

07 July 2014

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 Second Quarter ending 30 June 2014.

USE OF PROCEEDS	Balance as of March 31, 2014	Jan. to Mar. 2014 Disbursements	Balance as of June 30, 2014
I Exploration Costs	5,000,000.00	0.00	5,000,000.00
a. Acquisition of addtl mining tenements	-	-	-
b. Permitting and COMREL	5,000,000.00	-	5,000,000.00
c. Geochemistry and Mapping*	-	-	-
d. Drilling program*	-	-	-
e. Research and Development	-	-	-
II Project Development Cost	2,000,000.00	-	2,000,000.00
a. Purchase of production equipment	0.00	-	0.00
b. Fixed assets	0.00	-	0.00
c. Manpower	2,000,000.00	-	2,000,000.00
d. Consumables for production equipment	0.00	-	0.00
III Payments of Shareholder Advances	-	-	-
a. General and administrative expenses	-	-	-
b. Exploration expenses	-	-	-

USE OF PROCEEDS	Balance as of March 31, 2014	Jan. to Mar. 2014 Disbursements	Balance as of June 30, 2014
IV Additional Working Capital	7,479,195.39	2,243,172.90	5,236,022.49
a. General and administrative expenses	6,654,198.38	2,141,395.09	4,512,803.29
b. Professional fees	824,997.01	101,777.81	723,219.20
	14,479,195.39	2,243,172.90	12,236,022.49

Very truly yours,

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

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY MANDALUYONG CITY

SUBSCRIBED AND SWORN to before me ^{JUL 1 2014} this 7th day of June 2014,
affiant exhibiting to me his SSS No. 33-0049946-00.

Doc. No. 189 ;
Page No. 39 ;
Book No. 22 ;
Series of 7014 .

JOVEN GÓÑEZ SEVILLANO
NOTARY PUBLIC
COMMISSION NO. 0385-13 UNTIL DECEMBER 31, 2014
ROLL NO. 53970
IBP LIFETIME NO. 011002 RIZAL
PTR NO. 1941131; 1-3-14; MANDALUYONG
MCLE ATTENDANCE NO. IV-061-8990 23 APRIL 2013
METRO PARK COMPLEX, MANDALUYONG CITY