111142013002575

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	PW00000101
Company Name	LEPANTO CONSOLIDATED MINING CO.
Industry Classification	
Company Type	Stock Corporation

Document Information

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COVER SHEET

101

S.E.C. Registration Number

LEPANTO CONSOLIDATED MINING CO

(Company's Full Name)

21ST FLOOR LEPANTO BUILDING
8747 PASEO DE ROXAS
MAKATI CITY

(Business Address: No. Street City / Town / Province)

ODETTE A. JAVIER

Contact Person

815-9447

Company Telephone Number

12 31

Month Day

Fiscal Year

17-Q

FORM TYPE

3rd Monday of April

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use **black ink** for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **September 30, 2013**
2. Commission identification number: **101** 3. BIR Tax Identification No.: **000-160-247**
4. Exact name of issuer as specified in its charter:

   LEPANTO CONSOLIDATED MINING COMPANY

5. Province, country or other jurisdiction of incorporation or organization:
   Makati City, Philippines
6. Industry Classification Code: [   ] (SEC Use Only)
7. Address of issuer's principal office:

   21st Floor, Lepanto Building
   8747 Paseo de Roxas, Makati City, Philippines

8. Issuer's telephone number, including area code:

   (632) – 815-9447

9. Former name, former address and former fiscal year, if changed since last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding:
Class "A"	**26,078,119,150**
Class "B"	**17,385,389,318**

Amount of Debt Outstanding: **Please refer to the attached Balance Sheet (Annex "B")**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein.

    Philippine Stock Exchange **Classes "A' and "B"**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No [x]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements:	*Income Statement*	- ***Annex "A"***
	Balance Sheet	- ***Annex "B"***
	Statement of Cash Flow	- ***Annex "C"***
	Stockholders' Equity	- ***Annex "D"***
	Notes to Financial Statements	- ***Annex "E"***
	Aging of Accounts Receivable-Trade	- ***Annex "F"***
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations		- ***Annex "G"***
Item 3. Impact of Current Global Financial Condition		- ***Annex "H"***
Item 4. Financial Ratios		- ***Annex "I"***

PART II- OTHER INFORMATION (None)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **LEPANTO CONSOLIDATED MINING COMPANY**

Signature :

MARIO L. LAVENTE

Title : Vice President/Controller

Date : November 13, 2013

Signature :

ODETTE A. JAVIER

Title : Vice President/Assistant Corporate Secretary

Date : November 13, 2013

ANNEX "A"

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013
(With Comparative Figures for 2012)
(Amounts In Thousand , Except Loss Per Share)

	FOR THE THIRD QUARTER		FOR NINE MONTHS ENDED SEPTEMBER 30	
	2013	2012	2013	2012
REVENUES				
Sale of metals	P 538,033	P 587,220	P 1,478,430	P 1,633,454
Service fees and other operating income	12,011	47,063	69,378	113,488
	550,044	634,283	1,547,808	1,746,942
COSTS AND EXPENSES				
Mining, milling, roasting, smelting, refining and and other related charges; administrative expenses; depreciation, amortization and depletion; and other charges	(591,951)	(562,438)	(1,679,652)	(1,610,960)
INCOME (LOSS) FROM OPERATIONS	(41,907)	71,845	(131,844)	135,982
FINANCE COST, net	(5,593)	(7,712)	(16,476)	(25,498)
FOREIGN EXCHANGE GAINS (LOSS) - net	(9,068)	6,092	(8,955)	9,258
OTHER INCOME, net	314	589	425	1,042
SHARE IN NET EARNINGS (LOSSES) OF ASSOCIATES	(2,102)	(2,293)	(2,256)	1,173
INCOME (LOSS) BEFORE INCOME TAX	(58,356)	68,521	(159,106)	121,957
PROVISION FOR (BENEFIT FROM) INCOME TAX				
CURRENT	(404)	6,116	167	9,225
DEFERRED	(5)	(80)	(26)	(158)
	(409)	6,036	141	9,067
NET INCOME / (LOSS)	P (57,947)	P 62,485	P (159,247)	P 112,890
Attributable to:				
Stockholders of the parent company	(57,908)	62,485	P (159,124)	P 112,890
Non-controlling interests	(39)	-	(123)	-
Net Income / (Loss)	P (57,947)	P 62,485	P (159,247)	P 112,890
EARNINGS (LOSS) PER SHARE attributable to stockholders of the parent company				
Basic & Diluted	(0.00133)	0.00144	(0.00366)	0.00260
	(-P57,908,000 / 43,463,508,468 shares)	(P62,483,415 / 43,463,513,198 shares)	(-(P159,124,000) / 43,463,508,468 shares)	(P112,889,758 / 43,463,513,198 shares)

