



BenguetCorp

April 11, 2017

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

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

Gentlemen:

We write in response to your request for clarification of the news article entitled "Nickel miner asks Duterte to allow stockpile shipment" posted in Manila Bulletin (Internet Edition) on April 10, 2017. The article reported in part as follows:

"A suspended Philippine nickel miner has asked President Rodrigo Duterte to allow it to ship ore stockpiles after some cargoes were seized as tensions escalated over a required fee it claimed was illegal.

BenguetCorp Nickel Mines, Inc. has filed an urgent motion with Duterte's office to issue a cease and desist order against the environment ministry after its officers, along with agents of the National Bureau of Investigation (NBI), raided its operations on Thursday, halting the loading of nickel ore into two Chinese vessels, a company official told Reuters on Sunday.

Reuters reported last month that eight nickel miners, including BenguetCorp Nickel, were suspended for environmental breaches in a mining crackdown. However, miners in the world's top producer of the raw metal were allowed to remove previously mined ore that could pose environmental hazards.

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BenguetCorp Nickel, a unit of Benguet Corp., the Philippines' oldest miner, said it secured permits in February to lift and ship stocked ore – about 1 million tonnes – from its mine in Zambales province, north of the capital Manila.

The company was loading 110,000 tonnes of ore into barges en route to the Chinese vessels when it was raided, executive director Isidro Alcantara said.

The miner sought Duterte's intervention to stop the environment ministry 'from harassing, stopping and committing criminal acts against our operation,' Alcantara said.

Duterte has yet to issue a decision on the motion filed on Friday.

Lopez said miners cannot haul ore unless they pay the required fund, adding she sought the help of NBI agents in confiscating the cargoes and in the subsequent inquest of the crew before the prosecutor's office.

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We confirm the foregoing information given by our Executive Director, Mr. Isidro C. Alcantara. On April 6, 2017, a composite team from the National Bureau of Investigation, DENR Task Force and military personnel raided the Candelaria Port of Benguetcorp Nickel Mines, Inc. (BNMI) in Zambales, where they forcibly stopped the hauling of stockpiles and arrested several truck drivers. The raid was illegal because BNMI has been issued all the necessary permits by the Mines and Geosciences Bureau such as Ore Transport Permit and Mineral Ore Export Permits for the hauling and shipping of its nickel stockpiles as well as Manifestation of Consent (Notice to Proceed) by the Provincial Government. BNMI has filed an Appeal on March 23, 2017 from the DENR Order dated March 6, 2017 which imposes a Trust Fund placement of P2 Million per hectare of disturbed land as condition for hauling of nickel stockpiles. The DENR has previously allowed without any condition the removal of the stockpiles from the mine site to prevent environmental risk during the rainy season. The criminal complaint filed by the raiding team against the truck drivers were immediately dismissed by the Iba, Zambales Prosecutors Office for lack of probable cause.

On April 10, 2017, BNMI received a Stay Order dated March 31, 2017 from the OP on its urgent Appeal. In the said Order, the OP stayed or put on hold the implementation of the DENR Order dated March 6, 2017 under Section 9 of Administrative Order No. 22 re: Appeal Procedure to the Office of the President. With the OP Stay Order, BNMI will resume hauling and shipping of its nickel stockpiles.

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

Very truly yours,

BENGUET CORPORATION

By:



REYNALDO P. MENDOZA  
Sr. Vice President, Public Affairs, Legal  
and Assistant Corporate Secretary