BenguetCorp

SEC Reg. No. 11341

May 21, 2010

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA
Greenhills, Mandaluyong City

Attention: ATTY. JUSTINA F. CALLANGAN
Director, Corporation Finance Department

PHILIPPINE STOCK EXCHANGE
4th Floor PSE Centre, Exchange Road
Ortigas Center, Pasig City

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

Gentlemen:

In compliance with the reportorial requirements of the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE), attached hereto is Benguet Corporation's 2010 First Quarter Report ended March 31, 2010.

Please note that on May 13, 2010, we requested for extension of deadline to submit the said report under SEC Form 17-L for SEC and written request for PSE.

We hope that you will find everything in order.

Very truly yours,

BENGUET CORPORATION
By:

REYNALDO P. MENDOZA
Asst. Corporate Secretary

Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City Philippines
MCPO Box 3488 • Phone: +632.812.1380 • Fax: +632.752.0717

C O V E R   S H E E T

11341
SEC Registration Number

BENGUET CORPORATION

(Group's Full Name)

7Th Floor, UniversAl RE BuIlDing,
106 Paseo De Roxas, MAkatI City

(Business Address: No. Street City/Town/Province)

Mr. Reynaldo P. Mendoza
(Contact Person)

812-1380
(Group Telephone Number)

12	31
Month	*Day*

(Calendar Year)

17-Q
(Form Type)

Month	*Day*

(Annual Meeting)

Not Applicable
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

17,236
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended ....MARCH 31, 2010.....................................

2. Commission identification number.....11341.... 3. BIR Tax Identification No..000-051-037...

BENGUET CORPORATION. ....

4. Exact name of issuer as specified in its charter

PHILIPPINES...

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code [ ] (SEC Use Only)

7F UNIVERSAL RE-BUILDING, 106 PASEO DE ROXAS, MAKATI CITY 1226

7. Address of issuer's principal office Postal Code

(632) 812-1380 / 751-9137...

8. Issuer's telephone number, including area code

....

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding (as of March 31, 2010)
Convertible Preferred Class A	217,061 shares
Common Class A Stock	94,042,885 shares
Common Class B Stock	57,061,697 shares
(*) Net of treasury shares	
Outstanding principal debt as of March 31, 2010	P1.6 Billion

11. Are any or all of the securities listed on a Stock Exchange? Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

The Issuer's Convertible Preferred Class A share, Common Class A and B shares are listed in the Philippine Stock Exchange (PSE).

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No [X]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

PLEASE REFER TO ANNEX "B" which is incorporated herein as part of this report (SEC Form 17-Q), on pages 11 to 20 which contained the following:

1. **THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BENGUET CORPORATION AND SUBSIDIARIES FOR THE FIRST QUARTER ENDED MARCH 31, 2010 (WITH AUDITED COMPARATIVE DATA FOR 2009) WERE PREPARED IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE PHILIPPINES AND REFLECT AMOUNTS THAT ARE BASED ON BEST ESTIMATES AND INFORMED JUDGMENT OF MANAGEMENT WITH AN APPROPRIATE CONSIDERATION TO MATERIALITY;**
2. **AGING OF ACCOUNTS RECEIVABLE AS OF MARCH 31, 2010; AND**
3. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company's consolidated net loss in the first quarter of 2010 was ₱16.5 million, substantially lower than the loss of ₱88.8 million for the same quarter last year. The decline was partly from foreign exchange gain of ₱43.1 million this quarter versus foreign exchange loss of ₱29.4 million for the same period last year. The losses for this quarter includes non-cash accrued interest expense of ₱39.3 million and depreciation expense of ₱6.8 million partly offset by foreign exchange gain of ₱43.1 million.

The operating revenues for the quarter was increased to ₱48 million from ₱32 million for the same period last year mainly due to higher sales of gold from ACMP.

Operating costs and expenses this quarter of ₱64 million is slightly higher than ₱55 million for the same quarter last year mainly due to higher selling and general expenses. Other income for this quarter amounted to ₱10 million as compared to other expenses of ₱76 million for the same period last year. The positive variance was partly due to the foreign exchange gain this quarter of ₱43.1 as against foreign exchange loss of ₱29.4 million for the same period last year.

The Company ended the first quarter of 2010 with consolidated assets of ₱3.563 billion, slightly lower than end-December 2009 level of ₱3.580 billion. Cash and cash equivalent slightly increased to ₱32 million from ₱30 million in 2009 mainly from cash used by operating activities and mine exploration and development of mining projects of the Company.

Account receivables dropped to ₱107 million from ₱131 million, attributed mainly from collection of trade receivables and reclassification of intercompany receivables. Prepaid and other current assets also slightly decreased to ₱26 million from ₱29 million. Account payable and accrued expenses decreased by ₱63 million to ₱533 million, attributed largely to payment of Benguet Gold Operation long outstanding trade payables.

