



GEOGRACE

Resources Philippines Inc.
www.geograce.com

11 January 2017

Philippine Stock Exchange, Inc.
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano. B. Zuño, III**
OIC-Head, Disclosure Department

Re: **Geograce Resources International, Inc. ("Geo")**
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 Fourth Quarter ending 31 December 2016.

| USE OF PROCEEDS | Balance as of September 30, 2016 | Oct 1 to Dec 31, 2016 Disbursements | Balance as of Dec 31, 2016 |
|--|----------------------------------|-------------------------------------|----------------------------|
| I Project Development Cost | 2,000,000.00 | | 2,000,000.00 |
| a Purchase of production equipment | | | |
| b Fixed Assets | | | |
| c Manpower | 2,000,000.00 | 0 | 2,000,000.00 |
| d Consumables for production equipment | | | |
| II Additional Working Capital | 5,000,000.00 | 399,869.00 | 4,600,131.00 |
| a General and administrative expenses | 4,472,000.00 | 265,469.00 | 4,206,531.00 |
| b Professional Fees | 528,000.00 | 134,400.00 | 393,600.00 |
| Totals | 7,000,000.00 | 399,869.00 | 6,600,131.00 |

Very truly yours,

DELFIN S. CASTRO, JR.
Chief Financial Officer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

19 2 JAN 2017

SUBSCRIBED AND SWORN to before me this ___th day of January 2017, affiant exhibiting to me his SSS ID 33-0049946-00

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Book No. CV-1

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