

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

July 12, 2010

The Annual Meeting of the Stockholders of Benguet Corporation (herein "BenguetCorp" or "the Company") will be held at the Manila Golf and Country Club, Inc., Harvard Road, Forbes Park, Makati City, Philippines, on August 25, 2010 at 3 o'clock p.m. for the following purposes:

1. To elect ten (10) shareholders to serve as Directors (including Independent Directors) for the ensuing year, in case the Temporary Restraining Order (TRO) of the Philippine Supreme Court is lifted on or before the stated Annual Stockholders' Meeting on August 25, 2010 or within 90 days thereafter.
2. Approval of Minutes of the Annual Stockholders' Meeting held on December 16, 2009.
3. Approval of the private placement transaction and waiver of the requirement to conduct a rights or public offering of the shares subscribed for listing purposes.
4. Ratification of all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors since the December 16, 2009 Annual Stockholders' Meeting.
5. To transact such other business as may properly be brought before the meeting or any adjournment thereof, including possibly voting to adjourn the meeting up to ninety (90) days until the aforesaid TRO is lifted. Management knows of no other proposals to be presented during the meeting.

The Board of Directors has fixed the close of business on July 8, 2010 as the record date for the determination of the holders of the Company's stock entitled to notice of, and to vote at the said meeting. The transfer books will not be closed.

Any stockholder who does not expect to attend the meeting in person and desires to be represented thereat is requested to date and sign the proxy enclosed herewith and deposit the same in the mails in the enclosed envelope with no postage required. As provided under the By-Laws, the proxy should be mailed in time so as to be received by the Stockholders Relations Office/Corporate Secretary on or before 3 o'clock p.m. of August 24, 2010 which is 24 hours before the date of the meeting. Validation of proxies will be on August 24, 2010 at 3:30 p.m. at the Board Room of Benguet Corporation, Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Philippines. In the event a stockholder decides to attend the meeting, he may, if he wishes, revoke his proxy and vote his shares in person.

A copy of the Annual Report of the Company for the year ended December 31, 2009 containing the audited financial statements for the year 2009 accompanies this notice.

HERMOGENE H. REAL
Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter : BENGUET CORPORATION
3. METRO MANILA, PHILIPPINES
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: 11341
5. BIR Tax Identification Code: 410-000-051-037
6. UNIVERSAL RE-BUILDING, 106 PASEO DE ROXAS, MAKATI CITY 1226
Address of principal office Postal Code
7. Registrant's telephone number, including area code: (632) 751-9137 / 812-1220
8. August 25, 2010, 3 o'clock P.M., Manila Golf & Country Club, Inc., Harvard
Road, Forbes Park, Makati City, Philippines
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement
Is first to be sent or given to security holders: July 22, 2010
10. In case of Proxy Solicitations:
Name of Person Filing the Statement/Solicitor : Management of Benguet Corporation
Address : Universal Re-Building, 106 Paseo de Roxas, Makati City, Philippines
Telephone No. : (632) 751-9137 / 812-1380
11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares
and amount of debt is applicable only to corporate registrants):

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding & Amount of Debt Outstanding</u> (As of June 30, 2010)
Convertible Preferred Class A share	217,061
Common Class A share	100,700,845
Common Class B share	61,473,467
Outstanding principal debt as of March 31, 2010	P1.6 Billion

12. Are any or all of registrant's securities listed on a Stock Exchange? Yes No
If so, disclose the name of such Stock Exchange and class of securities listed therein:

The Issuer's Convertible Preferred Class A, Common Class A and B shares are listed in the Philippine Stock Exchange (PSE). The issued/outstanding shares of the Company which is still subject for listing to the PSE are: 6,617,640 class A common shares and 4,411,770 class B common shares subscribed under the private placement transaction between the Company and RYM Business Management Corporation

PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

The annual stockholders' meeting of Benguet Corporation (the "Company") will be held at the **Manila Golf & Country Club, Inc., Harvard Road, Forbes Park, Makati City, Philippines** on **August 25, 2010** at **3:00 p.m.** The complete mailing address of the principal office of the Company is **Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Philippines**. The Information Statement and form of proxy are first to be sent to security holders approximately on July 22, 2010.

DISSENTERS' RIGHT OF APPRAISAL

Although the following actions are not among the matters to be taken up during the Annual Stockholders' Meeting, the stockholders are herein apprised of their appraisal rights pursuant to Title X of the Philippine Corporation Code. A stockholder shall have the right to dissent and demand payment of fair value of the share in case he voted against the following proposed corporate actions: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other dispositions of all or substantially all of the corporate property and assets; and (c) in case of merger or consolidation.

The appraisal right may be exercised by the dissenting stockholder by making a written demand for payment of the fair value of his shares on the company within thirty (30) days after the date on which the vote was taken and within ten (10) days after demanding payment of his shares, he shall submit the certificate of stocks representing his shares to the company for notation thereon that such shares are dissenting shares. If the proposed corporate action is implemented and if there is agreement as to the fair value of the shares, the company shall pay the fair value of the shares to such stockholder upon surrender and transfer of the certificate of stocks. The fair value of the share shall be determined as to the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate actions. Provided, that no payment shall be made to any dissenting stockholder, unless the company has unrestricted retained earnings in its books to cover such payment. If within a period of sixty (60) days from the date the corporate action was approved, the withdrawing stockholder of the company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the dissenting stockholder, another by the company and the third by the two previously chosen. The findings of the majority of the appraisers will be final and the award shall be paid by the company within thirty (30) days after the award is made. Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his share to the company. From the time of demand for payment of the fair value of the stockholder shares, all rights accruing to such shares, including voting and dividend rights, shall be suspended.

However, since the matter to be taken up during the stockholders' meeting do not include any of the corporate actions wherein stockholders' appraisal right may be available and exercised, there is no call for the same.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the nominees for election as directors, no director, nominee, associate of the nominees or officer of the Company at any time since the beginning of the last fiscal year, had any substantial interest, directly or indirectly, by security holdings or otherwise, in any of the matters to be acted upon in the stockholders' meeting, other than election to office. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

a. Class of Voting Shares

The Company has three classes of stock, two of which (the Common Class A and the Convertible Preferred Class A) can be owned only by Philippine citizens because the Company is engaged in the mining business. Under Philippine law, at least sixty percent (60%) of the outstanding capital stock of a corporation engaged in mining must be owned by Philippine citizens. The other class of the Company's stock is its Common Class B which may be owned by anyone regardless of nationality or citizenship.

As of June 30, 2010, there are 217,061 shares outstanding of the Company's Convertible Preferred Class A stock, 100,700,845 shares outstanding of its Common Class A stock and 61,473,467 shares outstanding of its Common Class B stock. Each share of stock outstanding is entitled to one vote. Holders of the Company's Convertible Preferred Class A stock and Common Class A stock are entitled to nominate and elect six (6) out of the ten (10) members of the Board of Directors. Holders of the Company's Common Class B shares are entitled to nominate and elect four (4) out of the ten (10) members of the Board of Directors.

b. Record Date and Share Ownership

Only holders of the Company's stock of record at the close of business on July 8, 2010, are entitled to notice of and to vote at the Annual Stockholders' Meeting to be held on August 25, 2010. Presence in person or by proxy of a majority of the outstanding capital stock on the record date is required for a quorum.

c. Cumulative Voting Rights

In the election of directors, stockholders may vote only for those directors nominated for the class of shares owned by them, either in person or by proxy. Any stockholder may cumulate his shares since cumulative voting is authorized under the Philippine Corporation Code and will be used in the election of directors at the meeting. On this basis, each holder of Convertible Preferred Class A and Common Class A stocks may vote the number of shares registered in his name for each of the six (6) directors to be elected by said classes of stock, or he may multiply the number of shares registered in his name by six (6) and cast the total of such votes for one (1) director or he may distribute his votes calculated as above described among some or all of the six (6) directors to be elected by the said classes of stockholders, as he elects. Each holder of Common Class B may do the same thing in respect of the four (4) directors to be elected by Common Class B shareholders (but multiplying by four (4) rather than by six (6)). The proxies propose to use their discretion in cumulating votes.

d. Security Ownership of Certain Record and Beneficial Owners and Management

1) Security Ownership of Certain Record and Beneficial Owners: - The following table sets forth certain information about persons (or "groups" of persons) known by the Company to be the record or beneficial owner of more than five percent (5%) of any class of the Company's voting stocks as of June 30, 2010:

Title of Class	Name, Address of Record Owner And Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent to Total Shares Outstanding
Class A Common	PCD Nominee Corporation (Filipino), G/F MSE Bldg., Ayala Avenue, Makati City. (Stockholder)	(see note ¹)	Filipino	25,298,263	15.578%
	Palm Avenue Holding Company, Inc. 3F Universal Re-Building, 106 Paseo de Roxas, Makati City (Stockholder)	(see note ²)	Filipino	21,874,909	13.470%
	Palm Avenue Holdings Company and/or Palm Avenue Realty Corporation, Metro Manila, Phil. Sequestered by the Republic of the Philippines, Presidential Commission on Good Government under Executive Order Nos. 1 & 2 c/o PCGG, IRC Bldg., #82 EDSA, Mandaluyong City. (Stockholder)	(see note ²)	Filipino	21,306,830	13.120%
	Palm Avenue Holdings Company and/or Palm Avenue Realty Corporation, Metro Manila, Philippines. Sequestered by the Republic of the Philippines thru Presidential Commission on Good Government under Executive Order Nos. 1 & 2 and reverted to Palm Avenue as sequestered shares per Supreme Court Entry of Judgment dated March 15, 1993 in G.R. No. 90667 entitled Republic of the Philippines vs. Sandiganbayan, Palm Avenue Realty and Development Corp. and Palm Avenue Holdings Company c/o PCGG, IRC Bldg., #82 EDSA Mandaluyong City. (Stockholder)	(see note ²)	Filipino	10,278,125	6.329%
	Alfonso T. Yuchengco and Associates, RCBC, 333 Sen. Gil Puyat Ave. Mkt City (Stockholder)	(see note ³)	Filipino	8,707,967	5.362%
Class A Convertible Preferred	None				

¹ PCD Nominee Corporation is the record owner of the shares in the books of the Company's stock transfer agent in the Philippines. The beneficial owners of such shares are PCD participants who hold the shares on their behalf or in behalf of their clients.

² The Company is not aware of who is/are the direct or indirect beneficial owner/s of the stocks issued to Palm Avenue Holding Company, Inc. and Palm Avenue Realty and Development Corporation (the "Palm Companies"). The nominee of Palm Companies in the Board of Director is Mr. Benjamin Philip G. Romualdez, Chairman of the Board and President/CEO. On December 16, 2009 Annual Stockholders' Meeting of the Company, the Palm Companies issued a proxy in favor of its legal counsels, Attys. Otilia Dimayuga-Molo/Andrea Rigonan-Dela Cueva, to vote in all matters to be taken up in the stockholders' meeting.

³ The Company is not aware of who is/are the direct or indirect beneficial owner/s of Alfonso T. Yuchengco & Associates. The nominee of Alfonso T. Yuchengco & Associates in the Board of Directors is Mr. Luis Juan L. Virata who is currently a director.

averaged over the immediately preceding 5-year period, multiplied by a factor of 6; provided, however, that the sum of the par value of the Convertible Preferred Class A shares being converted & the conversion premium so determined shall in no case be less than the book value per share of the common stock (Common Class A and Common Class B) outstanding. The conversion premium is P0.14 per share in 2004.

- 3) Voting Trust Holders of 5% or More: - There are no voting trust holders of 5% or more.
- 4) Changes in Control of the Registrant: - For the years 2008 and 2009, there are no arrangements which may result in a change in control of the registrant company.