ANNEX "B"

LEPANTO CONSOLIDATED MINING COMPANY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands)

	SEPTEMBER 30 2013	*DECEMBER 31 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	P 111,797	P 101,837
Receivables, net	139,828	95,227
Inventories, net	567,402	662,473
Advances to suppliers and contractors	427,041	512,670
Other current assets	573,284	579,688
Total current assets	1,819,352	1,951,895
NON-CURRENT ASSETS		
Property, plant and equipment	7,408,933	7,347,458
Available-for-sale financial assets	168,341	168,341
Investments and advances in associates	578,296	568,264
Mine exploration cost	5,836,503	5,004,255
Deferred income tax assets	25,461	25,461
Other noncurrent assets	47,999	30,662
Total non-current assets	14,065,533	13,144,441
TOTAL ASSETS	P 15,884,885	P 15,096,336
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	P 1,020,221	P 1,180,250
Current portion of long-term borrowings	24,630	25,451
Export Advances	233,243	-
Income tax payable	167	6,588
Total current liabilities	1,278,261	1,212,289
NON-CURRENT LIABILITIES		
Advances from Far Southeast Services Limited	5,499,992	4,546,990
Long-term borrowings - net of current portion	71,838	89,489
Provision for mine rehabilitation and decommissioni	49,202	47,996
Retirement benefit obligations	249,598	305,158
Deferred income tax liabilities	178,688	178,714
Stock subscriptions payable	107,784	107,784
Deposit for future stock subscriptions	69,200	69,200
Total non-current liabilities	6,226,302	5,345,331
TOTAL LIABILITIES	7,504,563	6,557,620
EQUITY		
Capital stock	4,344,343	4,344,343
Additional paid-in capital	3,553,791	3,552,937
Cumulative changes in fair values of AFS investme	(296,826)	(296,826)
Retained earnings (Deficit)	551,885	711,009
	8,153,193	8,311,463
Non-controlling interests	227,129	227,253
Total equity	8,380,322	8,538,716
TOTAL LIABILITIES AND EQUITY	P 15,884,885	P 15,096,336

*- AUDITED

ANNEX "C"

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

(With Comparative Figures for 2012)

(Amounts in Thousand Pesos)

		SEPTEMBER 2013		SEPTEMBER 2012		FOR NINE MONTHS ENDED SEPTEMBER 30 2013		FOR NINE MONTHS ENDED SEPTEMBER 30 2012
CASH FLOWS FROM OPERATING ACTIVITIES								
Income/ (Loss) before tax	P	(58,356)	P	68,521	P	(159,106)	P	121,957
Adjustments for:								
Depreciation and depletion		224,487		191,550		560,427		519,143
Equity in net losses (income) of affiliated companies		2,103		2,293		2,256		(1,173)
Foreign exchange losses (income), net		(13,236)		(6,092)		(17,581)		(9,258)
Provision for retirement benefit cost		912		1,135		2,768		3,030
Interest income		(42)		(184)		(117)		(3,103)
Interest expense		5,593		7,895		16,476		28,600
Loss on sale of asset		-		-		95		-
Provision for Mine Rehabilitation - Accretion		905		-		1,206		-
Provision for income tax		410		-		(141)		-
Operating income before changes in working capital		162,775		265,118		406,283		659,196
Changes:								
Receivables and advances to suppliers		(14,676)		(6,296)		42,487		41,824
Inventories and PPE		62,751		(24,596)		115,437		(27,423)
Prepayments and other assets		(28,246)		9,275		(10,933)		(333,326)
Accounts payable and accrued expenses		751		1,216,295		805,466		2,109,421
Deferred income tax liability, net		(5)		-		(25)		-
Cash generated from operations		183,351		1,459,796		1,358,715		2,449,692
Retirement benefits paid		(19,207)		(17,641)		(58,327)		(39,301)
Interest received		42		184		117		3,103
Net cash provided by operating activities		164,186		1,442,339		1,300,505		2,413,494
CASH FLOWS FROM INVESTING ACTIVITIES								
Investments, net		(0)		(16,725)		(11,250)		(2,901)
Acquisition of property and equipment		(253,503)		(212,650)		(643,479)		(608,357)
Unrecovered exploration costs and other assets		(94,650)		(1,282,532)		(832,248)		(2,081,610)
Net cash used in investing activities		(348,153)		(1,511,907)		(1,486,977)		(2,692,868)
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from:								
Borrowings		168,550		-		315,118		-
Disposal of Assets		-		-		1,116		-
Payments of:								
Borrowings		(87,669)		6,092		(100,347)		(37,749)
Interest		(5,556)		(15,426)		(20,309)		(33,992)
Capital and other reserves		-		(64)		854		28,897
Net cash used by financing activities		75,325		(9,398)		196,432		(42,844)
NET INCREASE (DECREASE) IN CASH		(108,643)		(78,966)		9,960		(322,218)
Beginning of period		220,440		207,952		101,837		451,204
CASH AT END OF THE PERIOD	P	111,797	P	128,986	P	111,797	P	128,986

