

The Company also undertakes to submit within 30 days after the annual stockholders' meeting a Sworn Certification of Qualification of its Independent Directors in compliance with the Notice of the Commission dated October 20, 2006 re: Certification of Qualification of Independent Directors.

- c) Names, ages and citizenship of all Directors, including independent directors and Executive Officers and all persons nominated or chosen to become such: (Submit a certification that none of the named directors and officers works with the government. If a nominee for director position is connected with government, please submit a written consent from the Head of Agency where he or she is connected.)

BC's compliance/explanation

- a. None of the incumbent directors or nominees for election to the Board of Directors on May 28, 2014 Annual Stockholders' Meeting of the Company are government employees. Incorporated on page 8 of the Definitive Information Statement.
- b. None of the incumbent executive officers of the Company are government employees. Incorporated on page 12 of the Definitive Information Statement.

Please refer also to attached Certification marked as Annex "E" on page 57 of the Definitive Information Statement.

3) Item 9. Authorization or Issuance of Securities Otherwise Than For Exchange.

The required information is presented on pages 22 to 23 of the Definitive Information Statement.

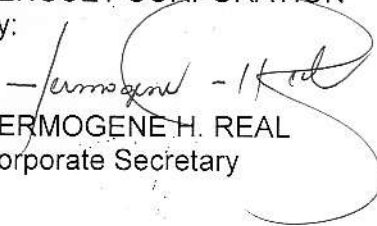
In compliance with SRC Rule 20 on SEC Disclosures to Stockholders Prior to Meeting, we are submitting herewith three (3) copies of the Company's Definitive Information Statement (SEC Form 20-IS) and Management Report.

We trust that we have substantially complied with your requirements.

Very truly yours,

BENGUET CORPORATION

By:


HERMOGENE H. REAL
Corporate Secretary

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

April 24, 2014

The Annual Meeting of the Stockholders of Benguet Corporation (herein "BenguetCorp" or "the Company") will be held at the Big Function Room of Manila Golf and Country Club, Inc., Harvard Road, Forbes Park, Makati City, Philippines, on May 28, 2014 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 May 28, 2014 or within 90 days thereafter;
2. Approval of Minutes of the Annual Stockholders' Meeting held on May 30, 2013;
3. Approval of the amendment of Article Third of the amended Articles of Incorporation of the Company to indicate therein the complete address of the Company's principal office pursuant to SEC Memorandum Circular No. 6, Series of 2014;
4. Approval of the increase in authorized capital stock and the corresponding amendments of Article Seventh of the amended Articles of Incorporation and Article I, Section 1, of the amended By-Laws of the Company;
5. Ratification of all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors since the May 30, 2013 Annual Stockholders' Meeting; and
6. 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 April 16, 2014 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 cannot attend the meeting in person and desires to be represented therein is requested to sign, date the proxy enclosed herewith and deposit the same in the mails in the enclosed envelope with no postage required. The proxy should be mailed in time so as to be received by the Corporate Secretary/Stockholder Relations Office on or before 3 o'clock p.m. of May 27, 2014 which is the deadline for submission of proxies. In the event a stockholder decides to attend the meeting, he may, if he wishes, revoke his proxy and vote his shares in person.

Proxy validation will commence on May 27, 2014 at 3:00 p.m. at the Board Room of the Company, 7th Floor, Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Philippines.


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
[X] 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. 7th FLOOR 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. May 28, 2014, 3 o'clock p.m., Big Function Room of Manila Golf and 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: As soon as practicable after the approval of the Definitive Information Statement but not later than April 28, 2014
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 (Net of Treasury Shares as of March 31, 2014)</u>
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Convertible Preferred Class A share	217,061
Common Class A share	117,428,790*
Common Class B share	77,614,394*
(*) – Net of Treasury Shares	

Total consolidated outstanding principal debt as of December 31, 2013- ₱1.6 Billion

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

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

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 **Big Function Room of Manila Golf and Country Club, Inc., Harvard Road, Forbes Park, Makati City, Philippines, on May 28, 2014 at 3:00 p.m.** The complete mailing address of the principal office of the Company is **7th Floor 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 as soon as practicable after the approval of the Definitive Information Statement by the Securities and Exchange Commission but not later than **April 28, 2014.**

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 March 31, 2014, there are 217,061 shares outstanding of the Company's Convertible Preferred Class A stock, 117,428,790 shares outstanding of its Common Class A stock and 77,614,394 shares outstanding of its Common Class B stock. The equity ownership of foreign stockholders of the Company is 35,998,207 class "B" shares or 18.44% of its total outstanding shares. 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.