Status of the TRO

As of the date of this statement, the election of directors is still enjoined under the Temporary Restraining Order (TRO) issued by the Philippine Supreme Court. Unless such TRO is set aside to allow an election, no election can be held. The incidents leading to the above-mentioned TRO are as follows: - In the second quarter of 1986, 16.2 million Common Class A shares of Benguet Corporation registered in the name of Palm Avenue Holdings Corporation and Palm Avenue Realty Corporation were sequestered by the Presidential Commission on Good Government (PCGG), on the ground that the beneficial owner of the shares allegedly being Benjamin Romualdez, the brother-in-law of former President Ferdinand Marcos. The PCGG has voted these Class A shares during the annual stockholders' meeting from 1986 up to 1991. In the annual stockholders' meeting held in May of 1992, the Palm Avenue Companies nominated and voted for Benjamin Philip G. Romualdez and Ferdinand Martin G. Romualdez pursuant to a resolution of the Sandiganbayan (anti-graft court) dated May 25, 1992 allowing the Palm Avenue Companies as registered owners of sequestered shares to exercise voting rights of shares subject of litigation regarding the legal ownership over said shares. Just before the start of the 1993 stockholders' meeting, a Temporary Restraining Order (TRO) issued by the Philippine Supreme Court in connection with a pending PCGG case enjoined the Company from conducting the election of directors scheduled on said date or on any later date until further orders of the Court. The 1993 meeting, however, continued as to any other matters in the agenda. Since then the TRO has not been lifted. Thus, the Board deferred the holding of the 1994 Annual Stockholders' meeting scheduled on May 31, 1994. From 1995 to 2003 and 2006 to 2009, the Annual Stockholders' Meetings were held but no elections of directors were conducted. A consolidated judgment of the Supreme Court on January 23, 1995 nullified and set aside the above-mentioned Sandiganbayan resolution of May 25, 1992 allowing the Palm Avenue Companies to vote the sequestered shares, but it maintained the effectivity of the TRO which the Supreme Court previously issued subject to the power of the Sandiganbayan (the anti-graft court) to modify or terminate the TRO. If the TRO is lifted by the Sandiganbayan (anti-graft court) or the Supreme Court, then the elections of the directors will be held consistent with the Supreme Court consolidated judgment of January 23, 1995.

On September 1, 1986, the registered owner of the sequestered shares and Benguet Management Corporation (BMC), a 100%-owned subsidiary of the Company, agreed on the purchase by BMC of 9.5 million of the sequestered shares. Three million of these 9.5 million shares were purchased by employees of the Benguet Group of Companies under the Employees Stock Ownership Incentive Plan (ESOIP) approved by shareholders at their July 3, 1986 special meeting. The balance of 6.5 million shares purchased were then held in trust by Far East Bank & Trust Company (FEBTC) under a trust account established by BMC as trustor for the benefit of the Republic of the Philippines, represented by the PCGG for subsequent disposition to the public at some future date. This remaining 6.5 million shares later became 8,222,500 after the 10% and 15% stock dividends declared in 1988 and 1989, then became 16,445,000 after the 100% stock dividend paid in October, 1989. The validity of the Contract of Sale was upheld by the Supreme Court of the Republic of the Philippines in Benguet's favor.

Upon instructions of PCGG, BMC sold 8.2 million shares of the above-mentioned remaining shares at a public auction, but excluding the right to receive the 100% stock dividend which the Company paid on October 10, 1989 to shareholders of record as of August 26, 1989. The sale at public auction was held on September 27, 1989, with Rizal Commercial Banking Corporation ITF various accounts as the highest bidder for the 6.18 million shares. The remaining 2 million shares were sold to FEBTC as trustee for the Employees Stock Ownership Incentive Plan (ESOIP), being one of the winning bidders. In a Supreme Court Resolution dated June 23, 1992, the remaining unsold 100% stock dividend of 8.2 million shares (now 10,278,125 shares after the 25% stock dividend paid on July 20, 1990), which were then registered in the name of Republic of the Philippines were declared to be still part of the Palm Avenue Companies shares under sequestration and likewise subject to litigation as the other sequestered stocks. The Presidential Commission on Good Government also sequestered Fairmount Real Estate, Inc. and Independent Realty Corp. on April 14, 1986 & March 6, 1986, respectively, being companies that are alleged to be beneficially owned by former President Marcos. Among the sequestered assets of these companies are shareholdings in Benguet Corporation.

DIRECTORS AND EXECUTIVE OFFICERS

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified. In the December 16, 2009 Annual Stockholders' Meeting, no election was held because the TRO issued by the Supreme Court enjoining the election of directors remained in force. Thus, the incumbent directors of the Company continue to remain in office on holdover capacity until their respective successors are elected and qualified.

The names of the incumbent directors of the Company, and their respective ages, citizenship and period covered on present position held, are as follows:

Representing Holders of Convertible Preferred Class A and Common Class A Stocks:

Name	Age	Citizenship	Position	Period Served
Daniel Andrew G. Romualdez	50	Filipino	Vice Chairman	Since October 22, 2002
Dennis R. Belmonte	72	Filipino	Director	Since May 13, 1986
Luis Juan L. Virata	56	Filipino	Director	Since August 18, 1995
Maria Remedios R. Pompidou	43	Filipino	Director	Since October 25, 2000
Cesar V. Purisima*	49	Filipino	Independent Director	Since November 14, 2008

Representing Holders of Common Class B Stock:

Benjamin Philip G. Romualdez	48	Filipino	Chairman/President & CEO	Director (May 26, 1992-August 7, 1995) Chairman (August 8, 1995-October 22, 2002) Director (October 23, 2002-January 8, 2009) Chairman (January 9, 2009 to present)
Andres G. Gatmaitan	69	Filipino	Director	Since February 10, 1987
Isidro C. Alcantara, Jr.	55	Filipino	Director	Since November 14, 2008
Bernardo M. Villegas	71	Filipino	Independent Director	Director since June 25, 1998 and appointed independent director in 2002 to present

(*) On June 29, 2010, the Company received the Letter Resignation of Mr. Cesar V. Purisima as member of the board of directors of the Company, effective June 29, 2010 due to appointment to the cabinet of President-elect Benigno Simeon C. Aquino.

The nominees for election to the Board of Directors on August 25, 2010 Annual Stockholders' Meeting, and their respective ages and citizenship, are as follows:

Nominees Representing Holders of Convertible Preferred and Common Class A Stocks:	Age	Citizenship
a. Dennis R. Belmonte	72	Filipino
b. Luis Juan L. Virata	56	Filipino
c. Andrea R. de la Cueva	68	Filipino
d. Otilia Dimayuga-Molo	69	Filipino
e. Rogelio C. Salazar	75	Filipino
f. Hermogenes P. Pobre – Independent Director	79	Filipino
Nominees Representing Holders of Common Class B Stock:		
1. Benjamin Philip G. Romualdez	48	Filipino
2. Andres G. Gatmaitan	69	Filipino
3. Isidro C. Alcantara	55	Filipino
4. Bernardo M. Villegas – Independent Director	71	Filipino

The nominees for independent directors are Messrs. Bernardo M. Villegas and Hermogenes P. Pobre. They possess all the qualifications and none of the disqualifications to serve as independent directors as provided in the Company's Code of Corporate Governance and Securities Regulation Code (SRC) Rule 38. Mr. Villegas was nominated by Rebecca R. Rapisura and Max D. Arceño and Mr. Pobre was nominated by Herminia Albar and Miriam San Pedro y Nacario, whom they have no relations and who are stockholders of the Company. The Nomination Committee complies with the Company's Code of Corporate Governance and Securities Regulation Code (SRC) Rule 38 with regard to the nomination and election of the independent director. Sworn certificates of qualification executed by the incumbent independent directors were submitted to SEC and PSE on January 13, 2010. No further nominations of independent directors shall be entertained after July 11, 2010 because the period for nominations of independent directors is not later than forty five (45) days prior to the scheduled annual stockholders' meeting.

The Company defines an independent director as a person other than an officer or employee of the Company, its parents or subsidiaries, or any other individual having a relationship with the Company, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. The Nomination Committee of the Company is composed of three directors, namely: Mr. Benjamin Philip G. Romualdez as the Chairman and the members are: Mr. Isidro C. Alcantara, Jr. and Mr. Bernardo M. Villegas as the independent director.

THE NAMES OF THE INCUMBENT DIRECTORS AND THE NOMINEES FOR ELECTION AS DIRECTORS OF THE COMPANY, AND BRIEF DESCRIPTIONS OF THEIR BUSINESS EXPERIENCE FOR THE PAST FIVE YEARS AND POSITIONS CURRENTLY HELD ARE AS FOLLOWS:

Directors Representing Holders of Convertible Preferred Class A and Common Class A Stocks:

DANIEL ANDREW G. ROMUALDEZ – First became a Director by appointment on October 22, 2002. He was elected Vice Chairman during the BOD organizational meeting of January 9, 2009. Mr. Romualdez is a Registered Architect and the Principal of Daniel Romualdez Architects, P.C. since August 1993. Formerly, he worked with The Office of Thierry Despont (September 1986-December 1986), Dimitri Dalamotis Associates (January 1987-March 1988) and Robert Stern Architects in New York, New York (March 1988-May 1993).

DENNIS R. BELMONTE - First became a Director by appointment on May 13, 1986 and holds over as Director since the 1992 election of directors. He is a retired President and Chief Executive Officer of the Company effective February 28, 1998 but remained President and Chief Executive Officer on hold over capacity until May 31, 1998. He is also Chairman of Balatoc

Gold Resources Corp. since 2009 to present, Director of Benguet Management Corporation since 1988 to present and Vice Chairman, Jaime V. Ongpin Foundation Inc. since 1980 to present. Formerly, he is President of Natural Resources Development Corporation and Natural Resources Mining Development Corporation (2005-2006); President and Chairman, Benguet Management Corporation (1994-1998); Chairman, Petrofields Corporation; and Director of BenguetCorp International Limited (Hongkong).

LUIS JUAN L. VIRATA - First became a Director by appointment on August 8, 1995. Mr. Virata is also Chairman and Chief Executive Officer of CLSA Exchange Capital Incorporated; Chairman and President, Exchange Properties Resources Corporation (owner of Caylabne Bay Resort); President and Chief Executive Officer, Coastal Road Corporation; Director, Huntsman Foundation (Wharton School of the University of Pennsylvania, USA), Group 4 Securitas; Founder/Trustee, Asia Society. Board of Trustees, De la Salle University of Dasmariñas, Cavite; Formerly, he was the President & Acting CEO of Philippine Airlines; Chairman/CEO, Jardine Fleming Exchange Capital Group, Inc.; President & Director, NSC Properties, Inc.; Director, National Steel Corporation; Deputy Country Manager, Crocker National Bank; Member, Philippine Stock Exchange and Makati Stock Exchange; Founder-Trustee, Metropolitan Museum of the Philippines.

MARIA REMEDIOS R. POMPIDOU – First became a Director by appointment on October 25, 2000. Ms. Pompidou is also President and Chief Executive Officer of MRP New York Inc. and Management Consulting Firm; Publisher of Visionaire Publishing LLC; Managing Director, Sumitomo Consulting Group; Senior Vice President, Katsoba Management Consulting; and Associate of Dream Studio.

ANDREA R. DE LA CUEVA is nominated as Director of the Company. She has been in law practice since 1964 and currently holds the following positions: General Manager, D.S. Tantuico and Associates (1996 to present); Corporate Secretary, Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1991 to present); Corporate Secretary, Dr. V. Orestes Romualdez (DVOR) Educational Foundation, Inc. (1995 to present). She previously held the following positions: Chairman of the Board and President, Universal Re Condominium Corporation (2008-2009); Trustee, Doña Remedios Trinidad Romualdez Medical Foundation, Inc. 1989-2005; Trustee, Dr. V. Orestes Romualdez (DVOR) Educational Foundation, Inc. (1995-2005).

OTILIA DIMAYUGA-MOLO is nominated as Director of the Company. She is Legal Counsel of the Company; President of Alzelaine Realty Corporation (1989 to present); Proprietor, 7 D's Internet Café in Bauan, Batangas; Proprietor, Tellie's Property Leasing. Has been in law practice since 1964 as litigation lawyer, appearing in various courts of the land from the lower courts to the Supreme Court. Graduated from the U.P. College of Law with the degree of LLB in 1963 and passed the bar the following year.

ROGELIO C. SALAZAR is nominated as Director of the Company. He is concurrently President and Chief Executive Officer of Kamahalan Publishing Corporation and of Kagitingan Printing Press, Inc. since 1998. His experience in operations and management in Mining extends over 21 years with Atlas Consolidated Mining and Development Corporation (ACDMC); in various capacities in operations (1963–1979) as Foundry Superintendent, Metallurgical Division Manager, Asst. Vice President for Metallurgy, Asst. Vice President for Administration and Services; and in top management (1989–1997) as President and Chief Executive Officer; and as Board of Director (1989–2005). He was also President of the Chamber of Mines of the Philippines in 1990–1992. His previous employments include: President and Chief Operating Officer (February 1997 – April 1998) and Director (1997–2000) of International Container Terminal Services Inc. (ICTSI); President and Chief Executive Officer (1983–1989) and Director (1983–2002), Executive Vice President (1981–1983) and Vice President (1979 – 1981) of Paper Industries Corporation of the Philippines (PICOP); concurrent positions in the A. Soriano Corporation (ANSCOR) Group of Companies such as Executive Vice President and Director, A. Soriano Corporation; Chairman of the Board, Anzor International Ltd.; President and CEO, ACMDC Ventures, Inc., President, Sigma Cee Mining Corporation; Executive Vice President, Southern Cross Cement Corporation; and various directorship, during the period 1989–1997.