ANNEX "D"

LEPANTO CONSOLIDATED MINING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2013 & 2012
(Amounts in thousands)

	SEPTEMBER 30 2013	SEPTEMBER 30 2012
Authorized - P 6.64 billion		
Share capital at par value	P 4,344,022	P 4,333,380
Subscribed capital (net of subscriptions receivable)	321	10,963
Share premium	3,553,791	3,552,937
Fair value and other reserves	(296,826)	(312,303)
Revaluation reserve	-	489,145
Retained earnings		
Beginning balance	711,009	31,043
Net income (loss) for the period	(159,124)	112,890
	551,885	143,933
EQUITY ATTRIBUTABLE TO THE STOCKHOLDERS OF THE PARENT COMPANY	8,153,193	8,218,055
NON-CONTROLLING INTERESTS	227,129	237,019
	P 8,380,322	**P 8,455,074**

LEPANTO CONSOLIDATED MINING COMPANY

NOTES TO FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2013 and DECEMBER 31, 2012

Note 1 - General information

Lepanto Consolidated Mining Company (parent company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 8, 1936 primarily to engage in the exploration and mining of gold, silver, copper, lead, zinc and all kinds of ores, metals, minerals, oil, gas and coal and their related by-products. On January 29, 1985, the SEC approved the extension of the parent company's corporate term for another fifty (50) years after the expiration of its original term on September 8, 1986.

The parent company's shares are listed and traded in the Philippine Stock Exchange. In January 1999, the parent company and the Bank of New York, as depository, formed a depository receipt facility to facilitate secondary market trading in the international capital markets of the parent company's class "B" common shares.

On January 14, 1997, the parent company was registered with the Board of Investments (BOI) under Executive Order No. 226 as a new export producer of gold bullion on a preferred non-pioneer status. This registration entitles the parent company to a four (4) year income tax holiday (ITH), which can be further extended for another three (3) years subject to compliance with certain conditions, and lower tariff rates on acquisition of capital equipment. The parent company is required to maintain a base equity of at least 25% as one of the conditions of the registration.

On April 1, 1997, the parent company started the commercial operations of its Victoria Project gold mine. Consequently, in October 1997, the parent company temporarily ceased operating its copper concentrate roasting plant facilities in Isabel, Leyte for an indefinite period. The Roasting plant facility was also registered with the Philippine Economic Zone Authority (PEZA) on December 17, 1985 pursuant to the provisions of Presidential Decree No. 66, as amended, and Executive Order No. 567 as a zone export enterprise to operate a roasting plant for the manufacture of copper calcine at the Isabel Special Export Economic Processing Zone.

On March 30, 2000, the parent company registered its copper flotation with the BOI as a new producer of copper concentrates on a preferred non-pioneer status. This registration entitles the parent company to a four (4) year ITH, subject to compliance with certain conditions, simplified customs procedures, additional deduction for labor expense, and unrestricted use of consigned equipment for a period of ten (10) years. It is required to maintain a base equity of at least 25% as one of the conditions of the registration. The Copper Flotation project has been suspended at the end of 2001; BOI registration was cancelled on July 11, 2006.

