



BenguetCorp

September 10, 2019

**PHILIPPINE STOCK EXCHANGE**

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

Attention: **Ms. JANET B ENCARNACION**  
Head, Disclosure Department

Gentlemen:

We respond to your request for clarification of the article referring to Benguet Corporation (BC) in the Merry-Co-Round column of Mr. Victor Agustin entitled "What a tangled web Villar and Romualdez weave over mining deal" published in the September 10, 2019 issue of The Philippine Star. The article read in part that:

"According to the grapevine, the Romualdez-controlled Benguet Corp. has filed a complaint against St. Augustine Gold and Copper Ltd., a Toronto-listed mining company controlled by the Villars, with Villar son Manuel Paolo listed as chairman, chief executive and president rolled into one.

Benguet has also named St. Augustine's local mining partner, Nationwide Development Corp., chaired by former foreign affairs secretary Roberto Romulo, a correspondent in the suit.

The civil complaint apparently stemmed from the 2011 withdrawal by Benguet from the King-king mining venture in Mindanao, with Benguet now instructing its counsel, De Castro & Cagampang law firm, to recover an unspecified amount of advances the Romualdez mining company had allegedly extended to the King-king project.

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The Villar company said that it had paid Benguet \$10.25 million, in exchange for Benguet relinquishing all rights, title and interest in the King-king project, on top of an initial \$8 million payment to the Romualdez mining company.

....."

We comment as follows:

We are not aware of the basis of Mr. Agustin's intrigue laden article, but the probable source of the information upon which he formed his opinion is the draft Information

Statement (IS) that we submitted to the PSE and SEC for review and approval in connection with our preparation for our upcoming Annual Stockholders' Meeting this November. The working IS draft (which when approved by the SEC becomes the Definitive Information Statement sent to all stockholders) contains as required by disclosure rules list of acts and resolution passed and adopted by the Board of Directors in recent board meetings. Among which are, the engagement of De Castro & Cagampang Law Office as counsel to study the filing of complaint against NADECOR, its principal shareholders and other related entities as well as subsequent update in the case. The foregoing are standard board transactions done in the ordinary course of business.

As of to date, no complaint has yet been filed by the Company. The proposed case (if any) seeks to collect the loans and advances that BC previously extended to NADECOR and its principal stockholders in the Kingking project. The claims have not been waived and were expressly reserved, when BC agreed to transfer and assign to NADECOR its operating rights in the project. The claims were subject of past demand letters and negotiations. The Company is not aware of the personalities mentioned by Mr. Agustin as the claims are purely commercial.

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

Very truly yours,

**BENGUET CORPORATION**

By:



**REYNALDO P. MENDOZA**  
SVP-Public Affairs, Legal and  
Assistant Corporate Secretary