HERMOGENES P. POBRE is nominated as Independent Director of the Company. He is the Vice Chairman and President (July 9, 2009 to present) and Publisher (2007 to present) of Manila Bulletin Publishing Corporation. He is a Certified Public Accountant and a lawyer. He served as Assistant Secretary of the Department of Justice; Chairman of the Board of Accountancy; and Chairman of the Professional Regulation Commission. He had received several commendation and recognition awards including Presidential Commendation Award for his exemplary service as Chairman of the Professional Regulation Commission, Hall of Fame awardee of the Philippine Institute of Certified Public Accountants and the Government Association of Certified Public Accountants. He was a multi-awarded leader and public servant and was named Uilirang Ama in Government Service in 1999. He authored "Government Accounting" – a Self-Instructional Approach" and "Vision and Mission for Professional Excellence", a collection of writings on the reforms in professional regulation, education and governance.

Directors Representing Holders of Common Class B Stock

BENJAMIN PHILIP G. ROMUALDEZ - Elected as Chairman during the BOD organizational meeting of January 9, 2009. He first became a Director of the Company on May 26, 1992 and has served as Chairman from August 8, 1995 to October 22, 2002. He was elected President and Chief Executive Officer during the BOD organizational meeting on June 25, 1998 and remained as President and Chief Executive Officer to the present. Mr. Romualdez is one of the twelve (12) members of the Global Mining Council of the World Economic Forum. Currently, he is President of Chamber of Mines of the Philippines

(2004 to present) and Oxford University and Cambridge University Club of the Philippines; Chairman of Benguet Management Corp., and BenguetCorp International Limited (Hongkong); Director, Philippine Mine Safety and Environment Association (2004 to present) and Kingking Copper-Gold Corporation; Trustee, Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1984 to present) and Philippine-Australia Business Council (PABC); Trustee/Chairman, Dr. Vicente Orestes Romualdez (DVOR) Educational Foundation, Inc. (1995 to present). He was formerly a Director of Asian Bank Corporation, AB Capital and Investment Corporation, Advisory Board Members of Equitable PCI Bank, Inc. (August 2005 to May 2006) and President, Asean Federation of Mining Associations (AFMA) (2005-2009)

ISIDRO C. ALCANTARA, Jr., - First became a Director by appointment on November 14, 2008. Mr. Alcantara is also President of Financial Risk Resolution Advisory, Inc. since 2006 to the present and Director, Balatoc Gold Resources Corp since 2009 to present. He was Sr. Vice President & Head of Corporate & Institutional Banking of Hongkong and Shanghai Corporation (HSBC), Manila, Philippines (2005); President & Chief Executive Officer of Philippine Bank of Communications (PBCom), Manila, Philippines (2000-2004); Executive Vice President, Corporate Banking Group of Equitable PCI Bank (EPCIB), Manila, Philippines (1981-2000); Director, Bankers Association of the Philippines (2000-2003). He worked with Bancom Finance Corporation, PCI Bank & Insular Bank of Asia & America (a Bank of America Affiliate from 1975 to 1981).

ANDRES G. GATMAITAN – First became a Director by appointment on February 10, 1987. Mr. Gatmaitan is also Senior Counsel of SyCip Salazar Hernandez & Gatmaitan Law Office which is the outside counsel of Benguet Corporation; Chairman, Converg Services Philippines Corporation; President, United Holdings and Development, Inc., Trilex Development Corporation, and St. Agen Holding, Inc.; Director, SM Development Corporation, Colgate Palmolive Philippines, Inc., Triumph International (Philippines) Inc., Maybank Philippines, Inc., F.E. Zuellig (M), Inc., Star Performance Philippines, Inc., Unicharm Philippines, Inc., AMI Philippines, Inc.; Phelps Dodge Philippines, Inc., and Holcim Cement Corporation.

BERNARDO M. VILLEGAS- First became a Director by appointment on June 25, 1998. He was designated Independent Director of the Company since 2002, although he has been a Director prior to the issuance of SEC Circular No. 16 dated November 29, 2002. He is also Director and Consultant of Insular Life, Transnational Diversified, Inc.; Member of the Boards of Makati Business Club, Dualtech Foundation, Phinma Foundation, Pilipinas Shell Foundation, and Columnist, Manila Bulletin. He was Senior Vice President, University of Asia and the Pacific (2004-2006); Chairman, Center for Research and Communication (1995); Director and Consultant of Alaska (1999); Formerly, President, Philippine Economic Society (1972-1974); Chairman, Department of Economics-De La Salle University Manila (1964-1069), Committee on the National Economy & Patrimony (1986); Director, Economic Research Bureau and Graduate School of Business-De La Salle University Manila (1967-1968); Project Director, Philippine Economic History under the National Historical Commission (1969-1972); Member, Preparatory Commission for Constitutional Reforms and Constitutional Commission (1999); Consultant, Productivity Development Center-National Economic Council and Program Implementation Agency (1968-1969).

Executive Officers - The executive officers of the Company are appointed or elected annually to a one-year term (subject to removal) by the Board of Directors immediately following the Annual Stockholders' Meeting. Below are incumbent executive officers of the Company, and their respective ages, citizenship and positions as follows:

Name	Age	Citizen-Ship	Position	Period during which individual has served as such
Benjamin Philip G. Romualdez	48	Filipino	Chairman/President & CEO	Chairman (January 9, 2009 to present) President & CEO (June 25, 1998 to present)
Daniel Andrew G. Romualdez	50	Filipino	Vice Chairman	January 9, 2009 to present
Marcelo A. Bolaño	61	Filipino	SVP, Mining & Technical Services	June 25, 1998 to present
Bienvenido M. Araw	63	Filipino	SVP, Project & Organization Development Officer	March 17, 2010 to present
Renato A. Claravall	58	Filipino	SVP, Chief Finance Officer	March 16, 2010 to present
Salvador P. Pabalan	74	Filipino	SVP, Finance & Treasurer	June 16, 1997 to present
Reynaldo P. Mendoza	53	Filipino	SVP, Legal/Assistant Corporate Secretary	August 25, 2006 to present
Alberto M. Leaño	58	Filipino	SVP, Corporate Planning and Development	February 1, 2009 to present
Tomas D. Malihan	62	Filipino	VP, Exploration, Research and Development & Chief Geologist	August 1, 2008 to present
Leopoldo S. Sison III	51	Filipino	VP, Business Development	October 22, 2002 to present
Lina G. Fernandez	45	Filipino	VP, Corporate Planning	August 25, 2006 to present
Roland P. de Jesus	62	Filipino	VP, HR & Administration	October 22, 2002 to present
Randolph B. Afidchao, Sr.	58	Filipino	Vice President-Benguet District Operations	June 16, 2010 to present
Ma. Mignon D. De Leon	53	Filipino	VP, Benguet District Admin and Property Management	October 22, 2002 to present
Hermogene H. Real	54	Filipino	Corporate Secretary	October 25, 2000 to present

THE NAMES OF EXECUTIVE OFFICERS OF THE COMPANY, AND THEIR RESPECTIVE POSITIONS AND OFFICES HELD IN THE COMPANY AND ITS SUBSIDIARIES AND BRIEF DESCRIPTION OF BUSINESS EXPERIENCE, ARE AS FOLLOWS:

BENJAMIN PHILIP G. ROMUALDEZ is the President and Chief Executive Officer of the Company since June 25, 1998.

DANIEL ANDREW G. ROMUALDEZ is the Vice Chairman of the Board of Directors of the Company since January 9, 2009.

MARCELO A. BOLAÑO is the Senior Vice President for Mining and Technical Services of the Company since June 25, 1998. Mr. Bolaño is also Chairman, President & COO of Pillar of Exemplary Consultants Inc. (1999 to present); Chairman/President, Benguetcorp Nickel Mines Inc. (2009 to present) and Sagittarius Alpha Realty Corp. (1997 to present); President of Benguet Management Corporation (1998 to present) and Director of BMC Forestry Corporation (1998 to present), Ifaratoc Mineral Resources Corp. (2009 to present), Balatoc Gold Resources Corp. (1998 to present) and Kingking Copper-Gold Corp. (2009 to present); Prior to his present position: He was a Vice President for Operations and General Manager of Dizon Copper-Gold and Masinloc Chromite Operations and at the same time Technical Assistant to the President (July 1993-Jan. 1994); Assistant General Manager of Dizon Copper-Gold (Feb. 1993-Apr. 1993) and Masinloc Chromite Operations (Feb. 1991-June 1991) and Kingking Copper-Gold Project (May 1993-June 1993); Acting General Manager of Baguio Gold Operation (Aug. 1992-Jan. 1993). Before joining Benguet Corporation, he was a Planning and Development Engineer of Ledesco Development Corporation & Alta Tiera Resources, Inc. (1973-1975); Office Engineer, E.R. Bacon Philippines (1973); Senior Office Engineer, Honiron Philippines, Inc. (1971-1973).

BIENVENIDO M. ARAW is the Senior Vice President-Project & Organization Development Officer of the Company since March 17, 2010. His previous employments include: Chief Executive Officer-Davies Energy System Inc. (2007-2008), President and CEO-JP Latex Technology, Inc. (2004-2007), Rehabilitation Receiver-Our Lady of Pilar Montessori Center 2003-present) and Philippine Appliance Corporation (2002-present), Project Director-Medical Center Parañaque, Inc. (2002-present), Management Consultant-Seachamp Int'l Export Corp Sedgewich Trader's Corp (2002-2004) and Sankyo Selki (Phils) Manufacturing Corporation (2002-2004), Executive member-Uniwide Holdings Inc. Interim Rehabilitation Committee (1999-2002), President-Uniwide Sales Realty and Resources Corporation (1997-2002), Director-Asian Amalgamated Corporation (1998-2002), Director-Filipinas Synthetic Fiber Corporation (Filsyn)/Lakeview Industrial Corporation (1991-2000), President-Lakeview Industrial Corporation (1991-1997), Director-Capital Garment Corporation (1985-1997), Senior Vice President-Filsyn (1984-1997), Vice President for Marketing-Filsyn (1977-1984), Vice President for Operations-Filsyn (1976), Sales Engineer-Usiphil, Inc. (1969-1971).

RENATO A. CLARAVALL is the Senior Vice President-Chief Finance Officer of the Company since March 16, 2010. Mr. Claraval is a Senior Executive with a multi-faceted 36-year work experience primarily in financial services: Banking (commercial and investment) and Insurance. His previous employments include: Chief Financial Officer-Creative Hotel Concepts Group (2009 to present), President-MRC Allied Industries, Inc. (2008), General Manager-Value Gen Financial Insurance Company, Inc./BanLife Insurance Company, Inc. (2002-2008), Senior Vice President/Consultant – Export and Industry Bank (2001-2002), Officer-in-Charge – Urbancorp Investments, Inc. (2000-2002), Treasurer and Senior Vice President – Urban Bank, Inc. (1997-2000), Deputy General Manager – Bank of Boston, Manila Offshore Branch (1984-1997), Senior Manager – Union Bank of the Philippines (1979-1984).

SALVADOR P. PABALAN is the Senior Vice President for Finance and Treasurer of the Company since June 16, 1997. Mr. Pabalán is also Director and Treasurer of Benguet Management Corporation (1997- to present), Pillar of Exemplary Consultants Inc. (1994 to present), Berec Land Inc. (2000 to present), Kingking Copper-Gold Corp.(2008 to present), Benguetcorp Nickel Mines, Inc. (2009 to present), Ifaratoc Mineral Resources Corp. (2009 to present), Sagittarius Alpha Realty Corp. (1998 to present); Vice President/Treasurer, Balatoc Gold Resources Corp. (1998 to present); Trustee and Treasurer, Jaime V. Ongpin Foundation, Inc.(1993 to present); Vice President and Treasurer, Sagittarius Alpha Realty Corporation (1998 to present). Formerly, he was a Director of Philippine Cocoa Estates Corporation and Petrofields Corporation (1992-1994); Before joining Benguet Corporation, he was with SyCip, Gorres, Velayo & Company in the Management Services Division (1960-1964); Finance Manager of Engineering Equipment, Inc. (1964-1975); and Instructor of Graduate School of Business of the Pamantasan Ng Lungsod Ng Maynila (1975-1992), University of the East (1975-1992) and Philippine Christian University (1975-1992).