On April 10, 2001, the BOI approved the parent company's request for ITH bonus year for a period of one year from April 2001 to March 2002 for its gold bullion project. On June

21 and September 21, 2005, the parent company obtained necessary approval for the ITH bonus years of April 2002 to March 2003 and April 2003 to March 2004, respectively.

On January 5, 2004, the parent company was registered with the BOI under Executive Order No. 226 as new export producer of gold bullion on a non-pioneer status, for its Victoria II (renamed Teresa) Project, located also in Mankayan, Benguet, Philippines. This registration entitles the parent company to ITH with the same incentives that were granted on their registration with the BOI on January 14, 1997. The Teresa Project commenced its commercial operations in April 2004

On November 21, 2006, the parent company was registered with the BOI under Executive Order No. 226 as new export producer of copper-gold concentrate on a non-pioneer status for its copper-gold flotation project located also in Mankayan, Benguet, Philippines. This registration entitles the Company to ITH for four (4) years, which can be further extended for another three (3) years subject to compliance with certain conditions, and duty-free importation of equipment, spare parts and accessories for five years.

The registrations mentioned above enable the parent company and its subsidiaries to avail of the rights, privileges, and incentives granted to all registered enterprises.

The parent company has its principal office at the 21st Floor, 8747 Lepanto Building, Paseo de Roxas, Makati City.

Note 2 – Compliance with Generally Accepted Accounting Principles

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the Philippines. The Group prepared its consolidated financial statements in accordance with Philippine Financial Reporting Standards (PFRS) except for the exemption from fair value requirement of the Philippine Accounting Standards (PAS) 39 of long term commodity hedging contracts entered into by the Company and outstanding as of January 1, 2005, which was permitted by the SEC.

The accounting policies adopted in the preparation of the financial statements are consistent with the most recent annual financial statements.

Note 3 – Adoption of PFRS 9

After consideration of the result of its impact evaluation and the postponement of the effectivity of PFRS 9 to annual periods beginning on or after January 2015, the Company has decided not to early adopt PFRS 9 for its 2012 annual financial statement.

Note 4 – Standards under SEC Memorandum Circular No. 6 (SEC MC- 6)

The company adopts the following standards and interpretations that took effect on January 1, 2013 and are covered under the SEC Memorandum Circular No.6:

Title	Subject	Applicable
PAS 27 (Amended)	Separate Financial Statements	Yes
PAS 28 (Amended)	Investments in Associates and Joint Ventures	Yes
Amendment of PFRS 1	Government Loans	N/A*
Amendment of PFRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities	N/A*
PFRS 10	Consolidated Financial Statements	Yes
PFRS 11	Joint Arrangement	N/A*
PFRS 12	Disclosures of Interests in Other Entities	Yes
PFRS 13	Fair Value Measurement	Yes

N/A*-not applicable

The company does not expect the adoption of these new and amended PFRS and PAS to have a significant impact on its financial statements and on the audited figures as of December 31, 2012.

Note 5 – Cash and Cash Equivalents

Cash and Cash Equivalents increased from P101.8 million to P111.8 million as a result of advances from Far Southeast Services Limited this year to finance the exploration and development of the project. The account is composed of Cash in banks and on hand.

Note 6– Receivables

Receivables increased by P44.6 million on account of sales during the period.

Note 7 – Inventories

The P95.1 million decrease for the period was due to the consumption and utilization of parts and supplies for operations, repairs and rehabilitation of mine machinery and equipment.

Note 8 – Advances to Suppliers and Contractors

The P85.6 million decrease was due mainly to the application of the advances by Far Southeast Gold Resources, Inc.,(FSGRI) a subsidiary, against the billings of its drilling contractor.

Note 9 – Mine Exploration Cost

The P832.2 million increase for the period was due to the ongoing drilling by Far Southeast Gold Resources, Inc. (FSGRI), a subsidiary, in connection with the preparation of a bankable feasibility study.

Note 10 – Other Noncurrent Assets

The increase of P17.3 million for the period was due mainly to the increase in deferred charges. In addition to deferred charges, this account consists of Long-term deposits, Environmental and MonitoringTrust Funds, Mine Rehabilitation Fund and Miscellaneous Assets.