Conversion Premium of Convertible Preferred Class A Shares – After the 25% stock dividend which was paid on July 20, 1990, the holders of Convertible Preferred Class A may, at their option, convert such shares into 3.1625 shares of Common Class A stock of the Company upon payment of a conversion premium which shall be an amount equal to the earnings per share of common stock (Common Class A and Common Class B) 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 and 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 ₱28.18 a share in 2014.

b. Record Date and Share Ownership

Only holders of the Company's stock of record at the close of business on April 16, 2014, are entitled to notice of, and to vote at the Annual Stockholders' Meeting to be held on May 28, 2014. 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 directly or indirectly the record and/or beneficial owner of more than five percent (5%) of any class of the Company's outstanding capital stocks as of March 31, 2014:

Title of Class	Name, Address of Record Owner And Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Class A Common	PCD Nominee Corporation (Filipino), G/F MSE Bldg., Ayala Avenue, Makati City. (Stockholder)	(see note ¹)	Filipino	51,936,788	44.19%
	Palm Ave. Holding Company, Inc. 3F Universal Re-Building, 106 Paseo de Roxas, Makati City (Stockholder)	(see note ²)	Filipino	21,874,909	18.61%
	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	18.13%
	Palm Avenue Holdings Company and/or Palm Avenue Realty Corporation, Metro Manila, Philippines. Sequestered by the Republic of the Philippines thru PCGG under E.O. 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 Development Corp. and Palm Avenue Holdings Company c/o PCGG, IRC Bldg., #82 EDSA Mandaluyong City. (Stockholder)	(see note ²)	Filipino	10,278,125	08.74%
Class A Convertible Preferred	PCD Nominee Corporation (Filipino), G/F MSE Bldg., Ayala Avenue, Makati City. (Stockholder)	(see note ¹)	Filipino	59,933	27.61%
	Fairmount Real Estate c/o PCGG 6 th Floor, PhilComcen Bldg., Ortigas Avenue cor. San Miguel Avenue, Pasig City (Stockholder)	(see note ³)	Filipino	59,262	27.30%
Class B Common	PCD Nominee Corporation (Filipino), G/F MSE Bldg., Ayala Avenue, Makati City. (Stockholder)	(see note ¹)	Filipino	25,114,278	43.00%
	Palm Avenue Realty & Development Corporation, 3F Universal Re-Building, 106 Paseo de Roxas, Makati City (Stockholder)	(see note ²)	Filipino	14,560,000	24.93%
	PCD Nominee Corporation (Non-Filipino), G/F MSE Bldg., Ayala Avenue, Makati City. (Stockholder)	(see note ¹)	American	13,695,068	23.45%

Please note that: (a) Palm Avenue Holding Company, Inc. and Palm Avenue Holdings Company are one and the same corporation, and (b) Palm Avenue Realty and Development Corporation and Palm Avenue Realty Corporation are one and the same corporation.

The following are PCD's participants who hold more than five percent (5%) of any class of the

¹ PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares, instead the participants have the power to decide how the PCD shares in Benguet Corporation are to be voted.

² The Company is not aware of who is/are the direct or indirect beneficial owner/s of the stocks issued to Palm Avenue Holdings 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, Vice Chairman, President/CEO. On May 30, 2013 Annual Stockholders' Meeting of the Company, the Palm Companies issued a proxy in favor of its legal counsels, Atty. Otilia Dimayuga-Molo/Andrea Rigonan-Dela Cueva, to vote in all matters to be taken up in the stockholders' meeting.

³ Sequestered shares which is presently in trust by PCGG and the record owner of which is Fairmount Real Estate. The Company is not aware of who is/are the director or indirect beneficial owner/s of the stocks issued to Fairmount Real Estate.

Company's outstanding capital stocks as of March 31, 2014:

Title of Class	Name of PCD's Participants	Number of Shares Held	Percent of Class
Class A Common	Lucky Securities, Inc.	15,328,145	13.05%
	Maybank ATR Kim Eng Securities, Inc.	5,652,373	5.00%
Class A Convertible Preferred	Abacus Securities Corporation	39,758	18.32%
Class B Common	Lucky Securities, Inc.	16,196,667	20.87%
	Citibank N.A.	8,524,473	10.98%
	Maybank ATR Kim Eng Securities, Inc.	4,426,012	5.70%

- 2) Security Ownership of Management – As of March 31, 2014, below are information as to each class of securities of the Company beneficially owned by directors and officers. The Company is not aware of any indirect beneficial ownership of its directors and officers.