REYNALDO P. MENDOZA is the Senior Vice President for Legal of the Company since August 25, 2006. Mr. Mendoza is also Assistant Corporate Secretary of the Company (2002 to present) and Corporate Secretary of Arrow Freight Corporation (1997 to present), BMC Forestry Corporation (1997 to present), Benguettrade Inc. (1997 to present), Sagittarius Alpha Realty Corporation (1997 to present), Pillars of Exemplary Consultants Inc.(1996 to present), Benguetcorp Nickel Mines, Inc.(2009 to present), Balatoc Gold Resources Corp.(1998 to present), Ifaratoc Mineral Resources Corp. (2009 to present), Jaime V. Ongpin Foundation (1996-2007), Benguet Pantukan Gold Corporation (1997 to present) and Berec Land Inc. (2000 to present) Before joining Benguet Corporation, he was Staff Lawyer of PDCP (1987-1988) and Malayan Insurance Company (1986-1987); Associate Lawyer, Castro, Villamor & Associate (1985-1986); Legal Assistant/Apprentice Lawyer, Gono Law Office (1985). Prior to his present position, he was Vice President for Legal (2002-2006)/Assistant Corporate Secretary.

ALBERTO M. LEAÑO is the Senior Vice President for Corporate Planning and Development of the Company since February 1, 2009. Prior to his present position, he is a Consultant of BenguetCorp and held the following positions in concurrent capacity: President, Ebara Benguet Inc.; Chairman/President, Benguet Ebara Real Estate Corporation; Executive Vice

President & Director, Benguet Management Corporation; and Director, BERIC Land Inc. (2000 to present). Formerly, he is a Group Manager (1986) of BenguetCorp where he was initially hired as Section Manager, Audit & Methods (1977). His previous work experiences include: Treasurer & Assistant Vice President for Finance, BMC (1992); Director, AB Capital & Investment Corp of Asian Bank Group (1990-91), Philippine Cocoa Estate Corp. & Mariano Arroyo Development Corp. (1989-1993), BMC Forestry Corp., Lawin Manufacturing Industries Corp., Woodstown Condominium Corp. (1989-1992), and Audit Staff, SGV & Company (1973-1977). Mr. Leaño is a Certified Public Accountant.

TOMAS D. MALIHAN is the Vice President for Exploration, Research & Development and Chief Geologist of the Company since August 1, 2008. He is also designated Project Manager of the Company's Kingking Copper-Gold Project during its Bankable Feasibility Study period (June 2008-December 2008). He is a Director of Benguetcorp Nickel Mines Inc., Ifaratoc Mineral Resources Corp. (Feb. 2010 to present) and Pillars of Exemplary Consultants Inc. (2008 to present). He is an active member of Geological Society of the Philippines and also an accredited Competent Person of the Philippine Mineral Reporting Code. He was first employed with Benguet Corporation as Jr. Geologist (1973-1974) assigned in the Company's Tawi-Tawi Porphyry Copper Project in Bobok, Bokod, Benguet and Taysan Porphyry Copper Project in Batangas (1974-1975). In 1975, he was pulled out from Acupan Mines to join the Exploration Team that evaluated the Dizon Porphyry Copper Gold Project. He worked in Dizon Mine as Resident Geologist continuously until 1991 when the Kingking Copper Gold property was signed up by BenguetCorp with NADECOR and was assigned in this new project in concurrent capacity as Resident Geologist for Dizon Mine until 1997. He resigned from the Company to work for Pelsart Resources, NL. in Kalimantan, Indonesia and later with Placer Dome Asia Pacific which had projects in the Philippines as well as in Kalimantan. In 2005, he worked with Crew Minerals which was evaluating the Apex Gold Mine in Maco, Compostela Valley Province as the Exploration and Geology Manager. After a one and a half year stint in Apex Mines, he joined Philsaga-Medusa which was operating the Co'O Gold Mines in Agusan del Sur as Exploration Manager until June 2008 when he decided to rejoin Benguet Corporation which at that time was conducting BFS for its Kingking Project.

LEOPOLDO S. SISON III is the Vice President for Business Development of the Company since October 22, 2002. Mr. Sison is also Chairman and President of Ifaratoc Mineral Resources Corp. (2009 to present) and Chairman of Arrow Freight Corporation (1998 to present) and Benguetrade Inc. (1998 to present); Director of BMC Forestry Corporation, Benguetcorp Nickel Mines Inc. (2009 to present), BERIC Land Inc. (2005 to present), Kingking Copper-Gold Corp. (2009 to present) and Pillars of Exemplary Consultants Inc. (1999 to present). Formerly, he was President/General Manager of BMC Forestry Corporation (Oct. 1995-May 1998) and Arrow Freight Corporation (1994-1996), President, Capitol Security and Allied Services, Inc. (1984-1985); Production Supervisor, CDCP-Systemas (1980-1983). Prior to his present position, he was Assistant Vice President for Business Development (May 1998-Sept. 2002).

LINA G. FERNANDEZ is the Vice President for Corporate Planning of the Company since August 25, 2006. Ms. Fernandez is also Treasurer of the following subsidiaries and/or affiliates of BenguetCorp namely: Benguetrade Inc. (1997 to present), Arrow Freight Corporation (1998 to present) and BMC Forestry Corporation (1998 to present), Director of Benguetcorp Nickel Mines Inc. (2009 to present), BERIC Land Inc. (2000 to present), Kingking Copper-Gold Corp. (2008 to present), and Director and Asst. Treasurer of Sagittarius Alpha Realty Corp. (2008 to present). She is currently Assistant Treasurer and Comptroller of Benguet Management Corporation (1999 to present). Prior to her present position, she was Assistant Vice President for Corporate Planning (Oct. 2002-July 2006).

ROLAND P. DE JESUS is the Vice President for HR and Administration of the Company since October 22, 2002. Mr. De Jesus is also Chairman and President of BERIC Land Inc. (2002 to present), General Manager of Philippine Journalists Inc. (2005 to present) and Director of Ebara Benguet Inc. (EBI), Arrow Freight Corporation (AFC) (2001 to present) and BERIC Land Inc. Formerly, Chairman of Benguet Ebara Real Estate Corporation (1978-2002) and BERIC Land Inc. (1978-2002); Director, Personnel Evaluation Research & Testing (1970-1974), Assistant to the Vice President-Administration, Delta Motors Corporation (1974-1976), Seconded as Vice President-Administration, Air Manila International (1974-1976) and Senior Consultant of ABKJ Training Consultants, Inc. (1973-1978). Prior to his present position, he was Assistant Vice President for HR & Administration (1976-Sept. 2002).

RANDOLPH B. AFIDCHAO, SR. is the Vice President for Benguet District Operations since June 16, 2010. His previous employments include: Consulting Mining Engineer-J.D. Muyco & Associates, Inc. (June 2008 to present), Mine Superintendent-Apex Mining Company, Inc. (2006-2008), Mine Consultant-Crew Minerals (Phil.) Inc. (2005-2006), Mine Manager-Viclode Mining Corporation (2004-2005), Quarry Manager-Lazy Bay Resources Corporation (1999-2001), Senior Planning Manager-Base Metals Mineral Resources Corporation (Feb. 1997-June 1997), Mine Superintendent-Itogon-Suyoc Mines, Inc. (1979-1996), Project Supervisor-Philchrome Mining Corporation (1977-1978)

MA. MIGNON D. DE LEON is the Vice President for Benguet District Administration and Property Management of the Company since October 22, 2002. Ms. De Leon is also the Immediate Past Board Member (Management Representative), Regional Tripartite Wages & Productivity Board-Cordillera Administrative Region (1995-2006); Board Member representing the Women's Sector to the Peoples Law Enforcement Board of the Municipality of Itogon; Board Member to the Itogon Municipality Council of Women since 2006 to present; Adviser to the Mining Industry Training Board of the Cordillera Administrative Region since 2000 to present; Concurrently Adviser and Past President, Personnel Management Association of the Philippines, Baguio-Benguet Chapter (1989-1993); Board Member, Benguet Province Visitors Bureau (2008-2009) and Past President of the Benguet Province Tourism Council (2001-2006). Prior to her present position, she was Assistant Vice President of the Benguet District Administration (1996-2002).

Incentive Bonus Plan

Since 1980, the Company maintained an Incentive Bonus Plan. The purposes of the Plan are: (1) to attract, employ and retain management personnel of outstanding competence, and (2) to motivate its management personnel to deliver superior performance in pursuing the goals and business interests of the Company. The Plan provides for a bonus award, calculated on the basis of net income, to top operating executives, managers and members of the Board of Director. Bonus awards are either paid in full directly to the awardees or are transferred to a trust fund and are payable to the awardees in three installments generally over a period of two years. Bonus awards for any year shall be paid in cash, or in common stock. Either Common Class A or Common Class B shares may be issued under the Plan subject to the legal limitations on ownership of Common Class A shares which can be owned only by Philippine citizens. From 1995 to 2009, there were no amount was set aside for payment of bonuses in accordance with the Plan.

2. Compensation of Directors - Directors receive per diems of ₱6,000.00 (gross) for attendance in meetings of the board or its committees but do not receive other compensation from the Company for other services rendered. There are no standard arrangements or other arrangements which compensate directors directly or indirectly, for any services provided to the Company either as director or as committee member or both or for any other special assignment, during the Company's last completed fiscal year and the ensuing year except in the case of Messrs. Isidro C. Alcantara, Jr. and Dennis R. Belmonte who were given consultancy contracts for special projects by the Company in their personal capacity and whose specialized qualifications are needed by the Company for specific purpose.
3. Employment Contract/Termination of Employment/Change-In-Control Arrangements - There are no employment contracts between the Company and its executive officers. The provisions of the Company's Personnel Policy Manual govern the terms and conditions of employment, benefits and termination. No other plan or arrangement of change-in-control/responsibilities between the Company and its executive officers due to resignation, retirement or any other termination from employment. No amount involved which exceed ₱2,500,000, which is paid periodically, or installments.

The Company maintained a qualified, noncontributory trusted pension plan covering substantially all of its executive officers and employees. Normal retirement age under the plan is age 60, except for non-supervisory underground mine workers who have the option to retire at age 55. An employee shall also be entitled to a benefit equal to 50% of his monthly basic salary or the normal benefit, whichever is higher, if his employment is terminated for reasons beyond his control, such as death, disability or government policy.

4. Warrants and Options Outstanding - Since 1975, the Company has a Stock Option Plan (SOP) for its selected staff employees, directors and consultants and its subsidiaries. The SOP had been amended several times. The latest amendment was approved by the Board of Directors on October 19, 2007 and by the stockholders of the Company on December 18, 2007, extending the termination date of granting stock options for another five (5) years or until May 31, 2013. In April 2006, the Company granted a stock option of 7,004,000 common shares to qualified participants. The options are non-transferable and are exercisable to the extent of 20% after one year from the date of the grant, 40% after two years from the date of the grant, 60% after three years from the date of the grant, and 100% after four years from the date of the grant. No option is exercisable after ten years from the date of the grant. Of the 7,926,454 shares reserved for issuance under the SOP, options for 7,004,000 shares were granted on April 6, 2006 consisting of 4,202,400 class "A" common shares and 2,801,600 class "B" common shares, leaving a balance of 922,454 shares available for grant of options in the future. Of the total shares granted in the current implementation of the SOP, 2,248,800 shares were cancelled due to retirement/resignation/retrenchment of some optionees during the holding period, leaving a balance of 3,171,254 shares as of June 30, 2010 available for grant of options in the future. As of April 6, 2010, 100% of the stock option becomes exercisable by the optionees.

OUTSTANDING OPTION & OPTION TRANSACTION AS OF June 30, 2010						
Category	Exercised		Cancelled*		Options Currently Outstanding	
	Class "A"	Class "B"	Class "A"	Class "B"	Class "A"	Class "B"
CEO and four (4) highly compensated Executive Officers	0	0	0	0	372,000	248,000
All other executive officers and directors as a group	90,720	19,200	161,280	148,800	593,280	427,200
All other managers and consultants as a group	365,380	0	1,156,320	782,400	1,463,420	1,176,000
Total	456,100	19,200	1,317,600	931,200	2,428,700	1,851,200
Option Price Per Share	₱8.50	₱29.07			₱8.50	₱29.07

* Due to resignation/retirement/retrenchment of optionee.