The outstanding bank loans (inclusive of interest and penalties as of March 31, 2010) increased to ₱3.716 billion from ₱3.694 billion in 2009, mainly due to accrued interest booked this quarter. The Company offered to settle its obligations under current market conditions and especially as they relate to the Special Purpose Vehicle (SPV) Law and existing jurisprudence.

Capital deficiency as of March 31, 2010 slightly increased to ₱1.816 billion from ₱1.796 billion in 2009 attributed mainly to the net losses for the first quarter of 2010. The Company's current liability still exceeded its current assets by ₱4,060 million in March 2010 and ₱4,0713 million in 2009.

The Company continues to have dependable cash flow to fund its operating cash requirement for this quarter and succeeding quarters for this year, as the Company's ACMP is on expansion program to bring its milling rate production to 150 tons per day within this year and by 2011, to achieve its target of 300 tons per day. ACMP's milling rate is now 79 tons per day average during the quarter compared to 62 tons per day for the same period last year. In addition, ILP has continuous orders of quicklime from local buyers and Sta. Cruz Nickel Project has assured market for nickel ores due to the signing of off-take agreements with DMCI Mining Corporation and Sino Phil (Surigao) Group Limited. The agreements assured the Company of a market for high and low grade nickel and high iron ores for the next three years.

A comprehensive review of the Company's asset base has revealed an array of vastly undervalued holdings, which if recognized at their proper worth will indicate a brighter prospect for the Company's future. These assets are essentially mining properties whose true significance, estimated at ₱6 billion, is excluded from the Company books under generally accepted accounting principles. These assets include the King-king, Acupan, Ampucao, Sta. Cruz prospects, Balatoc Tailings Project, and several major pieces of mill and mine equipment among others.

> **Other discussions on result/plan of operation of the Company is presented in the President Report for First Quarter 2010 on pages 8 to 10 which form part of this report (Annex "A").**

<u>KNOWN TRENDS, EVENTS OR UNCERTAINTIES</u>

The Company foresees improvement in its cash flow as the Company's ACMP continues to improve its gold production, steady market of quicklime from ILP and assured market for nickel ores of Sta. Cruz Nickel Project due to the signing of off-take agreement with DMCI Mining Corporation and Sino Phil (Surigao) Group Limited. The agreements assured the Company of a market for high and low grade nickel and high grade iron ores for the next three (3) years.

Except for the Company's outstanding bank loans, there are no material events that will trigger direct or contingent financial obligations to the Company. With the passage of Republic Act No. 9182 or the Special Purpose Vehicle (SPV) Act of 2002, most of the Company's creditors have sold their debt holdings to SPV Companies. As of March 30, 2010, the Parent Company's principal loans subject to the repayment plan amounted to ₱1.5 billion. On October 30, 2009, the Company made specific and firm proposals for the settlement of its debt through the PNB Trust Banking Group, as Trustee bank under the Restructuring Agreement (RA)/Mortgage Trust Indenture (MTI). The Company offered to settle its obligations under current market conditions and especially as they relate to the Special Purpose Vehicle (SPV) Law and existing jurisprudence. The Company feels confident that the debt settlement proposal will lead to an early resolution of its outstanding obligation.

There are no material off-balance sheet transactions, arrangement, obligations, and other relationship of the Company with unconsolidated entities or other persons that the Company is aware of during the quarter.

For the quarter in review, the Company started funding the capital requirement of its nickel and gold tailings projects in Zambales and Benguet Provinces, respectively. The Company anticipate increase production of gold at ACMP, higher quicklime sales from ILP and shipment of nickel

ores from its Sta. Cruz Nickel Project will have a favorable impact on the Company's net sales and income.

As of March 30, 2010, except for what has been noted in the preceding, there are no material events or uncertainties known to management that had material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- **Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;**
- **Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;**
- **Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;**
- **Significant elements of income or loss that did not arise from the Company's continuing operations;**
- **Seasonal aspects that had a material impact on the Company's results of operations; and**
- **Material changes in the financial statements of the Company.**

KEY PERFORMANCE INDICATORS

1.) ***Working Capital -*** **Working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or debt paying ability of the Company. The Company's current liabilities exceeded its current assets by ₱ P4.0 billion as of March 31, 2010 and December 31, 2009.**

2.) ***Metal Price -*** **The market price of gold in the Banko Sentral ng Pilipinas which is based from the world spot market prices provided by the London Metal Exchange for gold is the key indicator in determining the Company's revenue level. This quarter, the average market prices for gold sold were at US$1,139 per ounce compared to US$911 per ounce for the same quarter in 2009. The steady increase in gold and nickel price will have a favorable impact on the Company's revenue.**

