



October 22, 2010

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

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

Gentlemen:

Benguet Corporation ("BC" or the "Company") today disclosed that:

1. It has bought back 51% of its secured debt from its current debt holders at an approximate total discount of 70%. The Company has an outstanding settlement proposal to its other secured creditors, thru Philippine National Bank (PNB) as the mortgage trustee, for acquisition of its debt papers at 30% of the unpaid principal balance (UPB).
2. Pursuant to the Heads of Terms dated July 22, 2010 executed between BC and St. Augustine Mining LTD (SAML), an affiliated company of Russell Mining & Minerals, Inc. (RMMI), which was the subject of our previous disclosures to the SEC / PSE, the parties have today completed the first part of their transaction for the eventual transfer of BC's interest in the Kingking Project and other properties. SAML made an initial payment of US\$8M to the Company out of the total acquisition price of US\$25M with the balance to be paid over a period of 7 years. Until there is full payment of the price, or SAML gives an acceptable security within 2 years after the first payment, the assignment of BC's interest in, and the withdrawal of BC from, the project does not become effective. In the meantime and pending this development, the Company shall continue to remain as co-contractor with Nationwide Development Corporation (NADECOR) in the Kingking MPSA. The Company and NADECOR have also agreed to suspend all pending legal proceedings between them in order that the preparation of the mining feasibility study can proceed without delay.

Thank you.

Very truly yours,

BENGUET CORPORATION

By:

  
REYNALDO P. MENDOZA  
Assistant Corporate Secretary