Note 11 – Trade and Other Payables

The decrease from P1,180.2 million to P1,020.2 million was due primarily to the settlement of trust receipts. This account is composed of Trade Payables, Trust Receipts, Accrued Utilities, Due to Related Parties, Employee Related Expenses, Unclaimed Dividends, Advances from Customers and Accruals of production taxes, expenses and other liabilities. The carrying amounts of these payables are all subject to normal trade credit terms and are short term nature, approximate their fair values.

Nature, terms and conditions of the Group's financial liabilities:

Trade payables include import and local purchases of equipment, inventories and various parts and supplies used in the operations of the Group. These are non-interest and are normally settled on sixty (60) day's term.

Trust receipts refer to arrangements of the group with banks related to its importations on inventories and various equipment which are interest bearing and have an average term of ninety (90) to one hundred twenty (120) days.

Accrued utilities pertain to unpaid billings for power, communication, light and water charges which are normally settled within thirty (30 and ninety (90) days.

Due to related parties pertain to advances from stockholders consisting of short term borrowings.

Employee related expenses include unclaimed wages, accrued vacation and sick leave, accrued payroll which are payable in thirty (30) day term.

Unclaimed dividends pertain to unpaid cash dividends declared by the parent company to its stockholders.

Advances from customers are generally payable on demand and are offset against collections.

Accruals of production taxes, expenses and other liabilities pertain to excise taxes on metal sales settled within fifteen (15) days after the end of each quarter and non-interest bearing liabilities and are normally settled on a thirty (30) to sixty (60) days' term which include other operating expenses that are payable to various suppliers and contractors.

Note 12 – Export Advances

This represents availments from a new funding line against Export receipts.

Note 13 – Income Tax Payable

The reduction of P6.4 million was due to the payment of taxes during the period.

Note 14 – Advances from Far Southeast Services Limited

The increase of 20.96% or P953.0 million was due to FSGRI's advances for its ongoing mine exploration.

Note 15 –Long-term Borrowings – net of Current Portion

The decrease in Long-term borrowings of P17.6 million was the result of the settlements made during the period.

Note 16 – Retirement Benefit Obligations

The reduction of P55.6 million is due to contributions made period during the period.

Note 17 – Retained Earnings (Deficit)

The reduction of P159.1 million was the offshoot of the net loss for the period.

Note 18 - Business Segments

Lepanto Consolidated Mining Company Group (LCMC Group) derives revenue from the following main operating business segments:

Mining activities --This segment engages in exploration and mining of gold, silver, copper, lead, zinc and all kinds of ores, metals, minerals, oil, gas, and coal and related by-products.

Investment activities – This segment derives its income as a general agent, broker or factor of any insurance company or as a commercial broker, agent or factor of any person, partnership, corporation or association engaged in any lawful business, industry or enterprise. Income is derived from commissions, which represent income on non-life insurance policies underwritten by a subsidiary for certain principals.

Hauling activities – This segment engages in handling all kinds of material, products and supplies in bulk and maintaining and operating terminal facilities such pier and warehouses. Income is derived mainly from hauling fees, sale of lumber, sawmill services and warehouse rentals.

Insurance activities – This segment derives its revenues from premiums from short duration insurance contracts, which are recognized over a period of the contracts using the 24th month method.

Drilling activities – This segment derives its income from drilling services to its related and outside parties.

Manufacturing activities – This segment derives its income from the manufacturing and sales of products allied to the diamond core drilling industry.

The assets, liabilities and results of the business segments of the LCMC Group for the 3rd quarter of the year 2013 and 2012 are as follows:

Mining activities

	2013 (in thousands)	2012 (in thousands)
CURRENT ASSETS	1,782,448	1,967,485
NON-CURRENT ASSETS	13,787,152	12,329,536
CURRENT LIABILITIES	1,360,629	5,350,069
NON-CURRENT LIABILITIES	6.175,397	715,650
GROSS INCOME	1,484,565	1,647,327
NET INCOME / (LOSS)	(155,326)	99,427

Investment activities

	2013 (in thousands)	2012 (in thousands)
CURRENT ASSETS	5,831	5,907
NON-CURRENT ASSETS	117,370	107,910
CURRENT LIABILITIES	63,118	52,933
NON-CURRENT LIABILITIES	0	0
GROSS INCOME	0	0
NET INCOME / (LOSS)	(211)	(208)

