



February 15, 2017

PHILIPPINE STOCK EXCHANGE
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Mr. JOSE VALERIANO B. ZUÑO III
Head- Officer-In-Charge, Disclosure Department

Gentlemen:

We write in response to your request for clarification to the news article entitled "DENR cancels 75 mining contracts" posted in Manila Bulletin (Internet Edition) on February 14, 2017. The article reported in part as follows:

"A total of 75 mining companies are now at risk of losing their Mineral Production Sharing Agreements (MPSA).

Department of Environment and Natural Resources (DENR) Secretary Gina Lopez has cancelled more mining contracts on Tuesday, February 14. This time, she scrapped about 75 MPSAs.

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Some of the big mining firms that may lose their MPSAs are Kingking Mining Corp. (Davao del Norte), Alsons Development and Investment Co. Inc. (Compostela Valley), Silangan Mindanao Mining Co. Inc. (Surigao), Philex Gold Philippines Inc. (Surigao and Zamboanga), Vulcan Industrial and Mining Corp. (Negros), and TVI Resources Development Phils. (Zamboanga).

Lopez said these companies will receive show-cause orders from the Department of Environment and Natural Resources starting Wednesday and will be given seven days to explain why they can keep their MPSAs.

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In Davao Region, other companies affected in the MPSA cancellation are King Eagle Exploration and Mining Corp., Dabawenyo Minerals Corp., Phil. Youbang Mining International Corp., Sinophil Mining and Trading Corp., Core Mining Corp., Ore-East Mining Co. Inc., and Napnapan Mineral Resources Inc.

The DENR is also cancelling the MPSAs in Dinagat and Surigao, including that of Bright Green Resources Corp., Pacific Nickel Phils. Inc., Consolidated Ores. Phils. Inc., Phigold Metallic Ore Inc., East Coast Mineral Resources Co. Inc., Kepha Mining Exploration Co., North Dinagat Mineral Resources Corp., and Rosario Consolidated Mining Co.

In Zamboanga, companies that are at risk of losing their MPSAs are Siennalyn Gold Mining Corp., Solid North Mineral Corp., Atro Mining-Vitali Inc., 168 Ferrum Pacific Mining Corp., Geotechniques and Mines Inc., Roldan Dalman, Peng Cheng Metallic Resources Corp., Maharlika Dragon Mining Corp., and Czarstone Mining Corp.

Five operations based in Zambales are likewise affected in the DENR's latest order, which includes Shangfil Mining and Trading Corp., San Juanico Resources Corp., Mineral Treasures Mining Corp., Mina Tierra Gracia Inc., and Westchinamin Corp., while another one is from Negras, namely Selenga Mining Corp.

In Palawan, the DENR is cancelling the government's mining contracts with Central Palawan Mining and Industrial Corp., Palawan Star Mining Ventures Inc. , Pyramid Hill Mining and Industrial Corp., Macroasia Corp., Lebach Mining Corp., while in Abra, Jabra Corp. may lose two MPSAs.

Other companies seen to lose the MPSAs are GRCO Isulan Mining Corp., South Davao Development Co. Inc., Hard Rock Mineral Trading Inc., Crescent Mining and Development Corp., Itogon Suyoc Resources Inc., Macawiwili Gold Mining and Development Company Inc., Egerton Gold Philippines Inc., Alumina Mining Philippines Inc., Bauxite Resources Inc., Nickelace Inc., United Philippines and China Mining Corp., Industries Development Corp., Indophil Resources Phils Inc., Parvisgold Inc., Plethora Mineral Corp., Pio Castillo, Asia Alstron Mining and Development Corp., Phil Alstron Mining Corp., Aglubang Mining Corp., Alagag Mining Corp., Altai Philippines Mining Corp."

Apart from our previous disclosures on the receipt of DENR's closure orders of Benguet Corporation (BC)'s gold project in Itogon, Benguet Province and Bengutcorp Nickel Mines, Inc. (BNMI)'s nickel project in Zambales Province, we cannot comment on the cancellation of the MPSA of the alleged 75 mining companies mentioned in the Manila Bulletin article because we have no current or existing business relationship with any one of those listed in the report. In our disclosure to the PSE in 2010, Benguet Corporation stated that it has transferred its interest in, and withdrawn from, the Kingking Project.

We hope that we have clarified the above matter to your satisfaction.

Very truly yours,

BENGUET CORPORATION

By:



REYNALDO R. MENDOZA
SVP – Public/Affairs, Legal and
Assistant Corporate Secretary