



LEPANTO CONSOLIDATED MINING CO.

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

14 July 2015

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

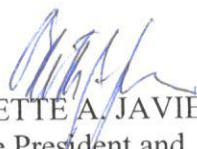
Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

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 2nd quarter ending June 30, 2015 as certified by our external auditor SGV & Co.

Very truly yours,


ODETTE A. JAVIER
Vice President and
Asst. Corporate Secretary



Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

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 Second Quarter Period Covered April 1, 2015 to June 30, 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

July 14, 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 April 1, 2015 to June 30, 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 April 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 June 30, 2015

Findings:

We noted that the ending net balance of the proceeds from the Offering as at June 30, 2015 indicated in the Company's updated report on the application of proceeds to be submitted to PSE dated July 14, 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.

4. **Procedures Performed:**

Obtained and checked the minutes of the regular meeting of the Board of Directors dated March 16, 2015, approving the reallocation of the use of the proceeds amounting to ₱200.00 million from Exploration Program to Working Capital.


Findings:

No exceptions were noted.

LEPANTO CONSOLIDATED MINING COMPANY
 Quarterly Progress Report of the Proceeds from the Stock Rights Offering
 For the Second Quarter Period Covered April 1, 2015 to June 30, 2015

PURPOSE	April 1, 2015 Amount (in millions)	REALLOCATION Amount (in millions)	UTILIZATION April to June	UNUTILIZED Amount (in millions)
WORKING CAPITAL	P-	P200.00	(P200.00)	P-
EXPLORATION PROGRAM	487.37	(200.00)	(92.00)	195.37
COST OF OFFERING	0.27	-	(0.27)	-
TOTAL	P487.64	-	(P292.27)	P195.37

Certified true and correct by:


Ramon T. Diokno
 Chief Financial Officer 