Hauling Activities

	2013 (in thousands)	2012 (in thousands)
CURRENT ASSETS	74,378	59,069
NON-CURRENT ASSETS	480,495	492,550
CURRENT LIABILITIES	6,430	7,205
NON-CURRENT LIABILITIES	132,108	132,113
GROSS INCOME	34,091	36,643
NET INCOME / (LOSS)	426	1,201

Insurance Activities

	2013 (in thousands)	2012 (in thousands)
CURRENT ASSETS	501,795	1,015,107
NON-CURRENT ASSETS	285,670	71,885
CURRENT LIABILITIES	513,444	699,603
GROSS UNDERWRITING INCOME	138,167	137,108
UNDERWRITING INCOME	36,401	59,015
NET INCOME / (LOSS)	(2,110)	15,781

Drilling Activities

	2013 (in thousands)	2012 (in thousands)
CURRENT ASSETS	263,667	256,089
NON-CURRENT ASSETS	45,158	30,545
CURRENT LIABILITIES	229,408	214,672
NON-CURRENT LIABILITIES	13,495	14,265
GROSS INCOME	113,469	145,727
NET INCOME / (LOSS)	14,712	20,570

Manufacturing Activities

	2013 (in thousands)	2012 (in thousands)
CURRENT ASSETS	21,880	28,025
NON-CURRENT ASSETS	6,469	3,681
CURRENT LIABILITIES	14,777	13,490
NON-CURRENT LIABILITIES	8,406	7,636
GROSS INCOME	11,682	13,955
NET INCOME / (LOSS)	(2,386)	(1,433)

Note 19 – Seasonality

There is no seasonality or cyclical factors in the company's operations. The company has put its copper concentrate production on hold for the time being.

ANNEX "F"

LEPANTO CONSOLIDATED MINING CO.

AGING OF ACCOUNTS RECEIVABLE - TRADE

AS OF SEPTEMBER 30, 2013

CUSTOMERS	*CURRENT*	*OVER 30 DAYS*	*OVER 60 DAYS*	*TOTAL*
HERAEUS LTD.	89,798,958	-	-	89,798,958
	89,798,958	-	-	89,798,958

ANNEX "G"

MANAGEMENT's DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

As of September 30, 2013

2013

Gold production increased to 8,915 oz. this quarter from 8,157 oz. last year. Consolidated revenues however decreased to P550.0 million from P634.3 million in 2012 largely on account of the 20.2% drop in the average gold price, US$1,331.57/oz versus US$1,669.74/oz. in 2012. Consequently, the operations resulted in a Net loss of P57.9 million versus a net income of P62.5 million the previous year, despite the depreciation of the Peso against the US$, P43.72/US$1.00 compared with last year's P41.89/ US$1.00. An additional loss of P2.1 million was recorded representing the parent company's share in the losses of associates, compared with P2.3 million last year. Net loss from mining operations totaled P52.4 million as discussed below.

Consolidated revenues for the nine months ended September 30, 2013 totaled P1,547.8 million versus last year's P1,746.9 million. Net loss amounted to P159.2 million compared with a net income of P112.9 million last year.

Mining Operations

July-September 2013

Milled tonnes rose from 139,190 tonnes to 191,050 tonnes this year, improving gold production to 8,915 oz. despite the lower gold grade, 1.68 g/t vs. 2.07 g/t last year.

Net loss for the quarter amounted to P52.4 million compared with a net income of P62.0 million last year.

Largely on account of the higher tonnage, Cost and Expenses increased by 9% from P526.5 million to P575.9 million. Mining cost went up by P19.3 million due to the following incremental costs: labor, P3.8 million; power, P2.2 million; consummables, P8.0 million; other supplies, P1.1 million; and services, P4.2 million. Milling costs rose by P18.5 million due to increases in the costs of: power, P6.3 million; consummables, P8.1 million; supplies, P1.0 million; and services, P3.1 million ; and smelting and refining, P2.9 million. Depreciation also increased by P9.9 million due to the acquisition of new equipment. Depletion expenses went down by P2.7 million while administration cost decreased by P2.5 million. Production tax decreased by P1.0 million due to the lower metal revenue.

Finance cost went down by P2.2 million compared with last year due to the reduction in interest-bearing liabilities. Due to the depreciation of the Peso against the US$, a foreign exchange loss of P9.1 million (vs. a gain of P6.1 million last year) was incurred as export advances and trust receipts were settled. A modest Other Income of P80 thousand (vs. P3.0 million last year) was recorded, representing dividend income, rental income, discounts from suppliers and sale of scrap offset by losses from the retirement of assets.