INDEPENDENT PUBLIC ACCOUNTANTS

On December 16, 2009, Sycip, Gorres, Velayo and Company (SGV) was re-appointed by the Board as the Company's independent public accountant. There has not been any disagreement between the Company and said accounting firm with regard to any matter relating to accounting principles or practices, financial statement disclosure, or auditing scope or procedure. The SGV has assigned Mr. John Villa as SGV's engagement partner for the Company for 2008-2009 to replace Mr. Jaime F. del Rosario whose five-year assignment has ended after the 2007-2008 audit engagement. Such change of partner is in compliance with SRC Rule 68 (3)(b)(iv).

Representatives of SGV are expected to be present at the stockholders' meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

For the last two fiscal years, the aggregate audit fees inclusive of VAT and out-of-pocket expenses billed by SGV & Company are ₱3.5 million in 2009 and ₱3.0 million in 2008. The audit fees excluded fees for assistance in the review of documents/report for filing with the US SEC which review is still in progress. For each of the last 2 fiscal years, SGV did not render any tax service or any other professional services for which it billed the Company the corresponding professional fees other than the usual audit services mentioned herein. Prior to the commencement of audit work, the external auditors presented their program and schedule to the Company which included discussion of issues and concerns regarding the audit work to be done. The Audit Committee reviewed and approved the Company's audited financial statements prior to release/issuance by its external auditor.

The Audit Committee of the Company is composed of three directors namely: Mr. Cesar V. Purisima, an independent director as the Chairman, Mr. Andres G. Gatmaitan as the Vice Chairman and Mr. Dennis R. Belmonte as member.

COMPENSATION PLANS

There are no actions to be taken in the stockholders' meeting with respect to any existing Company's plans pursuant to which cash or non-cash compensation may be paid or distributed to its directors, officers or employees. The Company's existing plans are retirement plan, stock option plan, employees stock ownership plans and incentive bonus plan.

AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

Private Placement Transaction

In its special board meeting held on April 7, 2010, the Company's Board of Directors approved a Memorandum of Agreement (MOA) dated April 7, 2010 between Benguet Corporation (the "Company") and RYM Business Management Corporation (RBMC) for a private placement of the Company's shares up to the total amount of P330 million. Under the MOA, RBMC shall subscribe to 14,558,880 class "A" common shares at P12.00 per share based on average price for the last three trading days of March 31, April 5 and 6, 2010 at the Philippine Stock Exchange (PSE) and 9,705,840 class "B" common shares at P16.00 per share based on average price for the last three trading days of March 16, 19, and 22, 2010 at the PSE. The Company's class "A" and class "B" common shares have par value of P3.00 per share. The subscription or placement is divided into two transactions. The first transaction was completed on April 23, 2010 upon full payment of P150 million by RBMC to the Company for RBMC to acquire 6,617,640 class "A" common shares and 4,411,770 class "B" common shares and the second transaction shall be completed within 180 days from date of signing of the MOA (April 7, 2010) upon full payment of P180 million by RBMC to the Company to acquire 7,941,240 class "A" common shares and 5,294,070 class "B" common shares. The Company has seven months from date of full payment of each transaction to issue and deliver to RBMC the equivalent class "A" and class "B" shares and within the same period, the Company shall cause the registration and listing of the shares with the Securities and Exchange Commission (SEC) and PSE, respectively. The securities offered or sold herein shall come entirely from the authorized and unissued shares of the Company. The Company's Articles of Incorporation do not provide for pre-emptive rights.

The additional capital is to be used for priority mining projects of the Company and for general corporate purposes which in the long term, will contribute to the enhancement of the value of the shares. These projects are: Balatoc Tailings Project (BTP) which is for the reprocessing of the impounded tailings of the Company's Benguet Gold Operations (BGO) for recovery of residual gold; and the Acupan Contract Mining Project (ACMP) which is an on-going expansion of milling production to 150 tons per day within this year and to 300 tons per day by 2011. The approximate amount partly to be used for the development of BTP is P230 million and for expansion program of ACMP and other general corporate purposes is P100 million.

As of May 31, 2010, the issued shares of the Company are as follows: (a) Convertible Preferred Class "A" – 217,061 shares, (b) Common Class "A" – 100,700,845 shares, and (c) Common Class "B" – 61,473,467 shares. The class "A" common share and Convertible Preferred class "A" share can be owned only by Philippine nationals. While the class "B" common share can be owned by anyone regardless of nationality or citizenship. The shares are listed and traded in the Philippine Stock Exchange (PSE). The holders of each class of common share are entitled to one vote on all corporate matters, but in the election of directors, the holders of the class "A" common share vote together with the holders of the Convertible Preferred class "A" share for 60% of the members of the Board of Directors, and the holders of the class "B" common share vote for 40% of the members of the Board of Directors. The Convertible Preferred Class "A" share is convertible into common class "A" at a conversion premium of P0.14 per share in 2004. Each preferred share is convertible into 3.1625 class

"A" common share. The preferred stock does not enjoy the same dividend right as the two classes of common share but is entitled to a fixed cumulative dividend of 8% a year if there is surplus profit and when declared by the Board of Directors of the Company. Holders of class "A" and class "B" common share shall share equally, on a per share basis, in all dividends payable by the Company. Subject to the preferential rights of the holders of Convertible Preferred Class "A" share, the holders of the class "A" and class "B" common share shall share equally per share on any liquidation of the Company.

The Company's Articles of Incorporation contain provisions designed to preserve and protect the foregoing rights, privileges and limitations. A notice of exempt transaction pursuant to Section 10.1, Paragraph (k) of the Securities Regulation Code (SRC) was filed by the Company to the SEC on April 28, 2010.

A vote of the stockholders representing majority of the outstanding capital stock of the Company is needed for the ratification of the private placement transaction and waiver to conduct a rights or public offering of the shares subscribed as requirement for listing purposes. Management recommends a vote FOR this private placement transaction and waiver to conduct a rights or public offering of the shares subscribed as requirement for listing purposes.

ACTION WITH RESPECT TO REPORTS

The approval/ratification of the following will be considered and acted upon the meeting:

1. Minutes of the 2009 Annual Stockholders' meeting with the following items:
 - a) Approval of the Minutes of the 2008 Annual Stockholders Meeting;
 - b) 2008 Annual Report; and
 - c) Approval/ratification of all acts, contracts, resolutions and proceedings made and entered into by management and/or the Board of Directors since the December 17, 2008 Annual Stockholders' Meeting.
2. Approval/ratification of all acts, contracts, resolutions, and proceedings made and entered into by Management and/or the Board of Directors since the December 16, 2009 Annual Stockholders' Meeting which include the:
 - a) Approval of the Memorandum of Agreement (MOA) between the Company and RYM Business Management Corporation (RBMC) for a private placement of the Company's shares up to the total amount of P330 million, for which RBMC to subscribe 14,558,880 class "A" common shares at P12.00 per share and 9,705,840 class "B" common shares at P16.00 per share.
 - b) Results of Organizational Meeting of the Board which includes the:
 - i. Re-appointment of the Chairman and Vice Chairman of the Board;
 - ii. Re-appointment of current officers to their respective positions;
 - iii. Re-appointment of external auditor, SVG & Company;
 - iv. Re-appointment of Sycip Salazar Hernandez & Gatmaitan Law Offices as the Legal Counsel of the Company in the Philippines and Atty. Paul Jolis of Lewis, D'Amato, Brisbois & Bisgaard as the Legal Counsel of the Company in the United States of America;
 - v. Re-appointment of local (BPI) and foreign (ASTTC) stock registrars and transfer agents of the Company;
 - vi. Reconstitution of various Board committees: Executive Committee, Salary (Compensation) Committee, Stock Option Committee, Investment Committee, Audit Committee, Property Development Committee, Nomination Committee, and Corporate Governance Committee; and
 - vii. Optional retirement of Mr. Isabelo R. Velez, Vice President for Benguet District Operations and MCO effective January 1, 2010.
 - c) Postponement of Annual Stockholders Meeting scheduled on May 25, 2010 as per Company's By-Laws to a later date this year.
 - d) Approved in principle the Company's Revised Manual on Corporate Governance to comply with SEC Circular No. 6, Series of 2009.
 - e) Approved and authorized management to enter into a Mutual Rescission Agreement with the Tribe (Balatoc Kalinga Tribe Inc., Balatoc Tribe Exploration & Mining Corporation, and Chico River Consultancy & Management Corporation) on the Batong Buhay Project.
 - f) Approved management action in filing of an injunction case against Nationwide Development Corporation (NADECOR) affecting the Kingking Project.
 - g) Approved to hold the regular annual stockholders' meeting on August 25, 2010 at 3:00 p.m. with July 8, 2010 as record date for the stockholders entitled to notice of and to vote at the annual meeting.
 - h) Approved in principle the proposed transaction with St. Augustine Mining Ltd. concerning resolution of the issues in the Kingking Copper Gold Project involving the Company's interest in the property, subject to execution of a detailed agreement (Head of Terms). Also, the Board approved the buy-back from Strato International Holdings Ltd. of BC debt papers equivalent to a significant portion of the secured debt with a proposal for similar debt buy-back or debt restructuring to the other creditors/holders of debt papers.
 - i) Approved management action in hiring new officers of the Company (Mr. Bienvenido M. Araw, SVP for Project and Organization Development; Mr. Renato A. Claravall, SVP for Chief Finance Officer; and Mr. Randolph B. Afidchao, Sr., VP for Benguet District Operations).
 - j) Approved and designated officers to transact business with commercial banks/financing institutions as authorized by the Company.
 - k) Approved amendment and update of Company's check signatories.

- l) Authorized and approved the Company's independent auditor, Sycip Gorres Velayo & Company, to issue the audited financial statements of the company for the year ended December 31, 2010.
- m) Approved and authorized BC-Benguet Laboratories to participate in bidding for the rendering of medical and laboratory services to any public or private entity.
- n) Approved and authorized to negotiate and transact a loan facility for general corporate purposes with a local and/or foreign funder/s.
- o) Approved and designated signatory to sign and execute the Mineral Processing Permit (MPP) of BC's Balatoc Tailings Project before the Department of Environment and Natural Resources (DENR).
- p) Approved and authorized to open Monitoring Trust Fund (MTF), Rehabilitation Cash Fund (RCF), Final Mine Rehabilitation/or Decommissioning Fund (FMRDF) with Land Bank, San Fernando Branch, Pampanga for Santa Cruz Nickel Project.
- q) Authorized and designated officers to sign and execute Exploration Permit Applications (EPA) and/or Financial Technical Assistance Agreements (FTAA) and/or Mineral Production Sharing Agreements (MPSAs) covering any and all mineral claims owned and/or controlled by the Company and its subsidiaries.

BRIEF SUMMARY OF MINUTES OF DECEMBER 16, 2009 STOCKHOLDERS' MEETING

1. Quorum Present: The Corporate Secretary certified that a quorum existed for the transaction of business, there being present or represented by proxy of 110,956,303 shares or 73.1837% of the outstanding capital stock of the Company.
2. Matters Taken Up:
 - a. In the President's report, the following additional information was disclosed to the stockholders present during the annual meeting:
 - a.1 The Company completed its Definitive Feasibility Study to reprocess mill tailings to recover gold under the Balatoc Tailings Project (BTP).
 - a.2 The Company signed two (2) off-take/contractor agreements with DMCI Mining Corporation and Sino Phil (Surigao) Group Limited to undertake mining activities in the Santa Cruz Nickel Project (SCNP) and assure ready markets for the project's high and low grade nickel and high grade iron ores.
 - a.3 In line with the Company's objective to spin off mining projects into independent business units, the Company created wholly owned subsidiaries Balatoc Gold Resources Corporation (BGRC) and Benguetcorp Nickel Mines, Inc. (BNMI) to undertake the activities for BTP and SCNP, respectively. Exclusive financial advisors have been engaged for each project to shepherd access to the capital markets.
 - b. The stockholders approved the Minutes of the Annual Meeting of Stockholders held on December 17, 2008. The Company received votes in person and by proxy a total of 66,801,423 or 70.6507% of Class A shares and a total of 41,688,118 or 73.0580% of Class B shares or a combined total of 108,489,541 or 71.5567% of Class A and B shares in favour of the approval of the Minutes of the Annual Stockholders' Meeting held on December 17, 2008.
 - c. The stockholders approved and ratified all the acts, contracts and resolutions made and entered into by management and/or the Board of Directors during the period December 17, 2008 to December 16, 2009. The Company received votes in person and by proxy a total of 66,801,023 or 70.6503% of Class A shares and a total of 39,632,833 or 69.4561% of Class B shares or a combined total 106,433,856 or 70.2009% of Class A and B shares in favor of the approval and ratification of all acts, contracts and resolutions made and entered into by management and/or Board of the total outstanding capital stock of the Company.
 - d. No elections of directors was held because the 1993 Supreme Court Temporary Restraining Order (TRO) enjoining the holding of elections of directors had not been lifted. Thus, the present set of directors of the Company will remain in office on hold-over capacity until their successors shall have been duly elected and qualified. The composition of the Board of Directors are as follows:
 - i) Directors representing the Convertible Preferred Class "A" and Common Class "A" stocks:

1. Dennis R. Belmonte	4. Ma. Remedios R. Pompidou
2. Daniel Andrew G. Romualdez	5. Cesar V. Purisima - (Independent Director)
3. Luis Juan L. Virata	
 - ii) Directors representing the Common Class "B" stock:

1. Benjamin Philip G. Romualdez	3. Isidro C. Alcantara, Jr.
2. Andres G. Gatmaitan	4. Bernardo M. Villegas - (Independent Director)

OTHER PROPOSED ACTION - Except those referred to in the notice of the annual meeting of stockholders, no other proposed action shall be taken up in the annual meeting in respect to any matter.

