



BenguetCorp

November 11, 2010

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

Attention: MS. JANET A. ENCARNACION
Head, Disclosure Department

Gentlemen:

This is with reference to your disclosure requirement of November 8, 2010 for Benguet Corporation (BC) to provide additional information with respect to the Heads of Terms on the Kingking (KK) project for the "Transaction" it executed on July 22, 2010 with St. Augustine Mining Ltd. (SAML), an affiliate of Russel Mining & Minerals Inc. (RMMI). In compliance, we submit the following:

- a. The Transaction between BC and SAML is expected to resolve the long pending dispute between BC and Nationwide Development Corporation (NADECOR) as co-contractors in the Mineral Production Sharing Agreement (MPSA) / Operator & Claim Holder of KK. Provided that all conditions are complied with, BC will eventually withdraw from KK and will focus its attentions and resources in other projects. NADECOR with its new partner, RMMI, will proceed to develop KK.
- b. The terms and conditions of the Transaction are:
 - i. SAML to pay BC the consideration of US\$25M over a period of 7 years (US\$8M on completion date, US\$5M at 24 months after completion date, US\$4M at 60 months after completion date, US\$4M at 72 months after completion date, and US\$4M at 84 months after completion date) for BC to transfer its interest in KK and other related properties;
 - ii. The instruments assigning BC's interest in KK to SAML shall be held in escrow until there is full payment of the consideration of US\$25M, or SAML gives adequate financial security 24 months after completion date; and
 - iii. After the completion date, BC and NADECOR shall suspend all pending court and administrative proceedings between them and upon release of the escrowed documents, to withdraw all pending proceedings.

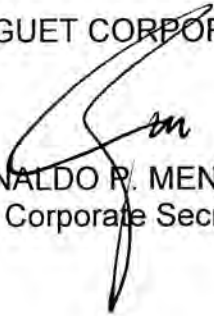
- c. The consideration of US\$25M was negotiated by BC and SAML based on the minimum valuation given to BC's interest in KK.
- d. Taken in isolation, the KK transaction will improve liquidity of BC due to the down payment received on the completion date (October 22, 2010). More importantly, in the event that BC will elect to book the down payment as gain, we project to book extraordinary income for this transaction in 2010.
- e. Aside from transferring BC's interest as MPSA co-contractor in the MPSA and its operatorship under the Operating Contract with NADECOR, other related properties to be affected are: the adjacent SARC claims in Pantukan under APSA 00026-XI & 00136-XI and 4,000 shares of Pantukan Mineral Corporation (PMC).
- f. Other information: Until the conditions of the Transaction are fulfilled, BC shall remain to be a co-contractor and operator in the MPSA of KK.

We hope that the foregoing have sufficiently comply with your request.

Very truly yours,

BENGUET CORPORATION

By:


REYNALDO R. MENDOZA
Asst. Corporate Secretary