SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2020**
2. Commission identification number: **101**
3. BIR Tax Identification No.: **000-160-247**
4. Exact name of issuer as specified in its charter:

LEPANTO CONSOLIDATED MINING COMPANY

5. Province, country or other jurisdiction of incorporation or organization:
Makati City, Philippines
6. Industry Classification Code: [ ] (SEC Use Only)
7. Address of issuer's principal office:

21st Floor, Lepanto Building
8747 Paseo de Roxas, Makati City, Philippines

8. Issuer's telephone number, including area code:

(632) – 815-9447

9. Former name, former address and former fiscal year, if changed since last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding:
Class "A"	**39,822,869,196**
Class "B"	**26,552,888,901**

Amount of Debt Outstanding: **Please refer to the attached Balance Sheet (Annex "B")**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [**x**] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein.

Philippine Stock Exchange **Classes "A' and "B"**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes **[x]** No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No **[x]**

PART I- FINANCIAL INFORMATION

Item 1.	**Financial Statements:**	*Income Statement*	***- Annex "A"***
		Balance Sheet	***- Annex "B"***
		Statement of Cash Flow	***- Annex "C"***
		Stockholders' Equity	***- Annex "D"***
		Notes to Financial Statements	***- Annex "E"***
		Aging of Accounts Receivable-Trade	***- Annex "F"***
Item 2.	**Management's Discussion and Analysis of Financial Condition and Results of Operations**		***- Annex "G"***
Item 3.	**Impact of Current Global Financial Condition**		***- Annex "H"***
Item 4.	**Financial Ratios**		***- Annex "I"***

PART II- OTHER INFORMATION (None)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **LEPANTO CONSOLIDATED MINING COMPANY**

Signature : **RAMON T. DIOKNO**

Title : Chief Finance Officer

Date : June 30, 2020

Signature : **ODETTE A. JAVIER**

Title : Vice President/Assistant Corporate Secretary

Date : June 30, 2020

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2020

(With Comparative Figures for 2019)
(In Thousand Pesos, Except Earnings Per Share)

	CONSOLIDATED			
		2020		2019
INCOME				
Sale of metals	P	422,202	P	595,126
Service fees and other operating income		29,541		198
		451,743		595,324
COSTS AND EXPENSES				
Mining, milling, roasting, smelting, refining and and other related charges; administrative expenses; depreciation, amortization and depletion; and other charges		(663,133)		(750,925)
LOSS FROM OPERATIONS		(211,390)		(155,601)
FINANCE COST, net		(2,613)		(3,826)
FOREIGN EXCHANGE LOSS, net		(207)		(125)
OTHER INCOME (CHARGES), net		4,985		5,699
SHARE IN NET LOSSES OF ASSOCIATES		(2,157)		(2,520)
LOSS BEFORE INCOME TAX		(211,382)		(156,373)
PROVISION FOR (BENEFIT FROM) INCOME TAX				
CURRENT		8,774		1,560
DEFERRED		(5,760)		(6)
		3,014		1,554
NET LOSS	P	(214,396)	P	(157,927)
Attributable to:				
Stockholders of the parent company	P	(214,349)	P	(157,861)
Non-controlling interest		(47)		(66)
TOTAL COMPREHENSIVE LOSS BEFORE INCOME TAX	P	(214,396)	P	(157,927)
LOSS PER SHARE				
attributable to stockholders of the parent company				
Basic and Diluted	P	(0.003229)	P	(0.002378)

ANNEX "B"

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands)