VOTING PROCEDURES - In case of election of directors, the method of counting votes is as follows: If the number of nominees does not exceed the number of directors to be elected, the Secretary of the meeting, upon motion made and seconded, is instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of directors to be elected, voting is done by ballots. Counting of votes shall be done by the Corporate Secretary (or by his authorized representatives) or by independent auditors or by a Committee designated by the Board of Directors. The first six (6) nominees for Class A (Convertible Preferred and Common) and first four (4) nominees for Class B (Common) receiving the most number of votes will be elected as directors. All matters subject to vote, except in cases where

the law provides otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, provided that a quorum is present.

PART II. INFORMATION REQUIRED IN A PROXY FORM

IDENTIFICATION - The solicited proxies will be voted by the representative of the Company, Mr. Benjamin Philip G. Romualdez, Chairman, President & Chief Executive Officer, and/or Atty. Hermogene H. Real, Corporate Secretary, and each or any of them as attorney(s)-in-fact, with the power of substitution to vote as proxy in all matters to be taken in the annual stockholders' meeting on August 25, 2010 and at any and all other adjournment thereof.

INSTRUCTION - Instructions on how to complete and return the proxy are provided in the proxy form and in the notice of annual meeting of stockholders. As in the previous annual stockholders' meetings of the Company, the committee of validation of proxies are composed of representatives from the Company's external auditor (Sycip Gorres Velayo & Company), stock transfer agent (Bank of the Philippine Islands), and its Corporate Secretary/Assistant Corporate Secretary. The committee adheres to the procedural requirements governing conduct in the validation of proxies as set forth in the By-Laws and procedures under Paragraph 11 (b) of SRC Rule 20.

REVOCABILITY OF PROXY - A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. In the event a stockholder decides to attend the meeting, he may, if he wishes, revoke his proxy and vote his shares in person. The grant of authority in the election of directors is subject to the lifting of TRO. In case no election of directors is held on the date of the Annual Stockholders' Meeting on August 25, 2010, the proxy will be still valid for ninety (90) days from said date, or up to November 23, 2010 in the event the TRO is lifted after the August 25, 2010 Stockholders' Meeting and an election is ordered within the said ninety (90) days period, this proxy will still be valid and can exercised.

PERSONS MAKING THE SOLICITATION - The solicitation of proxies is made by or on behalf of the management of the Company in order to obtain the required quorum and the required vote to approve the subject matters to be taken in the annual stockholders' meeting of the Company. The solicitation is primarily by mail. Incidental personal solicitation may be made by officers, directors and regular employees of the Company whose number is not expected to exceed fifteen, and who will receive no additional compensation therefor. The Company will bear the cost of preparing, assembling and mailing this Information Statement and other materials furnished to stockholders in connection with such proxy solicitation (including nominal cost of any such incidental personal solicitation) and the expenses of brokers, who shall mail such materials to their customers. Estimated cost of distributing the annual report together with the proxy statement/card locally is at P50.00 per envelope and total cost in the United States is about \$37,500. The Company retained Georgeson & Company to assist in the solicitation of proxies from the United States. The firm may solicit proxies by personal interview, telefax, telephone, mail and electronic mail. It is expected that the fee for these services will not exceed US\$15,500 plus reimbursement of customary out-of-pocket expenses.

No director has informed the Company in writing of any intention to oppose the matters to be taken up in the annual meeting.

OMITTED ITEMS - 10 - Modification or Exchange of Securities; Item 12 - Mergers, Consolidations, Acquisitions and Similar Matters; 13 - Acquisition or Disposition of Property; 14 -Restatement of Accounts; 17 - Amendment of Charter, Bylaws or Other Documents and 18 - Other Proposed Action are not responded to in this Information Statement under SEC Form 20-IS. The Company has no intention to take any action with respect to these items.

Incorporated herein are the following:

1. Annex "A" - Management Report containing Management's Discussion and Analysis and Results of Operation for 2009 compared to 2008 and 2007, Interim Period-2010 First Quarter Report, Market Price of and Dividends of the Company's Common Equity and Compliance of Leading Practices on Corporate Governance of the Company; and
2. 2009 Annual Report of the Company containing consolidated audited financial statements for 2009 with Management's Responsibility for Financial Statements.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on July 12, 2010.

BENGUET CORPORATION

Issuer

By:

MANAGEMENT REPORT**BRIEF DESCRIPTION OF BUSINESS**

Established on August 12, 1903, Benguet Corporation (the “Company”) is a pioneer in the Philippine mining industry and looks with pride at its 106 years of achievement.

From Benguet Consolidated Mining Company in the 1900s, to Benguet Consolidated Inc. in the decades of the 1950s to 1970s, and finally to its present corporate name of Benguet Corporation. The Company had been known to operate some of the richest mineral prospects using cutting-edge technology of the day and contributing significantly to the country’s export earnings. The Company’s operations peaked in the 1980s when it operated five major mines at the same time: the Benguet Gold Operations (BGO), Benguet Antamok Gold Operation (BAGO), Dizon Copper-Gold Operation (DCO), Masinloc Chromite Operation (MCO), and Paracale Gold Operation (PGO). During the 1990s, the Company was gravely affected by the Baguio earthquake in 1990, the Mt. Pinatubo eruption in 1991, countless typhoons, low global metal prices, rising environmentalism, and the 1997 Asian currency and economic crisis. Consequently, four of its mining operations were suspended in succession with one (DCO) reaching the end of its mine life. The Company decided to turn over control of DCO in November 1997. MCO was turned over to its claimowner in July 2006 due to expiration of the operating contract. The Company transferred the mining rights of PGO to a new operator in July 2006.

But all was not bleak. In December 2001, the Company reopened BGO through the Acupan Contract Mining Project (ACMP) and is now in the process of a major expansion. It continued to stake claims on various mineral properties which are now in various stages of exploration and development. These include the Santa Cruz Nickel Project now being organized as operating mine, the Kingking Porphyry Copper Gold, Surigao Coal, Acupan and Ampucao Gold Copper, Pantingan Gold, Ilocos and Kalinga-Apayao mineral prospects, all projected to be major long-term revenue earners for the Company. Most recently, in line with its objective to spin off mining projects into independent business units, the Company created wholly owned subsidiaries Balatoc Gold Resources Corporation (BGRC) and Benguetcorp Nickel Mines, Inc. (BNMI) to undertake the activities for Balatoc Tailings Project (BTP) and Santa Cruz Nickel Project (SCNP), respectively. Exclusive financial advisors have been engaged for each project to shepherd access to the capital markets.

The Company’s Benguet Laboratories (BL) in SM Baguio City, a healthcare provider for 83 years, continues to maintain its laboratory extension at the Baguio Centermall to decongest the volume of work being processed at the SM main laboratory from the continued influx of HMO clients and walk-in customers.

In 1988, the Company acquired BenguetCorp International Limited (BIL), a Hongkong-based and 100% owned subsidiary for international operations which remains largely inactive. BIL’s wholly-owned subsidiaries, BenguetCorp Canada Limited (BCL) in Vancouver, B.C. and BenguetCorp USA Limited (BUSIA) in Nevada, U.S.A. continue to hold interest in mining properties in Royston Hills, Nevada, which are currently being offered for sale to interested parties.

Aside from its core business of mining and mineral exploration, the Company established Benguet Management Corporation (BMC) in 1980, a wholly owned non-mining subsidiary, primarily to invest in projects and enterprises that would diversify, stabilize and strengthen the investment portfolio of the Benguet Group of Companies. BMC continues to maintain a mango plantation in Iba, Zambales. The operating subsidiaries of BMC are: Arrow Freight Corporation (AFC), which currently handles trucking and warehousing business; Benguetrade, Inc. (BTI), BMC’s trading arm primarily dealing with industrial and environmental equipment and supplier to power, cement and mining companies; BMC Forestry Corporation (BFC), the manager of the Irisan Lime Project and developer of the Company’s real estate assets in Northern Luzon, such as the Woodspark Subdivision in Rosario, La Union; and, BC Property Management (BCPM), the manager and operator of the New Balatoc area.

The Company enters the next one hundred years stronger and resilient from having passed through difficult and trying periods in its corporate life. It has re-structured its organization, consolidated its resources, set new strategic directions and embarked on new business plans as foundation for its future. The Company’s vision is to regain its role as the premier mining company – all in the service of its employees, shareholders, host communities, the environment and the country.

FINANCIAL AND OTHER INFORMATION

The Statement of Management’s Responsibility for Financial Statements; Auditors’ PTR, Name of Certifying Partner & Address and the Audited Consolidated Financial Statements of the Company as of and for the period ending December 31, 2009 are included elsewhere in the printed 2009 Annual Report of the Company and incorporated hereto by reference.

The Management’s Discussion, Analysis or Plan of Operation and Interim period-2010 First Quarter Report, Market Price of and Dividends of the Company’s Common equity and Compliance of Leading Practices on Corporate Governance of the Company are discussed and presented below as follows:

MANAGEMENT DISCUSSION & ANALYSIS & PLAN OF OPERATION

The discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the audited consolidated financial statements of the Company as of and for the period ending December 31, 2009, included elsewhere in the 2009 Annual Report and incorporated hereto by reference.

2009 Versus 2008

In 2009, the Company took major steps in the development of various mineral assets and projects in the pipeline. It completed the Definitive Feasibility Study to reprocess mill tailings to recover gold under the Balatoc Tailings Project (BTP). It signed two (2) off-take/contractor agreements to undertake mining activities in the Santa Cruz Nickel Project (SCNP) and assure ready markets for the project's high and low grade nickel and high grade iron ores. In line with its objective to spin off mining projects into independent business units, the Company created wholly owned subsidiaries Balatoc Gold Resources Corporation (BGRC) and BenguetCorp Nickel Mines, Inc. (BNMI) to undertake the activities for BTP and SCNP, respectively. An exclusive financial advisor has been engaged for each project.

The Company's consolidated net loss for 2009 was ₱185 million, substantially lower than the net loss of ₱483 million in 2008. The positive variance was attributed to the gain on sale of Catitipan property in Davao and the foreign exchange gain of ₱56 million this year compared to the foreign exchange loss of ₱241 million last year. The consolidated loss in 2009 include non-cash accrued interest expense of ₱179million, depreciation and amortization of ₱26million, provision for impairment losses of P27 million and foreign exchange gain of ₱56million.

The operating revenues of the Company was decreased to ₱241 million in 2009 from ₱345 million in 2008. The decrease in 2009 versus 2008 was due to lower sales volume of chromite fines and lower sales from trucking services.

Operating costs and expenses went down to ₱338 million in 2009 from ₱372 million in 2008 mainly due to lower cost of Irisan lime kiln operation and other mine products sold. Interest expense decreased to ₱179 million in 2009 from ₱207 million in 2008 mainly due to lower interest on the dollar denominated loans due to appreciation of peso against US Dollar. Other net income in 2009 amounted to ₱71 million compared with other charges of ₱291 million in 2008. The ₱47 million gain on sale of Catitipan property in Davao and the accrued foreign exchange gain of ₱56 million contributed to the other income in 2009 while in 2008, the other charges was mainly due to foreign exchange loss of ₱241 million. Benefit from income tax in 2009 amounted to ₱19million compared with ₱42 million in 2008.