3.) ***Tonnes Mill and Ore Grade -*** **Tonnes milled and ore grade determine gold production and sales volume. The higher the tonnage and ore grade, the more gold are produced and sold. This quarter, tonnes milled were 3,051 of shared ore grading 7.46 grams per tonne gold. Gold sold were 633 ounces. For the same quarter in 2009, tonnes milled were 2,916 of shared ore grading 6.34 grams per tonne gold. Gold sold were 503 ounces.**

4.) ***Foreign Exchange Rate -*** **As the Company's sales proceeds are mainly in U.S. dollars, a higher Philippine peso to U.S. dollar exchange rate means higher peso sales but would also reflect a foreign exchange loss on the restatement of the Company's dollar obligations. Conversely, a lower exchange rate reduces the Company's revenue in pesos but brings foreign exchange income on the loans. As of March 31, 2010, the Parent Company had outstanding foreign currency borrowings amounting to about US$18 million. The significant depreciation of the peso will substantially increase the outstanding balances of the Company's US dollar-denominated borrowings in terms of pesos resulting in substantial net foreign exchange losses. The volatility in the foreign currency exchange rates will continue to affect the operations in the foreseeable future. As of March 31, 2010, the peso to dollar exchange rate was at ₱45.220, higher than the ₱48.419 for the same period in 2009.**

5.) ***Earnings Per Share -*** **The earnings per share reflect the Company's bottom line operating results expressed in amount per share of the Company's outstanding capital stock. Assuming a constant outstanding number of shares, as a Company's earnings increase, the earnings per share correspondingly increase. This quarter, the Company has net loss per share of ₱0.11** which is significantly lower than the net loss per share of ₱0.59 for the same period in 2009. With the projected higher gold production of ACMP coupled with the prevailing favorable metal price and ongoing development of the Company's Sta. Cruz Nickel Project which has assured market for its nickel ores, the Company anticipates improvement in the earnings per share.

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

There are no other information for this interim period not previously reported in a report on SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer........................BENGUET CORPORATION...

By:

Signature and Title: REYNALDO P. MENDOZA – SVP, Legal/Asst. Corporate Secretary

Principal Financial/Accounting Officer/Controller:

Renat C. Claravall

Signature and Title: RENATO A. CLARAVALL – SVP, Chief Finance Officer

Annex "A"

2010
FIRST QUARTER REPORT
BENGUET CORPORATION
AND SUBSIDIARIES

For the first quarter of 2010, the Acupan Contract Mining Project (ACMP) more than doubled its net earnings while the Irisan Lime Project (ILP) continued to operate profitably. Your Sta. Cruz Nickel Project (SCNP) was able to take advantage of the rise in nickel price by making five shipments of nickel ore totaling 193,278 metric tons averaging 1.96% nickel grade.

Consolidated Results

Consolidated net loss for the quarter amounted to ₱16,505,000 (US$365,000) or ₱0.11 (US$0.002) per share, significantly lower than the loss of ₱88,830,000 (US$1,835,000) or ₱0.59 (US$0.012) per share for the same quarter of 2009. The loss was mainly due to non-cash accrued interest expense of ₱39,344,000, depreciation expense of ₱6,780,000 and set-off by accrued foreign exchange translation adjustment of ₱43,088,000.

Operating revenues for the quarter amounted to ₱48,426,000 (US$1,071,000), higher than the ₱32,439,000 (US$700,000) for the same quarter in 2009 mainly due to higher metal sales for the period.

Mining

Earnings for this quarter from the ***Acupan Contract Mining Project (ACMP)*** amounted to ₱13,305,000 (US$294,000), more than double the net earnings of ₱6,162,000 (US$127,000) posted for the same period last year. ACMP milled 3,051 tons of ore producing 633 ounces of gold for the quarter, an increase of 5% as compared to 2,916 tons of ore producing 503 ounces of gold for the same period last year. The grade of ore milled with 7.46 grams of gold per ton during the quarter was higher compared to 6.34 grams of gold per ton for the same period last year. Milling rate increased by 27% to 79 tons per day average during the quarter compared to 62 tons per day for the same period last year. ACMP is on an expansion program to bring production to 150 tons per day within this year and to 300 tons per day by 2011.

The ***Irisan Lime Project (ILP)*** generated net earnings of ₱3,702,000 (US$82,000) for this quarter, 24% lower than the net earnings of ₱4,876,000 (US$101,000) posted for the same period in 2009. Despite the increase in sales volume to 2,284 tons for the quarter from 1,852 tons for the same period last year, earnings were affected by higher cost of revenue brought about by increase in the price of regular fuel oil.

Exploration, Research & Development

Your Company's SCNP generated mining receipts of ₱12 million (US$286,000) for the quarter. SCNP mining operations are carried out under contract with DMCI Mining Corporation in Area 1 of the property and another contractor. DMCI made five (5) shipments during the quarter totaling 193,278 metric tons with an average grade of 1.96% Ni and between 12 to 15% Fe. At the end of the quarter, 122,436 MT were stockpiled at the pier area and 208,080 MT at the minesite.