	MARCH 31 2020	*DECEMBER 31 2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	P 37,399	P 62,623
Receivables, net	92,994	71,073
Contract asset	18,732	18,732
Inventories, net	563,318	524,477
Advances to suppliers and contractors	343,350	225,869
Other current assets	940,618	938,434
Total current assets	1,996,411	1,841,207
NON-CURRENT ASSETS		
Property, plant and equipment, net	6,762,414	6,858,668
Available-for-sale financial assets	161,937	161,937
Investments and advances in associates	563,044	564,256
Mine exploration cost	6,764,078	6,746,644
Deferred income tax assets	290,157	293,071
Other noncurrent assets	89,010	89,794
Total non-current assets	14,630,640	14,714,370
Total assets	P 16,627,051	P 16,555,577
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	P 2,061,774	P 1,765,116
Short-term borrowings	188,616	202,542
Unclaimed dividends	26,693	26,693
Income tax payable	960	649
Total current liabilities	2,278,043	1,995,000
NON-CURRENT LIABILITIES		
Advances from Far Southeast Services Limited	6,091,805	6,074,657
Long-term borrowings	759	-
Liability for mine rehabilitation cost	161,884	159,974
Retirement benefit obligations	1,189,395	1,205,852
Deferred income tax liabilities	215,336	215,547
Stock subscriptions payable	-	-
Deposit for future stock subscriptions	69,200	69,200
Total non-current liabilities	7,728,379	7,725,230
Total liabilities	10,006,422	9,720,231
EQUITY		
Capital stock	6,635,685	6,635,685
Additional paid-in capital	5,077,033	5,077,033
Re-measurement loss on retirement plan	(4,728)	(4,728)
Cumulative changes in fair values of AFS investments	58,283	58,603
Deficit	(5,387,516)	(5,173,166)
	6,378,757	6,593,427
Non-controlling interests	241,872	241,919
Total equity	6,620,629	6,835,347
Total liabilites and equity	P 16,627,051	P 16,555,577

* - AUDITED

ANNEX "C"

LEPANTO CONSOLIDATED MINING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTHS ENDING MARCH 31
(Amounts in Thousand Pesos)

	MARCH 2020	MARCH 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(211,382)	(156,373)
Adjustments for:		
Depreciation and depletion	147,596	215,958
Equity in net losses of affiliated companies	417	417
Foreign exchange losses (income), net	207	125
Provision for retirement benefit cost	973	973
Interest income	(15)	(20)
Interest expense	2,613	3,826
Provision for income tax	(3,014)	(1,554)
Operating income (loss) before working capital changes	(62,605)	63,355
Decrease (Increase) in:		
Receivables and advances to suppliers	(142,856)	(76,620)
Inventories and PPE	(45,124)	52,163
Prepayments and other assets	(1,400)	(35,285)
Increase (Decrease) in:		
Accounts payable and accrued expenses	294,996	23,785
Liability for mine rehabilitation cost	1,910	1,164
Deferred income tax liability, net	(211)	(194)
Cash generated used in operations	44,709	28,368
Retirement benefits paid	(17,719)	(24,069)
Interest received	15	20
Net cash used in operating activities	27,005	4,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(45,059)	(57,591)
Unrecovered exploration costs and other assets	(17,434)	(1,490)
Net cash used in investing activities	(62,814)	(59,081)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Borrowings	17,148	13,357
Payments of:		
Borrowings	(13,167)	(20,803)
Interest	(848)	(3,707)
Capital and other reserves	(1)	(1)
Net cash provided by financing activities	3,132	(11,154)
NET INCREASE (DECREASE) IN CASH	(32,677)	(65,916)
Beginning of period	62,623	123,597
CASH AT END OF THE PERIOD	29,946	57,681

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2020 & 2019
(Amounts in thousands)

	MARCH 31 2020	MARCH 31 2019
Authorized - P 6.64 billion		
Share capital at par value	P 6,637,393	P 6,637,393
Subscribed capital (net of subscriptions receivable)	(1,707)	(1,707)
Share premium	5,077,033	5,077,033
Cumulative changes in fair values of AFS investments	58,283	61,288
Re-measurement loss on retirement plan	(4,728)	40,987
Retained earnings		
Beginning balance	(5,173,166)	(4,175,261)
Net loss for the period	(214,349)	(157,861)
	(5,387,515)	(4,333,122)
EQUITY ATTRIBUTABLE TO THE STOCKHOLDERS OF THE PARENT COMPANY	6,378,759	7,481,872
NON-CONTROLLING INTERESTS	241,872	241,825
	P 6,620,629	P 7,723,697

ANNEX "E"

LEPANTO CONSOLIDATED MINING COMPANY

NOTES TO FINANCIAL STATEMENTS
AS OF MARCH 31, 2020 and DECEMBER 31, 2019

Note 1 - General information

Lepanto Consolidated Mining Company (parent company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 8, 1936 primarily to engage in the exploration and mining of gold, silver, copper, lead, zinc and all kinds of ores, metals, minerals, oil, gas and coal and their related by-products. On January 29, 1985, the SEC approved the extension of the parent company's corporate term for another fifty (50) years after the expiration of its original term on September 8, 1986.