As of December 31, consolidated total assets amounted to ₱3,580 million in 2009 as compared to ₱3,628 million in 2008. Cash and cash equivalents decreased to ₱30 million in 2009 from ₱128 million in 2008 mainly from cash used by operating activities and mine exploration and development of the Company's Nickel Project in Sta. Cruz, Zambales, Batong-buhay Copper-Gold Prospect in Kalinga, Balatoc Tailings Project in Itogon and Kingking Project in Compostella Valley in Davao Del Norte.

Other current assets declined to ₱29 million in 2009 from ₱45 million in 2008 mainly due to application of input tax versus output tax payable this year.

Available-for-sale (AFS) investments improved to ₱16.9 million in 2009 from ₱6.5 million in 2008 mainly from investment of ₱8.4 million in Banco De Oro Unit Trust Fund and change in fair value of AFS investments of ₱2.0 million.

Mining exploration and project development costs increased to ₱579 million in 2009 from ₱510 million in 2008 primarily due to the exploration and pre-development work in Sta. Cruz Nickel Project, Batong-buhay Copper-Gold Prospect in Kalinga, Balatoc Tailings Project in Itogon and Kingking Copper Gold Project in Compostella Valley in Davao del Norte.

As of December 31, bank loans inclusive of accrued interest amounted to ₱3.7 billion in 2009 compare to ₱3.6 billion in 2008. The increased pertains to accrued interest booked this year. Trade and other payables increased to ₱ 596 million in 2009 from ₱575 million 2008 mainly from the advances by Hunter Dickinson Acquisitions, Inc. used in the pre-development work of Batong-Buhay Copper-Gold Project in Kalinga still outstanding in 2009 but subsequently be paid in 2010.

Deferred income tax liabilities decreased to ₱1,008 million in 2009 from ₱1,030 million in 2008 mainly due to lower capitalized interest. Liability for mine rehabilitation increased to ₱12.3 million from ₱10.6 million in 2008 due to ₱1.7 million accretion booked this year. Accrued pension liability increased to ₱15.4 million in 2009 from ₱9.9 million in 2008 due to additional pension benefit obligation booked this year. Equity of claimowner in contract operations increased to ₱49.7 million in 2009 from ₱35.9 million in 2008 mainly due to accrued share of Consolidated Mines, Inc. in the sale of chromite sand in Masinloc Chromite Operation booked in 2009. Unrealized gain on AFS investments increased by ₱2.0 million in 2009 mainly due to change in fair value of AFS investments.

Capital deficiency increased to ₱1.8 billion from ₱1.6 billion in 2008 mainly due to net loss of ₱185 million this year. The Company's current liability exceeded its current assets by ₱4.1billion in 2009 and ₱3.8 billion in 2008.

Known Trends, Events or Uncertainties

The Company does not foresee any cash flow problem over the next twelve months due to anticipate improve gold production of ACMP, higher quicklime sales from ILP and assure 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 and Ryanx CGS Corporation. The agreements assure 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 December 31, 2009, 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 were 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 reporting period.

As of December 31, 2009, except for what has been noted in the preceding, there were 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 from the year ended December 31, 2008 to December 31, 2009.

Other information on the results and plans of operation of the Company is discussed in the CHAIRMAN'S AND PRESIDENT'S REPORT which is included in the 2009 Annual Report on pages 1 to 4 and incorporated hereto by reference.

2008 Versus 2007

The operating income of Acupan Contract Mining Project (ACMP) and Irian Lime Project (ILP) as well as the sale of chromite fines inventory, contributed to the revenues of the Company, but were offset by the non-cash foreign exchange loss and accrued interest, resulting to the Company to incur a loss for 2008. The year also saw Benguet Corporation being selected to reopen and develop the gold-rich Batong Buhay Mines in Kalinga Province. The Company progressed on its study to reprocess mill tailings to recover gold under the Balatoc Tailings Project. The Company also initiated the application for Environmental Compliance Certificate to start the development of its Surigao Coal Project, as it continued its pre-development work at Sta. Cruz Nickel Project and worked to resolve the pending issues on the Kingking property.

Consolidated net loss for 2008 was ₱483 million, compared with the net earnings of ₱271 million in 2007. The consolidated loss in 2008 include non-cash accrued interest expense of ₱207 million and foreign exchange loss of ₱279 million. Before these accrued financing and other charges, operations generated a modest income of ₱3 million. In 2007, the Company's income from operations before accrued interest of ₱218 million and foreign exchange gain of ₱441 million amounted to ₱48 million.

The Company's operating revenues increased to ₱345 million in 2008 from ₱299 million in 2007. The increase in 2008 versus 2007 was due to higher sales volume of chromite fines and lime. MCO shipment volume increased to 231,227 DMT in 2008 from 5,790 in 2007 while Irian lime sales volume improved to 9,440 metric tonnes in 2008 from 9,042 metric tonnes in 2007. Operating costs and expenses went down to ₱372 million in 2008 from ₱435 million in 2007 mainly due to lower cost of merchandise sold and services. Interest expense slightly decreased to ₱207 million in 2008 from ₱218 million in 2007. Other charges in 2008 amounted to ₱291 million compared with other income of ₱548 million in 2007. The other charges in 2008 was attributed to the accrued foreign exchange loss of ₱279 million due to depreciation of Peso against US Dollar while in 2007, the other income was mainly due to foreign exchange gain of ₱441 million. Benefit from income tax in 2008 amounted to ₱42 million compared with benefit from income tax of ₱76 million in 2007.

The Company's consolidated total assets as of December 31, 2008 increased to ₱3,628 million from ₱3,437 million in 2007. The increased was mainly from the full payment of Palm Avenue Holding Company, Inc. and Palm Avenue Realty and Development Company unpaid subscription of ₱120 million. Cash and cash equivalents decreased to ₱128 million in 2008 from ₱251 million in 2007 mainly from cash used by operating activities and mine exploration and development of the Company's Nickel Project in Sta. Cruz, Zambales, Kingking Project in Compostella Valley in Davao Del Norte. Receivables increased to ₱132 million in 2008 from ₱68 million in 2007 mainly due to increased in sales volume of Irian lime and chromite fines which found market in China. The sale of Value Added Tax Certificate amounting to ₱50 million to GMA Network, Inc. reduced the other current assets to ₱45 million in 2008 from ₱88 million in 2007.

Mining exploration and project development costs substantially increased to ₱510 million in 2008 from ₱227 million in 2007 primarily due to the exploration and pre-development work in Sta. Cruz Nickel Project and Kingking Copper Gold Project in

Compostella Valley in Davao del Norte. Trade and other payables increased to ₱575 million in 2008 from ₱445 million 2007 mainly from the equipment rental used in the pre-development work of Sta. Cruz Ni Project still outstanding in 2008 but subsequently be paid in 2009.

Subscription receivable of ₱120 million was paid in full by Palm Avenue Holding Company, Inc. and Palm Avenue Realty and Development Company in 2008.

Capital deficiency increased to ₱1.6 billion from ₱1.2 billion in 2007 mainly due to net loss of ₱483 million this year. The Company's current liability exceeded its current assets by ₱3.8 billion in 2008 and ₱3.1 billion in 2007.

The Company does not foresee any cash flow problem over the next twelve months due to anticipated shipments of nickel ore from its Sta. Cruz Nickel Project, improve gold production of ACMP, higher quicklime sales from ILP and shipment of remaining inventory of chromite products of MCO. It likewise anticipates that the current upward movement of gold price would continue if not remain at its present levels at least for this year as no indication of weakening is seen at the moment.

Except for the Company's outstanding bank loans, there are no material events that will trigger direct or contingent financial obligations to the Company. The Company's consolidated bank loans including accrued interest and penalties increased to ₱3.6 billion in 2008 from ₱3.1 billion in 2007. The increased pertains mostly to the accrued interest on bank loans. 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. The Company continues to discuss with its creditors and is confident that a mutually acceptable resolution of the old debt will be reached in due time. As of the end of 2008, the Parent Company's principal loans subject to the repayment plan amounted to ₱1.5 billion (US\$31.6 million). In the meantime, the Company will undertake a corporate restructuring in order to facilitate the raising of equity and project finance. The funds will be used to finance and bring the various exploration projects to commercial operation. Revenues from these projects will be used to bring to development stages other properties and settle the previous outstanding debt of the Company.

There were 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 reporting period.

As of December 31, 2008, except for what has been noted in the preceding, there were 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 from the year ended December 31, 2007 to December 31, 2008.

Amidst the global slowdown and financial crisis, the Company is optimistic that it can weather the recession with its on-going mining projects and those in the pipeline. It expects to ship its first 50,000 tonnes of ore from the Sta. Cruz Nickel Project by second quarter of 2009, as well as proceed in the development of a processing plant for the nickel ore. Gold still remains the best mineral commodity and with its price averaging US\$850/oz, your Company will work to achieve higher gold production at ACMP, conclude the Feasibility Study for the Balatoc Gold Reprocessing Project and move quickly towards its development. Your Company will work assiduously to secure the early release of the necessary permits from the government for the reopening and development of Batong Buhay Mines, and, likewise continue to complete the Bankable Feasibility Study of Kingking.

To meet the challenges of the global financial crisis and to resolve Benguet's past debt problem, the Company will undertake a corporate restructuring in order to facilitate the raising of equity and project finance. This would unlock the hidden values within your Company's portfolio of assets, whose values are not currently reflected in the balance sheet.

Properties with shorter development periods that could generate new or incremental revenues to provide seed money for exploration and feasibility studies of other projects are being prepared for packaging into separate project companies. Among these are the Balatoc Gold Tailings, Sta. Cruz Nickel Project, Acupan gold underground and Surigao coal, in the near term.

These properties will be developed as stand-alone projects. The Company is currently in talks with various parties to source and secure capital and project finance to bring these projects to commercial operations. Revenues from these projects will be used to bring to development stages other properties and settle the previous outstanding debt of the Company.

KEY PERFORMANCE INDICATORS

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. As of December 31, 2009 and December 31, 2008, the Company's current liabilities exceeded its current assets by ₱4.1 billion and ₱3.8 billion, respectively. The management plans in regard to these matters are discussed in Note 2 to the Consolidated Financial Statements.

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. The average market prices for gold sold were at US\$1,023 per ounce in 2009 and US\$840 per ounce in 2008.

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. Tonnes milled in 2009 were 19,094 at the average grade of 6.79 grams per tonne gold. Gold sold in 2009 were 2,129 ounces. In 2008, tonnes milled were 7,730 at the average grade of 8 grams per tonne gold. Gold sold in 2008 were 1,820 ounces.

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 December 31, 2009, the peso to dollar exchange rate was at ₱46.356 higher as compared to ₱47.485 in 2008.

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. The Company losses per share in 2009 is ₱1.23 compared to losses per share of ₱3.20 in 2008. With the anticipated shipment of nickel ores in the Sta. Cruz Nickel Project and projected improvement in gold production of ACMP compounded with the prevailing favorable metal price, the Company anticipates an improvement in its earnings per share in 2010.

INTERIM PERIOD – 2010 FIRST QUARTER REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS OR PLAN OF OPERATION

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. With the passage of Republic Act No. 9182 or the Special Purpose Vehicle (SPV) Act of 2002, most of the Company's original creditors sold their debt holdings to SPV companies. The Company is committed to finally settle the old debt issue with its creditors. 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.

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.

RESULTS AND PLANS OF OPERATION

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. The Santa 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.

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

The 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, the 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, the 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. The 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., the Company's financial advisor is currently finalizing an Information Memorandum intended to raise additional development capital for the Balatoc Tailings Project (BTP). The 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, the 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.

The 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 the 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). The 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.

The 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 the Company's various costs and advances in the project. Also to be negotiated with the Tribe is the Company's retaining interest in the project in recognition of its contribution to bring the project to its present stage.

Land Development

For the Company's 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 (BUSIA) 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.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

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.