In connection with the planned capital increase of BNMI, your Company's external Competent Person (CP) recommended an additional drilling program of 78 holes to upgrade the nickel resource to Philippine Mineral Reporting Code (PMRC) standard. The drilling program was completed last March 16 by JCP Geo-X Drilling Contractor. Thicker saprolite zones than initially projected necessitated deeper drilling, from 780 meters to 1,303.95 meters or 523.95 meters more than the programmed depth. The deeper drilling would significantly improve the SCNP resource both in terms of tonnage and grade, with potential vertical extensions into the higher grade saprolite zones below the limonite horizon. The drilling method applied allowed penetration into the bouldery saprolite zones down to fresh bedrock. The presence of sizeable boulders had previously hampered test pitting advance and limited the depth of the test pits from which SCNP's resources were initially estimated.

On the other hand, your Company's in-house drilling crew completed 32 drillholes programmed in Area 4, one of the major geophysical anomaly zones delimited by a Chinese team in 2008. Your Company crew logged a total of 221.50 meters. Initial results confirmed the existence of higher grade saprolite extensions suggested by the geophysical anomalies, and these also complemented the findings from the 78 holes drilled.

ATR Kim Eng Capital Partners, Inc., your Company's financial advisor is currently finalizing an Information Memorandum intended to raise additional development capital for the ***Balatoc Tailings Project (BTP).*** Your Company has likewise garnered serious interest and is in talks with U.S. and Chinese investors who are willing to provide both equity and debt financing.

In view of Mindanao's current power situation and looming crisis, your Company has decided to study in earnest the feasibility of putting up a mine mouth power plant as part of the ***Surigao Coal Project***. It has engaged an energy industry expert to prepare the study and is likewise considering hiring a mining consultant for a parallel study to ensure that coal production in the mine would be able to support the proposed plant. The studies are expected to be completed by the 3rd quarter of 2010. Your Company has strengthened its field organization in Lianga to handle various pre-development activities. These activities however have been hampered by typhoon-damage of the Hubo River Bridge, an important access link to the project site.

Planned activities for your Company's ***Kingking Porphyry Copper Gold Prospect*** remain suspended pending resolution of issues arising from the dispute with Nationwide Development Corporation (NADECOR), Benguet's co-contractor in the Mineral Production Sharing Agreement (MPSA). Your Company filed a case against NADECOR on February 23, 2010 which sought to enjoin the arbitration proceedings initiated by NADECOR on the grounds that arbitration is premature as there is a similar case pending in the Department of Environment and Natural Resources (DENR) and the subject issue on the arbitration of cancellation of the operating agreement is a judicial question properly cognizable by the regular court. The case is docketed as Civil Case No. 10-195 and is pending with the Regional Trial Court, Branch 138 of Makati City.

Your Company has decided to withdraw from its involvement in the ***Batong Buhay Project*** after carefully studying its outlook and risks arising from unresolved issues such as the tribal conflicts, the land problems and the various engineering constraints that have to be considered in the evaluation of the property. A disengagement agreement with the Balatoc Sub-Tribe of Kalinga (the Tribe) for the mutual termination of the Joint Venture Agreement was signed on March 31, 2010 subject to reimbursement by the Tribe of your Company's various costs and advances in the project. Also to be negotiated with the Tribe is your Company's retaining interest in the project in recognition of its contribution to bring the project to its present stage.

Land Development

For the ***Woodspark Rosario Subdivision,*** cash collection amounted to ₱0.637 million for the quarter and ₱32.772 million to-date from reservation deposits, down payment, and monthly amortizations. Total lot sales/reservation for the quarter was 15 lots with an aggregate area of 1,732 square meters valued at ₱3.204 million, bringing the total lot sales/reservation and dacion to-date to 162 lots with an aggregate area of 24,938 square meters valued at ₱42.408 million. The main activities for the period were preparation and concreting of roads along Phases 2 and 3. The Housing and Land Use Regulatory Board (HLURB) extended the development deadline of the project to January 31, 2011.

Services

The ***Benguet Laboratories (BL)*** generated net earnings of ₱1,295,000 (US$29,000) this quarter, higher than the net earnings of ₱434,000 (US$9,000) for the same period last year. BL acquired an A1 condition X-Ray unit and Mobile X-Ray to service walk-in and outside clients.

Subsidiaries & Affiliates

Benguet Management Corporation (BMC), a 100% owned subsidiary, and its subsidiaries, reported a consolidated net loss of ₱2,341,000 (US$52,000) this quarter, slightly lower compared to the loss of ₱2,776,000 (US$57,000) for the same period last year. The loss was mainly due to negative performance of its subsidiaries. Benguetrade, Inc. (BTI), incurred a net loss of ₱121,000, this quarter, relatively lower compared to the loss of ₱563,000 incurred during the same period in 2009. Arrow Freight Corporation (AFC), on the other hand, incurred a net loss of ₱1,198,000 this quarter, slightly higher than the ₱1,077,000 (US$21,000) net loss incurred for the same period last year.