The Parent company's shares are listed and traded in the Philippine Stock Exchange.

On January 14, 1997, the Parent Company was registered with the Board of Investments (BOI) under Executive Order No. 226 as a new export producer of gold bullion on a preferred non-pioneer status. This registration entitled the Parent Company to a four (4) year income tax holiday (ITH), which can be further extended for another three (3) years subject to compliance with certain conditions, and lower tariff rates on acquisition of capital equipment. It is required to maintain a base equity of at least 25% as one of the conditions of the registration.

On April 1, 1997, the Parent company started the commercial operations of its Victoria Project gold mine. Consequently, in October 1997, the parent company temporarily ceased operating its copper concentrate roasting plant facilities in Isabel, Leyte for an indefinite period. The Roasting plant facility was also registered with the Philippine Economic Zone Authority (PEZA) on December 17, 1985 pursuant to the provisions of Presidential Decree No. 66, as amended, and Executive Order No. 567 as a zone export enterprise to operate a roasting plant for the manufacture of copper calcine at the Isabel Special Export Economic Processing Zone.

On March 30, 2000, the Parent Company registered its copper flotation with the BOI as a new producer of copper concentrates on a preferred non-pioneer status. This registration entitled the Parent Company to a four (4) year ITH, subject to compliance with certain conditions, simplified customs procedures, additional deduction for labor expense, and unrestricted use of consigned equipment for a period of ten (10) years. It is required to maintain a base equity of at least 25% as one of the conditions of the registration. The Copper Flotation project was suspended at the end of 2001; BOI registration was cancelled on July 11, 2006.

On January 5, 2004, the Parent Company was registered with the BOI under Executive Order No. 226 as new export producer of gold bullion on a non-pioneer status, for its Victoria II (renamed Teresa) Project, located also in Mankayan, Benguet, Philippines. This registration entitles the Parent Company to ITH with the same incentives that were granted on their registration with the BOI on January 14, 1997. The Teresa Project commenced its commercial operations in April 2004.

On November 21, 2006, the Parent Company was registered with the BOI under Executive Order No. 226 as new export producer of copper-gold concentrate on a non-pioneer status for its copper-gold flotation project located also in Mankayan, ANNEX "F"

LEPANTO CONSOLIDATED MINING CO.

AGING OF ACCOUNTS RECEIVABLE - TRADE

AS OF MARCH 31, 2020

CUSTOMERS	*CURRENT*	*OVER 30 DAYS*	*OVER 60 DAYS*	*TOTAL*
HERAEUS LTD.	45,465,836	-	-	45,465,836
LOUIS DREYFUS COMPANY	-			-
CLIVEDEN TRADING	(1,123,605)			(1,123,605)
	44,342,232	-	-	44,342,232

ANNEX "G"

MANAGEMENT's DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

As of March 31, 2020

Consolidated revenues for the first quarter of 2020 amounted to P451.7 million compared with P595.3 million in 2019. Consolidated net loss increased to P214.4 million versus P157.9 million the previous year.

Mining Operations

Copper-gold concentrate produced from the copper flotation plant totaled 2,173 dry metric tons (DMT) containing 2,744 oz. of gold; 10,827 oz. of silver; and 618,422 lbs. of copper versus last year's 2,925 dry metric tons (DMT) containing 6,693 oz. of gold; 27,201 oz. of silver; and 844,539 lbs. of copper. Of the copper-gold concentrate produced, 45 DMT remained in the inventory with an estimated value of around P4.0 million. Copper production was suspended in March 2020.

