

January 8, 2018

**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**

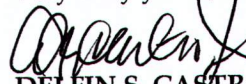
Re: **Geograce Resources International, Inc. ("Geo")**  
**Update on Disbursements on the Proceeds from the Stock Rights Offering**

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 2017.

USE OF PROCEEDS	Balance as of September 30, 2017	October 1 to December 31, 2017 Disbursements	Balance as of December 31, 2017
<b>Project</b>			
<b>I Development Cost</b>	2,000,000.00		2,000,000.00
Purchase of production equipment			
a Fixed Assets			
b Manpower	2,000,000.00	0	2,000,000.00
c Consumables for production equipment			
d <b>Additional Working Capital</b>	3,898,559.00	125,037.00	3,773,522.00
<b>II</b>			
General and administrative expenses	3,658,325.00	101,037.00	3,557,288.00
a			
b Professional Fees	240,234.00	24,000.00	216,234.00
<b>Totals</b>	<b>5,898,559.00</b>	<b>125,037.00</b>	<b>5,773,522.00</b>

Very truly yours,




**DELFIN S. CASTRO, JR.**  
Chief Financial Officer

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY )  
MANDALUYONG CITY

08 JAN 2018

SUBSCRIBED AND SWORN to before me this \_\_\_th day of \_\_\_ 2018, affiant exhibiting to me his SSS ID )

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**GAUDENCIO A. PALAFOX**  
(Roll of Attorneys No. 29255)  
NOTARY PUBLIC FOR MANDALUYONG CITY