BenguetCorp International Limited (BIL), your Company's Hongkong-based and 100% owned subsidiary for international operations, remains largely inactive. BIL's wholly-owned subsidiaries, BenguetCorp Canada Limited (BCL) in Vancouver, B.C. and BenguetCorp USA Limited (BUSA) in Nevada, U.S.A. continue to hold interests in mining properties in Royston Hills, Nevada, which are currently being offered for sale to interested parties.

Debt Status

With the passage of Republic Act No. 9182 or the Special Purpose Vehicle (SPV) Act of 2002, most of your Company's original creditors sold their debt holdings to SPV companies. Your Company is committed to finally settle the old debt issue with its creditors. On October 30, 2009, your Company made specific and firm proposals for the settlement of its debt through the PNB Trust Banking Group as Trustee bank under the Restructuring Agreement (RA) / Mortgage Trust Indenture (MTI). Your Company offered to settle its obligations under current market conditions and especially as they relate to the Special Purpose Vehicle (SPV) Law and existing jurisprudence. Your Company feels confident that the debt settlement proposal will lead to a resolution of its outstanding loan obligation.

Outlook

Your Company faces the balance of 2010 with guarded optimism. Our core revenue sources are buoyed by the current levels of market prices for gold and nickel. If sustained, this augurs well for your Company. Further, we expect more positive results from the on-going expansion of ACMP. More importantly, the prospective spin-offs of BNMI and BTP would enable your Company to again access capital from both the equity and debt markets to fund further expansion. Lastly, with a stronger financial base, we are confident that we can achieve the resolution of our debt obligations.

Benjamin Philip G. Romualdez
Chairman, President & Chief Executive Officer

BenguetCorp

ANNEX "B"

CERTIFICATION

This is to certify that the accompanying consolidated financial statements of Benguet Corporation and Subsidiaries for the 1ST quarter ended March 31, 2010 (with comparative data for 2009) were prepared in conformity with accounting principles generally accepted in the Philippines and reflect amounts that are based on best estimates and informed judgment of management with an appropriate consideration to materiality.

M. L. O. CALUB
ACCTG. MANAGER

Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City Philippines
MCPO Box 3488 • Phone: +632.812.1380 • Fax: +632.752.0717

BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2010 and DECEMBER 31, 2009
(In Thousands)

	2010	AUDITED 2009
CURRENT ASSETS		
Cash and cash equivalents	**P32,073**	P29,883
Accounts receivable – net	**106,502**	131,345
Inventories – net	**25,073**	26,581
Prepaid expenses and other current assets	**25,072**	29,136
Total Current Assets	**189,313**	216,945
Available for Sale Investments	**16,538**	16,860
Property, plant and equipment – net	**2,489,384**	2,489,630
Mining exploration and project development costs	**159,005**	161,747
Investment Property	**166,693**	166,693
Deferred charges and other assets	**542,944**	528,086
TOTAL ASSETS	**P3,563,877**	P3,579,961
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	**533,085**	P595,695
Current portion of long-term debt	**3,247,446**	3,233,013
Bank loans	**468,463**	461,162
Total Current Liabilities	**P4,248,995**	P4,289,870
NONCURRENT LIABILITIES		
Liability for Mine Rehabilitation	**12,318**	12,318
Accrued Retirement Liability	**15,460**	15,413
Equity of claim owners & Others	**81,323**	49,696
Deferred Tax Liabilities	**1,021,402**	1,008,083
Bank Loans – Net of current portion	**380**	380
Total Non-Current Liabilities	**1,130,884**	1,085,890
TOTAL LIABILITIES	**P6,379,879**	P5,375,760
STOCKHOLDERS' EQUITY		
Convertible Preferred Class A - P3.44 par value Authorized – 19,652,912 shares Issued - 217,061 shares in 2010 and 2009	**P745**	P745
Common Class A – P3.00 par value Authorized – 120,000,000 shares, Issued – 94,042,885 in 2010 and 93,865,185 shares in 2009	**282,740**	281,415
Common Class B – P3.00 par value Authorized – 80,000,000 shares Issued – 57,061,697 in 2010 and 2009	**171,185**	171,185
Capital surplus	**1,032,838**	1,032,817
Revaluation Increment	**1,612,988**	1,612,988
Cumulative translation adjustments	**37,621**	42,022
Cost of share-based payment	**43,004**	43,148
Unrealized Gain on AFS Investment	**2,197**	2,085
Retained earnings (deficit)	**(4,990,693)**	(4,974,188)
Total capital and retained earnings	**(P1,807,986)**	(P1,787,783)
Less cost of treasury stock-116,023 shares in 2010 & 2009	**8,016**	8,016
STOCKHOLDERS' EQUITY	**(1,816,002)**	(1,795,799)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**P3,563,877**	P3,579,961

BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 (WITH COMPARATIVE DATA FOR 2009)
(In Thousands)

	2010	2009
OPERATING REVENUE		
Sales of mine products	P 32,617	P 22,058
Sales of merchandise and services	15,809	10,381
	48,426	32,439
OPERATING COSTS AND EXPENSES		
Cost of mine products sold	10,758	14,547
Cost of merchandise and services sold	10,752	6,110
Selling and general expense	41,708	33,772
Taxes on revenues	652	506
	63,870	54,935
INCOME FROM OPERATIONS	(15,444)	(22,496)
OTHER INCOME (EXPENSES)		
Interest income	21	17
Foreign exchange gain (loss)	43,068	(29,422)
Interest expense	(39,344)	(51,652)
Miscellaneous - net	6,693	5,467
	10,438	(75,590)
INCOME (LOSS) BEFORE INCOME TAX	(5,006)	(98,086)
PROVISION FOR INCOME TAX	11,499	(9,256)
NET INCOME (LOSS)	(16,505)	(88,830)
RETAINED EARNINGS (DEFICIT) AT BEG OF PERIOD	(4,974,188)	(4,788,891)
RETAINED EARNINGS (DEFICIT) AT END OF PERIOD	(P 4,990,693)	(P 4,877,721)
EARNINGS (LOSS) PER SHARE	(P 0.11)	(P 0.59)

ALB/LOC

BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 (WITH COMPARATIVE DATA FOR 2009)
(In Thousands)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	(P 16,505)	(P 84,590)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	6,780	5,947
Unrealized foreign exchange (gain) loss	(43,068)	16,091
Provision for (benefit from) deferred income tax	11,499	(5,298)
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Accounts Receivable - net	24,843	(10,864)
Inventories - net	1,544	(977)
Prepaid expenses and other current assets	3,434	7,178
Increase (decrease) in accounts payable and accrued expenses	(62,610)	65,196
Net Cash Provided by (Used in) Operating Activities	(74,083)	(7,317)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment - net	(2,234)	(15,836)
Mining exploration and development costs	(542)	(6,579)
Investments in Stocks	-	-
Increase in deferred charges and other assets	79,139	(93,154)
Net Cash Provided By (Used in) Investing Activities	76,363	(115,569)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments (repayments) of long-term debt and bank loans	(89)	-
Proceeds from issuance of common stocks	-	-
Increase (decrease) in deferred credit and others	-	-
Net Cash Provided by (Used in) Financing Activities	(89)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,190	(122,886)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,883	250,869
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 32,073	P 127,983

BENGUET CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (CAPITAL DEFICIENCY)
(Amounts in Millions, Except Number of Shares)

	Unaudited March 31, 2010	Unaudited March 31, 2009	Audited 2009
CAPITAL STOCK	P454	P453	P453
SUBSCRIPTION RECEIVABLE			-
CAPITAL SURPLUS	1,033	1,033	1,033
	1,487	1,486	1,486
REVALUATION INCREMENT IN LAND			
Balance at beginning of year	1,613	1,613	1,613
Increase (decrease) in revaluation increment	0	-	
Balance - End	1,613	1,613	1,613
ACCUMULATED TRANSLATION ADJUSTMENT			
Balance at beginning of year	42	43	43
Increase (decrease) in translation adjustment	(4)	3	(1)
Balance - End	38	46	42
COST OF SHARE BASED PAYMENT			
Balance at beginning of year	43	43	43
Cost of share-based payment	-	-	
Balance - End	43	43	43
UNREALIZED LOSS ON AFS INVESTMENTS			
Balance at beginning of year	2		-
Unrealized loss on AFS investments	-		2
Balance - End	2	-	2
DEFICIT			
Balance at beginning of year	(4,974)	(4,789)	(4,789)
Effect of adoption of PFRS			
Disposal of property and equipment			
Net loss	(17)	(88)	(185)
Balance - End	(4,991)	(4,877)	(4,974)
TREASURY STOCKS - 116,023 shares	(8)	(8)	(8)
TOTAL CAPITAL DEFICIENCY	(1,816)	(1,697)	(1,796)

BENGUET CORPORATION
LOSS PER SHARE COMPUTATION

	Three Months Ended March 31			
	2010		2009	
Net Loss ('000)	Php	16,505	Php	88,830
Number of shares for computation of				
Basic loss per share				
Weighted average common shares				
Issued		150,926,882		150,926,882
Less Treasury Stock		116,023		116,023
Weighted average common shares				
outstanding		150,810,859		150,810,859
Dilutive loss per share				
Weighted average common shares				
Issued		150,926,882		150,926,882
Less Treasury Stock		116,023		116,023
Weighted average common shares				
Outstanding		150,810,859		150,810,859
Exercise of Stock Option		-		122,474
Conversion of Preferred Stock		-		
		150,810,859		150,933,333
Basic loss per share	Php	0.11	Php	0.59