January- September 2013

Gold production increased to 23,667 oz. from 22,440 oz. last year on account of the increased tonnage, 465,100 tonnes versus last year's 376,180 tonnes, despite the decrease in average gold grade from 2.10 g/t to 1.83g/t.

Net loss for the three quarters amounted to P155.0 million compared with last year's net income of P99.4 million. Gold prices averaged $1,436.45/oz. versus $1,659.48/oz. the preceding year.

Due to the higher tonnage, Cost and Expenses went up by 6% from P1,529.2 million to P1,614.2 million. Mining costs went up by P50.7 million on account of increases in consumables such as explosives, drill steels, tires and tubes, diesoline, lubricants, LHD parts and maintenance supplies amounting to P47.0 million. Other mining cost components also increased, namely: labor cost, by P2.2 million; and power, by P1.5 million. Depletion slightly decreased by P1.8 million. Depreciation increased from P134.7 million to P153.2 million due to the purchase of mining equipment and rehabilitation of underground equipment. Overhead also went up by P9.2 million on account of import duties, local taxes and materials consumption. Total milling cost increased by P18.4 million due to the higher costs of: consumables and supplies, P12.8 million; power, P3.4 million; services, P1.2 million and labor (P1.0 million). Smelting and refining costs increased from P7.2 million to P9.9 million as production and number of shipments increased. Production tax went down to P29.5 million from P32.6 million due to the decline in gold price. Administration cost decreased to P123.3 million from P132.9 million on account of reductions in bank charges (P2.7 million), services (P3.7million) and miscellaneous expenses (P2.7 million).

Finance cost this year went down by P12.1 million compared with last year due to reduced loans and interest- bearing liabilities. A foreign exchange loss of P8.9 million was recorded arising from the settlement of export advances and trust receipts as against last year's gain of P9.3 million due to the depreciation of the Peso against the US$. Other income decreased to P6.0 million from P11.4 million due to reductions in dividend income, discounts from suppliers and sale of scrap.

BALANCE SHEET MOVEMENTS

Cash and cash equivalents increased by P10.0 million due to advances made by Far Southeast Services Limited to finance the exploration of the Far Southeast Project. Receivables increased by P44.6 million due to metal sales. Inventories decreased by P95.1 million due to consumption and utilization of parts and supplies for operations and rehabilitation of mine machinery and equipment. Advances to Suppliers and Contractors declined by P85.6 million due to the application of the advances against billings. The increase in mine exploration cost of P832.2 million was mainly due to the ongoing exploration/drilling on the Far Southeast ore body by FSGRI, which is sole-funded by Gold Fields. The increase in Other Noncurrent assets of P17.3 is due mainly to Deferred charges.

On the Liabilities side, Trade and Other Payables decreased by P160.0 million due to the settlement of trust receipts and other trade payables. Export Advances increased by P233.2 million due to new availments while Income tax payable decreased by P6.4 million due to tax payments during the period. Advances from Far Southeast Services Limited increased by P953.0 million due to FSGRI's ongoing exploration. Long-term borrowings decreased by P17.6 million due to the amortizations made during the period. Retirement benefit obligations decreased by P55.6 million due to payments.

Retained Earnings went down by P159.1 million reflecting the reported net loss of the period.

CAPITAL EXPENDITURES

Total capital expenditures for the third quarter totaled P348.2 million, P143.9 million of which went to mine development. P106.5 million was spent on Exploration drilling while another P10.6 million was incurred for the Tailings Dam maintenance. Machinery and equipment purchased for the period amounted to P87.2 million.

For three quarters of the year, total capital expenditures reached P1,475.7 million. Mine development accounted for P378.2 million; Exploration drilling, P877.4 million; Tailings Dam Maintenance, P32.6 million; and Machinery and equipment, P187.6 million.

OUTLOOK FOR THE YEAR

The Company expects to produce 33,000 ounces of gold and 64,000 ounces of silver this year.

SUBSIDIARIES

The key performance indicator used for the subsidiaries is Net Income.

Lepanto Investment and Development Corp reported a net loss of P211 thousand compared with last year's loss of P208 thousand. Shipside Incorporated's net income was P426 thousand against last year's net income of P1.2 million. Diamond Drilling Corporation of the Philippines reported net income of P14.7 million against a net income of P20.6 million in the previous year. Diamant Manufacturing and Trading Corporation's net loss was P2.4 million versus last year's net loss of P1.4 million.

