Amount (in millions)	January to March	Total	Amount
SETTLEMENT OF DEBTS	₱97.18	₱97.18	₱97.18	₱-
WORKING CAPITAL	168.96	168.96	168.96	-
EXPLORATION PROGRAM	700.00	212.63	212.63	487.37
COST OF OFFERING	0.83	0.56	0.56	0.27
<b>TOTAL</b>	<b>₱966.97</b>	<b>₱479.34</b>	<b>₱479.34</b>	<b>₱487.64</b>

Certified true and correct by:

  
**Ramon T. Diokno**  
 Chief Financial Officer