



16 February 2017

**To Our Valued Stakeholders:**

**Re: BENGUET CORPORATION TO APPEAL THE DENR CANCELLATION ORDER**

Dear Sir/Madam:

We write in relation to the recent actions and announcements of Secretary Regina Lopez cancelling the permits of several mining companies including the authority to mine by Benguet Corporation (BC) under its Patent Claim. We strongly object to such arbitrary actions being made without observance of due process and without basis in fact and in law.

On 14 February 2017, BC received an Order dated 08 February 2017 from the DENR cancelling its authority to mine under the Patent Claim (PC-ACMP-002-CAR). The Order is objectionable for the following reasons:

1. The Order failed to identify specific environmental violations of BC that would warrant cancellation of its authority to mine in its Patent Claim;
2. The Order is untenable considering that BC is environmentally compliant as proven by the ISO: 14001 Certification on Environmental Management System that it received from TUV Rheinland in 17 March 2016 after undergoing intensive review and audit of its mining operation starting in August 2015; and
3. BC has not abandoned Antamok, nor has it reneged on its obligation to rehabilitate the area. It has submitted to the Mines & Geoscience Bureau (MGB) a comprehensive rehabilitation plan for Antamok which is awaiting approval and implementation. In 2005, BC proposed to convert the 440 Open Pit into a water reservoir for bulk water project. It won the bidding of the Baguio Water District (BWD) for bulk water supply and after it has invested in the project, the BWD arbitrarily cancelled the contract. A case has been filed by BC to enforce the contract which remains pending as of the present.
4. A MOA for the Engineered Sanitary Landfill (ESL) Project has been signed by Baguio City and Itogon Municipality on January 6, 2017 to provide acceptable waste disposal system to LGUs, ensuring the safety and health of the residents. It will save Baguio City close to Php80 Million annually in transportation cost in bringing its garbage to Tarlac. An Energy Biomass Renewables Project (Waste to Energy) is planned based on a commitment to supply at least 300 Tons per day.

The Antamok Pit has been identified as an Eco-Tourism site with the pit converted into a recreational lake surrounded by Tourism Support Facilities including Leisure park and lodgings. Given its proximity to Baguio and with well paved roads this could potentially be the New Burnham Park. Engineering Studies are now in progress.

We therefore see no basis at all for the cancellation Order and we will take all the necessary legal actions and exhaust all remedies available to prevent the implementation of the Order.



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We are set to file an immediate Appeal which shall “stay and/or stop” the execution and implementation of the Order until the issues are resolved on its merits under the Law.

We expect to be able to continue operating our Acupan Contract Mining Project (ACMP), which is a community-based mining operation in partnership with the small scale miners organized into legitimate cooperatives / association and accredited as mining contractors. The Company also hopes to implement its FMRDF plans in Antamok once approved by the MGB consisting of Engineered Sanitary Landfill (ESL) with Waste-to-Energy (WTE) Component, Minahang Bayan, Eco-tourism and Bulk Water Projects, which are viable alternative rehabilitation programs.

In this light, we are thankful for your continued support and assistance at this challenging time. We are confident that we will be able to surpass this hurdle considering that our mining operation is compliant with environmental standards and our Legal Rights are well founded.

Sincerely,



**ISIDRO C. ALCANTARA**  
Executive Director, Benguet Corporation (BC)



**ARSENIO K. SEBIAL, JR.**  
Officer-in-Charge, Benguet Corporation (BC)



Management  
System  
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