Dilutive loss per share is antidilutive as a result of the net loss, therefore, the basic EPS & diluted EPS are the same

BENGUET CORPORATION & SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE
AS OF MARCH 3, 2010

TYPE OF ACCOUNTS RECEIVABLE	TOTAL	1 MONTH	2 - 3 MONTHS	4 - 6 MONTHS	7 MONTHS TO 1 YEAR	1 - 2 YEARS	3 - 5 YEARS	6 YEARS - ABOVE	PAST DUE ACCTS & ITEMS IN LITGN
a) Trade Receivables:									
1) Chrome Shipments (Export/Local)	46,202,870	-	-	5,705	560,219	30,553,105	14,783,938	-	-
2) Lime Deliveries	17,583,519	8,998,471	6,358,462	2,071,043	-	-	124,543	-	-
3) Merchandise & Services	61,617,303	3,349,121	910,395	1,992,916	2,445,364	5,143,310	5,471,736	42,304,562	-
Sub-total	125,403,792	12,348,592	7,298,857	4,065,567	3,305,583	35,696,415	20,380,216	42,304,562	-
Less: Allowance for Doubtful Acct.	19,140,011	-	-	-	-	1,195,148	2,595,719	15,349,144	-
Net Trade Receivable	106,263,780	12,348,592	7,298,857	4,069,567	3,305,583	34,501,267	17,784,497	26,955,418	-
b) Non-Trade Receivables									
1) Officers & Employees	24,908,179	3,660,534	83,700	1,125,900	1,147,963	4,749,335	13,599,625	542,102	-
2) Due from Subsidiaries	41,604,705	(5,651,609)	3,904,747	5,234,660	1,754,864	10,736,588	20,153,173	5,470,483	-
3) Others	123,837,941	1,297,310	544,333	4,351,496	1,990,539	19,964,167	14,017,649	82,672,396	-
Sub-total	190,350,825	(693,765)	4,532,830	10,712,056	4,893,385	34,450,891	47,770,446	88,684,981	-
Less: Allowance for Doubtful Acct.	190,112,843	-	-	-	586,681	32,224,188	53,488,929	103,813,045	-
Net Non-trade Receivable	237,983	(693,765)	4,532,830	10,712,056	4,306,704	2,226,703	(5,718,483)	(15,128,064)	-
Net Receivables (a + b)	106,501,763								

Note: The non-trade receivables - others include receivables under the Employee Stock Ownership Incentive Plan amounting to P58.5M.

ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS OF THE COMPANY
(FOR THE FIRST QUARTER ENDED MARCH 31, 2010)

- **i.)** **The disclosure on significant accounting principles, policies, and practices are substantially the same with the disclosure made in 2009 financial statements. Additional disclosures on the significant changes of accounts and subsequent events are presented in the Management Discussion and Analysis.**
- **ii.)** **During the first quarter of 2010, there were no seasonal or cyclical aspects that materially affect the operation of the Company, no substantial nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, and no unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows.**
- **iii.)** **Issuances, Repurchases, Repayments of Debt and Equity Securities – For the first quarter of 2010, there were no securities sold by the Company which were not registered under the Revised Securities Act (now Securities Regulation Code (SRC)) including the sales of reacquired securities, new issues, securities issued in exchange of property, services or other securities and new securities resulting from the modification of outstanding securities.**
- **iv.)** **Dividends - Because of operating deficits and debt service requirements, and pursuant to the restrictions provided for in the Company's loan agreement with creditor banks, no dividends were declared.**
- **v.)** **Segment Information - The Company is principally engaged in mining industry. Its operating revenues as March 31, 2010 mainly consist sales of gold to Bangko Sentral Ng Pilipinas amounting to ₱33 million.**
- **vi.)** **Subsequent Material Events - There were no material events subsequent to the end of the quarter that have been reflected in the financial statements for the period.**
- **vii.)** **There were no changes in the composition of the Company, business combinations, acquisition or disposal of subsidiaries and long-term investments and no substantial changes in contingent liabilities and contingent assets from 2009.**

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company and its subsidiaries (Group) principal financial instruments comprise of unsecured and secured bank loans. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has financial instruments such as cash and cash equivalents, trade and other receivables and trade and other payables, which arise directly from its operations. Other financial instruments includes Available For Sale (AFS) investments.

The risk arising from the Group's financial instruments are liquidity risk, credit risk, interest rate risk and foreign currency risk. The BOD reviews and agrees policies for managing each of this risks and they are summarized below:

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. The Group's objective is to maintain a balance between continuity of funding in order to continuously operate and support its exploration activities. The Group considers its available funds and its liquidity in managing its immediate financial requirements.