MARKET PRICE OF AND DIVIDENDS OF THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information – The Company's Common Class A, Common Class B and Convertible Preferred Class A shares are traded in the Philippine Stock Exchange (PSE). As of last trading day of July 9, 2010, the closing price of Common Class A is ₱11.50 per share and ₱15.00 per share for Common Class B, respectively. For Convertible Preferred Class A, the closing price as of last trading day (March 26, 2009) is ₱76.00 per share.

a) The high and low closing prices of Company's shares at the PSE for each quarter of 2009 and 2008 are as follows:

	<u>1ST QUARTER</u>		<u>2ND QUARTER</u>		<u>3RD QUARTER</u>		<u>4TH QUARTER</u>	
	2009	2008	2009	2008	2009	2008	2009	2008
CONVERTIBLE PREFERRED CLASS A*								
Highest Price Per Share	76.00	102.00	-	-	-	-	-	-
Lowest Price Per Share	76.00	14.00	-	-	-	-	-	-

<u>COMMON CLASS A</u>								
Highest Price Per Share	7.80	32.50	10.00	20.50	11.50	17.50	18.25	8.00
Lowest Price Per Share	6.10	19.25	6.20	13.00	7.90	11.50	8.90	4.85
<u>COMMON CLASS B</u>								
Highest Price Per Share	12.00	42.00	14.50	35.00	13.00	24.00	26.00	17.00
Lowest Price Per Share	7.00	22.75	7.00	29.00	8.00	15.00	10.00	9.50

(*) Last trading day is March 26, 2009 and there are no trading transactions during the 2nd, 3rd, 4th Qtr. of 2009.

- b) The high and low closing prices of Company's shares at the PSE during the First and Second Quarter 2010 are as follows:

	First Quarter		Second Quarter	
	High Price	Low Price	High Price	Low Price
Common Class A	₱14.50	₱10.75	₱12.75	₱11.00
Common Class B	₱19.50	₱11.00	₱17.00	₱12.50
Convertible Preferred Class A	- No trading since March 27, 2009			

- c) Deregistration of U.S. Based Securities- Following the full implementation of the US Sarbanes-Oxley Act of 2002, changes in the U.S. GAAP financials resulted in further stringent United States Securities and Exchange Commission (U.S. SEC) reportorial requirements, which entailed additional work and cost for the Company in the filing of reports. Upon advice of the Company's U.S. counsel, the Company filed a Consent Offer of Settlement to the U.S. SEC for voluntary deregistration of its Common Class "B" shares in the U.S. In August 2008, the Company received the U.S. SEC Order accepting BC's Offer of Settlement resulting in voluntary deregistration of its Common Class "B" shares in the U.S. The voluntary deregistration will allow the Company: (a) to continue trading in the Pink Sheets as a Non-SEC filing Company without further U.S. SEC reportorial obligation (although the submission of timely financial information is still required), and (b) it would facilitate re-registration of its stocks with the U.S. SEC should the Company decide later to do so.

Presently, the Company's U.S. counsel continues to attempt to obtain a restart of trading of its U.S. based common class "B" shares in the U.S. market (Pink Sheets). The financial and investment crisis in the U.S. market is a hindrance to this effort.

2. Holders - As of June 30, 2010, the Company's number of shareholder of record is 17,180 and the list of consolidated top 20 stockholders are as follows:

Name	Title of Class	Number of Shares Held	% to Total Shares Outstanding
1. PCD Nominee Corporation (Filipino)	A	25,298,263	15.578%
2. Palm Avenue Holding Company, Inc.	A	21,874,909	13.470%
3. Palm Avenue Holding Co. and/or Palm Avenue Realty Corp.	A	21,306,830	13.120%
4. Palm Avenue Realty & Development Co.	B	14,560,000	8.965%
5. Palm Avenue Holding Co. and/or Palm Avenue Realty Corp.	A	10,278,125	6.329%
6. RYM Business Management Corporation	A	6,617,640	4.075%
7. RYM Business Management Corporation	B	4,411,770	2.716%
8. House of Investment, Inc.	A	2,848,637	1.754%
9. Great Pacific Life Assurance Corporation	A	1,820,276	1.120%
10. FEBTC TA 4113-00204-5 (ESPP)	A	1,700,000	1.046%
11. Ernesto Chua Chiacco	A	1,118,200	0.688%
12. FEBTC TA 4113-00204-5	A	908,533	0.559%
13. PCD Nominee (Filipino)	B	753,060	0.463%
14. Henry Sy	A	373,535	0.230%
15. RP Land Development Corporation	A	320,000	0.197%
16. Henry Sy, Sr.	A	307,346	0.189%
17. Sysmart Corporation	A	289,652	0.178%
18. PCD Nominee (Non-Filipino)	B	262,606	0.161%
19. Fairmount Real Estate, Inc.	B	237,850	0.146%
20. Independent Realty Corporation	B	235,667	0.145%

3. Dividends - Because of operating deficits and debt service requirements, and pursuant to the restrictions provided for in the Company's loan agreements with creditor banks, no cash dividends were declared for the years 2009, 2008 and 2007.
4. Recent Sales of Unregistered or Exempt Securities – Other than the stock option and private placement, there were no securities sold by the Company within the past three years which were not registered under the Revised Securities Act

(now Securities Regulation Code (SRC) including the sales of reacquired securities, securities issued in exchange of property, services, or other securities, and new securities resulting from the modification of outstanding securities. Following are sales/transaction of securities of the Company:

- a. On March 31, 2008, the Securities and Exchange Commission (SEC) resolved the issuance of 7,004,000 shares (consisting of 4,202,400 common class A shares and 2,801,600 common class B shares) to qualified participants of the Company's Amended Stock Option Plan is exempted from the registration requirements under the Securities Regulation Code. The Philippine Stock Exchange (PSE) approved the listing on April 11, 2008. The options were granted on April 6, 2006 and it is exercisable by the optionee to the extent of 20% after April 5, 2007, 40% after April 5, 2008, 60% after April 5, 2009, and 100% after April 5, 2010. No option is exercisable after ten (10) years from the date of the grant.
- b. Private placement agreement between the Company and its principal stockholders, Palm Avenue Holding Company, Inc. and Palm Avenue Realty and Development Company (the "Palm Companies) on August 1, 2007 called for the purchase of 21,874,909 Class A common shares at P11.00 per share and 14,560,000 class B common shares at P13.35 per share. A notice of exempt transaction pursuant to the Securities Regulation Code was filed to SEC and the listing of the stocks intended for the said private placement was approved by the PSE on October 31, 2008.

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The Company has been in substantial compliance with the Manual on Corporate Governance (the "Manual"). It continues to exert best effort to comply with guidelines and rules issued by the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The Company have complied with the SEC mandated Corporate Governance Survey using the Corporate Governance Scorecard for Publicly-listed Companies, which the Company adopted as a tool to evaluate the level of compliance to its Manual.

In compliance with PSE Memo 2008-0182, the Company posted in its website all corporate disclosures and reports submitted to the SEC and PSE for easy access and reference by the investing public. In January 2010, the Company submitted to the SEC and PSE an annual certification confirming substantial compliance on corporate governance for year 2009. There is no significant deviation from the Company's Manual noted during the period. The Company continues to improve systems and processes to enhance adherence to principles and practices of good corporate governance. It continuously monitors all relevant PSE and SEC Circulars on Corporate Governance that maybe adopted to improve its Manual. In April 2010, the Company revised its Manual in compliance with SEC Memorandum Circular No. 6, Series of 2009 of the SEC.

The Company's Corporate Governance Committee composed of three directors and compliance officer namely: Mr. Bernardo M. Villegas an independent director and is the Chairman and members are: Cesar V. Purisima an independent director, Andres G. Gatmaitan, director and Roland P. de Jesus, compliance officer.

UNDERTAKING

The Company will provide without charge to each person solicited, on the written request of any such person, a copy of the Company's 2009 Annual Report or SEC Form 17-A. Such written request should be directed to: THE MANAGER, Shareholder Relations Office, Benguet Corporation, Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Metro Manila, Philippines.

The Company's 2009 Annual Report/SEC Form 17-A is available for downloading at the Company's website: <www.benguetcorp.com>

INTERIM FINANCIAL STATEMENTS - 2010 FIRST QUARTER REPORT

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

	2010	AUDITED 2009
CURRENT ASSETS		
Cash and cash equivalents	₱32,073	₱29,883
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	<u>189,313</u>	<u>216,945</u>
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	<u>₱3,563,877</u>	<u>₱3,579,961</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	₱ 533,085	₱595,695
Current portion of long-term debt	3,247,446	3,233,013
Bank loans	468,463	461,162
Total Current Liabilities	<u>₱4,248,995</u>	<u>₱4,289,870</u>
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	<u>1,130,884</u>	<u>1,085,890</u>
TOTAL LIABILITIES	<u>₱6,379,879</u>	<u>₱5,375,760</u>
STOCKHOLDERS' EQUITY		
Convertible Preferred Class A - P3.44 par value Authorized – 19,652,912 shares Issued - 217,061 shares in 2010 and 2009	₱745	₱745
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	<u>(₱1,807,986)</u>	<u>(₱1,787,783)</u>
Less cost of treasury stock-116,023 shares in 2010 & 2009	8,016	8,016
STOCKHOLDERS' EQUITY	<u>(1,816,002)</u>	<u>(1,795,799)</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>₱3,563,877</u>	<u>₱3,579,961</u>

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

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	(P16,505)	(P84,590)
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	(P74,083)	(P7,317)
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	P76,363	P115,569
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	(P89)	-
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	<u>P32,073</u>	<u>P127,983</u>

BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 (WITH COMPARATIVE DATA FOR 2009)
(Amounts in Thousands, Except Loss Per Share)

	<u>2010</u>	<u>2009</u>
OPERATING REVENUE		
Sales of mine products	₱32,617	₱22,058
Sales of merchandise and services	15,809	10,381
	<u>48,426</u>	<u>32,430</u>
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	41,708	33,772
Taxes on revenues	852	505
	<u>63,870</u>	<u>54,935</u>
INCOME FROM OPERATIONS	<u>(₱15,444)</u>	<u>(₱22,496)</u>
OTHER INCOME (EXPENSES)		
Interest income	21	17
Foreign exchange gain (loss)	43,068	(29,422)
Interest expense	(39,344)	(51,852)
Miscellaneous - net	6,693	5,467
	<u>10,438</u>	<u>(75,590)</u>
INCOME (LOSS) BEFORE INCOME TAX	<u>(₱5,006)</u>	<u>(₱98,086)</u>
PROVISION FOR INCOME TAX	<u>11,289</u>	<u>(9,256)</u>
NET INCOME (LOSS)	<u>(16,505)</u>	<u>(88,830)</u>
RETAINED EARNINGS (DEFICIT) AT BEG OF PERIOD	<u>(4,974,188)</u>	<u>(4,788,891)</u>
RETAINED EARNINGS (DEFICIT) AT END OF PERIOD	<u>(₱4,990,693)</u>	<u>(₱4,877,721)</u>
EARNINGS (LOSS) PER SHARE	<u>(₱0.11)</u>	<u>(₱0.59)</u>

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	-	-	-
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	(P1,816)	(P1,697)	(P1,796)

BENGUET CORPORATION		
LOSS PER SHARE COMPUTATION		
	Three Months Ended March 31	
	2010	2009
Net Loss ('000)	₱16,505	₱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 Stocks	-	-
	150,810,859	150,933,333
Loss per share	₱0.11	₱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 AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE
AS OF MARCH 31, 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	5 Years - Above	PAST DUE ACCTS & ITEMS IN LITGN
a) Trade Receivables:									
1) Chrome Shipments (Export/Local)	₱46,202,970	-	-	₱5,708	₱860,219	₱30,553,105	₱14,783,938	-	-
2) Lime Deliveries	17,583,519	₱8,999,471	₱6,388,462	2,071,043	-	-	124,543	-	-
3) Merchandise & Services	61,617,303	3,349,121	910,395	1,992,816	2,445,364	5,143,310	5,471,736	₱42,304,562	-
Sub-total	125,403,792	12,348,592	7,298,857	4,069,567	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	1,147,983	4,748,335	13,599,625	542,102	-
2) Due from Subsidiaries	41,604,705	(5,651,609)	3,904,747	5,234,660	1,754,864	10,738,388	20,153,173	5,470,483	-
3) Others	123,837,941	1,297,310	544,383	4,351,498	1,990,539	18,964,167	14,017,649	82,672,396	-
Sub-total	190,350,825	(693,765)	4,532,830	10,712,058	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)	₱4532,830	₱10,712,058	₱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:

<u>Amounts in Million</u>	As of March 31, 2010		December 31, 2009	
	US Dollar	Peso Equivalent	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.