Combined with the bullion production of 1,889 oz. of gold and 532 oz. of silver, total gold production amounted to 4,633 oz. versus 7,729 oz. last year; and total silver production was 11,358 oz. versus 27,331 oz. last year. Metal sales went down by P172.9 million to P422.2 million due to the suspension of copper production and the disruptions in operations in connection with the Enhanced Community Quarantine that started in March 2020. Net loss totaled P219.6 million compared with last year's P141.7 million.

Gold price averaged US$1,559.43/oz. versus US$1,316.69/oz. while silver price averaged US$17.44/oz. versus US$15.83/oz. the preceding year. Copper price averaged US$2.71/lb versus US$2.79/lb last year. The P/US$ exchange rate averaged P50.82/US$1 compared with P52.37/US$1 last year.

Total cost and expenses decreased by 13% to P643.8 million from P730.6 million as the tonnage milled decreased to 150,090 tonnes from 166,354 tonnes in 2019. Milling cost went down from P127.3 million to P97.8 million; depletion and depreciation decreased by P74.5 million to P121.4 million. Overhead cost went down to P102.2 million from P114.4 million mainly due to the decrease in cost of lime.

Production tax decreased by 35% to P15.7 million due to lower production. Finance cost decreased to P2.6 million from P3.8 last year due to repayment of loans. Other income decreased to P2.0 million from P2.5 million the previous year.

BALANCE SHEET MOVEMENTS

Cash and cash equivalents decreased by P25.2 million on account of disbursements for operations. Receivables increased by P21.9 million representing the unpaid portion of a dore shipment. The increase in other current assets of P2 million was due mainly to additional unamortized development cost.

Short-term borrowings decreased by P13.9 million due to loan settlement. Income tax payable increased by P0.3 million in relation to income earned by a subsidiary.

Deficit increased by P0.2 million to P5.4 million representing the net loss from operations during the period.

CAPITAL EXPENDITURES

Capital expenditures for the quarter totaled P62.4 million, of which P19.2 million went to exploration; P36.2 million to machinery and equipment; P5.7 million to mine development; and, P1.3 million to maintenance of tailings storage facility 5A.

OUTLOOK FOR THE YEAR

No further copper production is expected for the rest of the year. In view of the favorable gold price, the Company is focusing on gold dore production from its Victoria and Teresa deposits. Exploration drilling continues, targeting extensions of the said deposits. Meantime, the carbon-in-pulp plant is undergoing rehabilitation. Upgrades are in progress to raise overall gold recovery and reduce operating costs.

SUBSIDIARIES

The key performance indicator used for the subsidiaries is net income for the three months ended March 2020 versus the same period the previous year.

Diamond Drilling Corporation of the Philippines reported a net income of P6.6 million this year versus P18.8 million net loss last year. Lepanto Investment and Development Corporation reported a net loss of P53.7 thousand compared with last year's net loss of P40 thousand. Shipside, Incorporated registered a net income of P0.26 million against last year's net income of P4.3 million.

* - KEY PERFORMANCE INDICATORS-LCMC

Tonnes Milled which indicate the amount of ore taken for processing, **Milled Head** is the amount of gold per ton milled and **Gold production** which is the final product of the operations. **Metal sales**, **Cost and Expenses** and **Net Income** round up the review process on how the company is performing vis-à-vis the performance of the same period last year. **Average Gold price** for the period adds another parameter that needs watching notwithstanding that the company has no direct influence on its movement.

LEPANTO CONSOLIDATED MINING COMPANY
Impact of Current Global Financial Condition

Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

All gold exports when priced are practically settled on cash basis. Parent Company's existing contracts with gold refineries allow for advances of 98% of payable metals paid in two (2) working days from pricing. Full settlement is normally received within three (3) working days. For copper concentrates, Parent Company's existing contracts with smelters allow for advances of 90% of payable metals paid within two (2) to five (5) working days from pricing. Full settlement, however, takes three (3) to six (6) months..

The Parent Company enters into marketing contracts only with refineries and smelters of established international repute. Since the Parent Company became a primary gold and copper concentrates producer, it has entered into exclusive marketing contracts with Heraeus for gold and Trafigura Beheer BV and Shanghang County Jinshan Trading Co., Ltd. for copper concentrates.

