

12 October 2012

Philippine Stock Exchange, Inc.
 4/F Philippine Stock Exchange Center
 Exchange Road, Ortigas Center
 Pasig City

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

Re: **GEOGRACE Resources Philippines, Inc. ("GEOGRACE")**
Update on Disbursements on the Proceeds
from the Stock Rights Offering


Gentlemen:

We hereby submit our report on the use of proceeds from the 1:3.5 Stock Rights Offering for the Third Quarter ending 30 September 2012.

USE OF PROCEEDS	Balance as of June 30, 2012	July to Sept. 2012 Disbursements	Balance as of Sept. 30, 2012
I Exploration Costs	0.00	0.00	0.00
a. Acquisition of addtl mining tenements	-	-	-
b. Permitting and COMREL	-	-	-
c. Geochemistry and Mapping*	-	-	-
d. Drilling program*	-	-	-
e. Research and Development	-	-	-
II Project Development Cost	29,824,474.75	795,453.99	29,029,020.76
a. Purchase of production equipment	12,688,700.00	-	12,688,700.00
b. Fixed assets	11,868,408.89	711,453.99	11,156,954.90
c. Manpower	2,263,065.19	24,563.00	2,179,065.19
d. Consumables for production equipment	3,004,300.67	-	3,004,300.67
III Payments of Shareholder Advances	-	-	-
a. General and administrative expenses	-	-	-
b. Exploration expenses	-	-	-

USE OF PROCEEDS	Balance as of June 30, 2012	July to Sept. 2012 Disbursements	Balance as of Sept. 30, 2012
IV Additional Working Capital	81,987.20	54,663.73	27,323.47
a. General and administrative expenses	47,060.04	30,100.73	16,959.31
b. Professional fees	34,927.16	24,563.00	10,364.16
	29,906,461.95	850,117.72	29,056,344.23

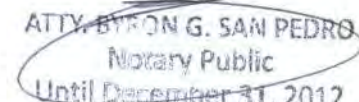
Very truly yours,


DELFIN S. CASTRO, JR.
Treasurer/Chief Finance Officer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY OF MANDALUYONG

SUBSCRIBED AND SWORN to before me this 12th day of October 2012,
affiant exhibiting to me his SSS No. 33-0049946-00.

Doc. No. 279;
Page No. 56;
Book No. KXII
Series of 2012.


ATTY. BYRON G. SAN PEDRO
Notary Public
Until December 31, 2012
PTR No. 1307070 / 01-02-12 Mand.
Roll No. 43737 / IBP no. 03259