* - KEY PERFORMANCE INDICATORS-LCMC

Tonnes Milled which indicate the amount of ore taken for processing, **Milled Head** is the amount of gold per ton milled and **Gold production** which is the final product of the operations. **Metal sales, Cost and Expenses** and **Net Income** round up the review process on how the company is performing vis-à-vis the performance of the same period last year. **Average Gold price** for the period adds another parameter that needs watching notwithstanding that the company has no direct influence on its movement.

Lepanto Consolidated Mining Company
Impact of Current Global Financial Condition

Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

All gold exports when priced are practically settled on a cash basis. Parent company's existing contracts with gold refineries allow for advances of ninety-eight percent (98%) of payable metals paid in two (2) working days from pricing. Full settlement is normally received within three (3) working days.

Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future values or to future cash flows that may result from changes in the price of a financial instrument. The value of the financial instrument may change as a result of changes in foreign currency rates, interest rates, equity prices and other market changes.

Foreign Exchange Risk

All gold sales are denominated in US dollars. The sales proceeds are used to settle dollar-denominated obligations; the rest are converted to Philippine Peso based on prevailing exchange rates to settle Peso-denominated obligations.

Foreign currency-denominated liabilities totaled US$5.0 million at the end of the 3rd quarter. US$2.5 million was revalued at the start of the year based on an exchange rate of P41.05/US$ and US$2.5 million of the total was valued during the quarter at P42.21/US$. The general depreciation of the Peso against the US$ results in a net forex loss with respect to such liabilities, which losses are booked at year-end during restatement. However, it should be noted that being a 100% dollar-earner, the company did benefit from such Peso depreciation in terms of higher peso revenues. The peso depreciation against the dollar and settlement of liabilities is reflected as forex loss.

Interest Rate Risk

The company's exposure to the risk to changes in interest rates relates primarily to long-term borrowings with floating interest rates. The Company regularly monitors its interest rate exposure and correspondingly plans ahead to meet its interest obligations.

Liquidity Risk

The company maintains a balance between continuity of funding and flexibility through the use of bank drafts, bank loans and hire purchase contracts.

It is part of our liquidity risk management to regularly evaluate projected and actual cash flows. Loan maturity profile is reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions.

Fair Values

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash, Receivables, Trade Payables and Accrued Expenses
The carrying amounts of cash, receivables, trade payables and accrued expenses are all subject to normal trade credit terms and are short term in nature approximate their fair values.

AFS Investments
Fair values of investments are estimated by reference to their quoted market values made during the balance sheet date as of the end of last year. Unquoted equity securities are carried at cost net of impairment in value, since fair value of these AFS securities cannot be reliably determined as these securities are not listed and have no available bid price. The Company has no investments in foreign securities.

Loans Payable and Borrowings
The fair value of the interest bearing long-term debt is based on the discounted value of future cash flows using the applicable rate for a similar type of loans. The discounted rate used in the quarter ranges from 5.0% to 5.5%.

Fair values of the loans payable and borrowings as of end of the quarter approximate their carrying value.

ANNEX "I"

LEPANTO CONSOLIDATED MINING COMPANY AND SUBSIDIARIES
FINANCIAL RATIOS
PURSUANT TO SRC RULE 68, AS AMENDED
SEPTEMBER 30, 2013
(With Comparative Annual Figures for 2012)

	AS OF 3RD QUARTER SEPTEMBER 2013	YEAR ENDED DECEMBER 2012
Profitability Ratios:		
Return on assets	-1.00%	2.05%
Return on equity	-1.90%	3.83%
Gross profit margin	-8.52%	14.19%
Operating profit margin	-9.21%	17.21%
Net profit margin	-10.28%	14.36%
Liquidity and Solvency Ratios:		
Current ratio	1.42:1	0.60:1
Quick ratio	0.98:1	0.32:1
Solvency ratio	0.05:1	0.13:1
Financial Leverage Ratios:		
Asset to equity ratio	1.90:1	1.49:1
Debt ratio	0.47:1	0.39:1
Debt to equity ratio	0.90:1	0.49:1
Interest coverage ratio	-8.65:1	7.30:1