The Group has a significant concentration of credit risk in relation to its trade receivables from Hereaus. Such risk is managed by securing the specific approval of the BOD before entering into contracts with refineries and by assessing the creditworthiness of such refineries.

The credit risk arising from these financial assets arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments. The Group's gross maximum exposure to credit risk is equivalent to the carrying values since there are no collateral agreements for these financial assets.

There is no significant exposure to credit risk.

Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchanges rates, interest rates, equity prices and other market changes.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial statements and consolidated statements of cash flows.

The Group follows a policy to manage its currency risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-Philippine Peso currencies.

The Group sells its product to the interstates national market. All metal sales are denominated in US$. Dollar conversion of metal sales to Philippine Peso is based on the prevailing exchange rate at the time of sale. The Group also has purchase transactions denominated in AU$.

Foreign currency-denominated liabilities of Parent Company totaled US$2.8 million at the end of first quarter this year. Same amount was revalued at the start of the year based on an exchange rate of P50.64/US$. No revaluation of said liabilities during the current year. Foreign exchange gain or losses due to the movement of the Philippine peso vis a vis the US$ are recognized at year-end on outstanding US$ denominated assets and liabilities. The gain/(loss) on Philippine peso appreciation/(depreciation) against the dollar as a result of settlement of liabilities is reflected as foreign exchange gain/(loss) in the financial statements.

As of the end of the quarter, Far Southeast Gold Resources, Inc., a 60%-owned subsidiary, had total foreign currency-denominated liabilities of US$145.9 million. Said foreign currency liabilities are converted to Philippine peso at the time of their incurrence. No revaluation of said liabilities is done on account of the appreciation/depreciation of the Philippine peso; hence, no foreign exchange gain/loss is recognized for the quarter ended. Settlement of these obligations will be at their recorded value based on the agreement with the creditor/investor.

Interest Rate Risk

The Group's exposure to the risk for changes in market interest rate relates primarily to its long-term borrowings with floating interest rates. The Group regularly monitors its exposure to interest rates movements. Management believes that cash generated from operations is sufficient to pay for its obligations under the loan agreements as they fall due.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations from financial instruments or that a market for derivatives may not exist in some circumstances.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of advances from related parties. The Group considers its available funds and its liquidity in managing its long-term financial requirements. For its short-term funding, the Group's policy is to ensure that there are sufficient capital inflows to match repayments of short-term debt.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions.

Fair Values

PFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

Cash and Cash Equivalents, Trade Receivables and Trade and Other Payables
The carrying amounts of cash and cash equivalents, receivables and trade and other payables, which are all subject to normal trade credit terms and are short-term in nature, approximate their fair values.

AFS Financial Assets
Fair values of investments are estimated by reference to their quoted market price at the end of the reporting period. Unquoted equity securities are carried at cost, net of impairment in value, since fair value of these AFS securities cannot be reliably determined as these securities are not listed and have no available bid price.

Loans Payable and Borrowings
Carrying value of the loans payable and borrowings as at end of the quarter approximate their fair values. Borrowings from local banks are all clean loans with interest rates ranging from 5.0% to 7.0%.

ANNEX "I"

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
FINANCIAL RATIOS
PURSUANT TO SRC RULE 68, AS AMENDED
MARCH 31, 2020
(With Comparative Annual Figures for 2019)

	AS OF 1ST QUARTER MARCH 2020	YEAR ENDED DECEMBER 2019
Profitability Ratios:		
Return on assets	-1.29%	-6.21%
Return on equity	-3.24%	-15.03%
Gross profit margin	-34.00%	-33.11%
Net profit margin	-47.46%	-50.18%
Liquidity and Solvency Ratios:		
Current ratio	0.88:1	0.92:1
Quick ratio	0.22:1	0.19:1
Solvency ratio	-0.02:1	-0.11:1
Financial Leverage Ratios:		
Asset to equity ratio	2.51:1	2.42:1
Debt to equity ratio	1.51:1	1.42:1
Interest coverage ratio	80.88:1	10.63:1