Summarized below is the Company's financial liabilities as of March 31, 2010:

Amounts in Million	On Demand	Within Two Months	Total
Bank Loans:			
Unsecured	₱468	₱1	₱469
Secured	1,193	-	1,193
Accrued interest and penalties	2,054	-	2,054

Accrued expenses and other payables:			
Accrued expenses and others	**-**	**533**	**533**
Total	**₱3,715**	**₱534**	**₱4,249**

Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

With respect to credit risk from the other financial assets of the Group, which comprise of cash and cash equivalent and AFS investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognized third parties, there is no requirement for collateral.

The table shows the maximum exposure to credit risk for the component of the balance sheet.

Amounts in Million	**As of March 31, 2010**	**As of December 31, 2009**
Cash and cash equivalents		
Cash with banks	**₱24**	**₱19**
Cash and cash equivalents	**8**	**10**
Trade and other receivables		
Trade	**59**	**60**
Others	**48**	**71**
AFS investments		
Quoted	**12**	**12**
Unquoted	**5**	**5**
Total credit risk exposure	**₱156**	**₱177**

The table below shows the credit quality by class of the financial assets based on the Group's rating:

March 2010	**Neither Past Due Nor Impaired**				
Amounts in Million	**High Grade**	**Standard Grade**	**Past Due but not Impaired**	**Impaired**	**Total**
Cash & cash equivalents					
Cash with banks	**₱24**	**₱ -**	**₱ -**	**₱-**	**₱24**
Short-term investments	**8**	**-**	**-**	**-**	**8**
Trade and other receivables					
Trade	**12**	**7**	**7**	**33**	**59**
Employee stock ownership plan	**-**	**-**	**-**	**58**	**58**
Others	**-**	**5**	**11**	**32**	**48**
Total credit risk exposure	**₱44**	**₱12**	**₱18**	**₱123**	**₱197**

2009	Neither Past Due Nor Impaired				
Amounts in Million	**High Grade**	**Standard Grade**	**Past Due but not Impaired**	**Impaired**	**Total**
Cash & cash equivalents					
Cash with banks	**₱19**	**₱ -**	**₱ -**	**₱-**	**₱19**
Short-term investments	**10**	**-**	**-**	**-**	**10**
Trade and other receivables					
Trade	**1**	**11**	**78**	**34**	**125**
Employee stock ownership plan	**-**	**-**	**-**	**58**	**58**
Others	**1**	**32**	**8**	**49**	**90**
Total credit risk exposure	**₱31**	**₱43**	**₱86**	**₱141**	**₱302**

The Group has assessed the credit quality of the following financial assets.

1. **Cash and cash equivalents are assessed as high grade since there are deposited in reputable banks, which have a low probability of insolvency.**
2. **Trade receivables, which pertain mainly to receivables from sale of chromite sand, were assessed as standard grade. These were assessed based on past collection experience and the debtor's ability to pay the receivables. Other than receivables which were fully provided with allowance, there were no history of default on the outstanding receivables as of March 31, 2010 and December 31, 2009.**

Interest Rate Risk

The Group's exposure to the risk for changes in market interest rate relates primarily to its secure bank loans and unsecured bank loans with floating interest rates. As of March 31, 2010 and December 31, 2009, the Company bank loans are based on the floating rates. The Group regularly monitors their interest due to exposure from interest rates movements.

The Groups secure and unsecured bank loans are both payable on demand. Nominal interest rate vary from floating rate of 91-day Philippine Treasury Bill (Php T-Bill) rate for peso loans and 3-month London Interbank Offered Rate (LIBOR) foreign loans, plus a margin of 2.5% for unsecured loans and 3.5 % for secured loans.

Foreign Currency Risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial statements and cash flows. The Group has transactional currency exposures. Such exposure arises from the sale of gold and beneficiated chrome ore and the purchase of certain goods and services denominated in US Dollar. All sales of gold are denominated in US Dollar. Dollar conversion of metal sales to Philippine peso is based on the prevailing exchange rate at the time of sale.

The Group's policy is to maintain foreign currency exposure within acceptable limits. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Group is involved. The Group did not seek to hedge the exposure on the change in foreign exchange rates between the US Dollar and the Philippine peso. The Group does not generally believe that active currency hedging would provide long-term benefits to stockholders.

The Group's foreign currency-denominated monetary assets and liabilities as follows:

Amounts in Million	**As of March 31, 2010** US Dollar	Peso Equivalent	**December 31, 2009** US Dollar	Peso Equivalent
Asset				
Cash	**$0.6**	**₱3**	**$0.1**	**₱5**
Liabilities				
Trade and other payable	**0.4**	**16**	**21.8**	**1,005**
Secured Bank Loans	**$18.20**	**₱824**	**$18.2**	**₱840**

As of March 31, 2010 and December 31, 2009, the exchange rates of the Philippine peso to the US Dollar are ₱45.220 and ₱46.356, respectively.