Title of Class	Name of Beneficial Owner	Citizenship	Amount and nature of beneficial ownership	Percent of Class
A	Benjamin Philip G. Romualdez	Filipino	23	0.000%
B			551	0.000%
A	Andres G. Gatmaitan	Filipino	152	0.000%
B			1	0.000%
A	Rogelio C. Salazar	Filipino	100	0.000%
B			100	0.000%
B	Isidro C. Alcantara, Jr.	Filipino	1	0.000%
A	Alberto C. Agra	Filipino	1	0.000%
A	Luis Juan L. Virata	Filipino	78,001	0.070%
B			23,200	0.030%
A	Daniel Andrew G. Romualdez	Filipino	7	0.000%
A	Maria Remedios R. Pompidou	Filipino	5	0.000%
B	Bernardo M. Villegas	Filipino	1	0.000%
A	Cesar C. Zalamea	Filipino	1	0.000%
A	Marcelo A. Bolaño	Filipino	19,163	0.016%
A	Roland P. de Jesus	Filipino	7,263	0.006%
A	Reynaldo P. Mendoza	Filipino	41,222	0.035%
A	Leopoldo S. Sison III	Filipino	31,702	0.027%
A	Ma. Mignon D. De Leon	Filipino	10,000	0.008%
A	Lina G. Fernandez	Filipino	38,022	0.032%
A	Max D. Arceño	Filipino	511	0.000%
A	Hermogene H. Real	Filipino	17,700	0.015%
B			100	0.000%

As a Group

Class A Convertible Preferred	Filipino	59,262 shares ⁴	27.302%
Class A Common	Filipino	53,703,737 shares ⁵	45.733%
Class B Common	Filipino	14,583,954 shares ⁶	18.790%

- 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 2012 and 2013, 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

⁴ Include 59,262 shares, the record owner of which is Fairmount Real Estate which is presently in trust by PCGG.

⁵ Include 10,278,125 and 21,306,830 sequestered shares, the record owners of which are Palm Avenue Holdings Company (PAHC) and/or Palm Avenue Realty Corporation (PARC) and presently held in trust by PCGG. Also included is 21,874,909 shares, the record owner of which is Palm Avenue Holding Co., Inc.

⁶ Include 14,560,000 shares, the record owner of which is Palm Avenue Realty and Development Corporation.

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 2013, 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 May 30, 2013 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 who are also the Nominees for election to the Board of Directors will continue to remain in office on holdover capacity until their respective successors are elected and qualified.

- A. **Directors / Nominees** - The respective ages, citizenships, period covered on present positions and attendance of the Board's meetings of herein named incumbent Directors of the Company who are

also the Nominees for election to the Board of Directors on May 28, 2014 Annual Stockholders' Meeting, are as follows:

Incumbent Directors / Nominees representing Holders of Common Class A and Convertible Preferred Class A Stocks:

Name	Age	Citizenship	Position	Period Served
Daniel Andrew G. Romualdez	54	Filipino	Chairman	Director since October 22, 2002 and elected to the Board as Chairman since July 21, 2011
Alberto C. Agra	51	Filipino	Independent Director	Since August 25, 2010
Maria Remedios R. Pompidou	47	Filipino	Director	Since October 25, 2000
Rogelio C. Salazar	78	Filipino	Director	Since August 25, 2010
Luis Juan L. Virata	60	Filipino	Director	Since August 18, 1995
Cesar C. Zalamea	84	Filipino	Director	Since October 9, 2013

Incumbent Directors / Nominees representing Holders of Common Class B Stock:

Name	Age	Citizenship	Position	Period Served
Benjamin Philip G. Romualdez	52	Filipino	Vice Chairman	Director since May 26, 1992 and elected to the Board as Vice Chairman since July 21, 2011
Isidro C. Alcantara, Jr.	60	Filipino	Director	Since November 14, 2008
Andres G. Gatmaitan	73	Filipino	Director	Since February 10, 1987
Bernardo M. Villegas	74	Filipino	Independent Director	Director since June 25, 1998 and appointed independent director since 2002

None of the incumbent directors or nominees for election to the Board of Directors on May 28, 2014 Annual Stockholders' Meeting of the Company are government employees. Certification attached as Annex "E" hereof.

Board of Directors' Attendance –The attendance of the Board for both regular and special meetings in 2013 is as follows:

	BOD Regular 01-17-13	BOD Regular 02-21-13	BOD Regular 03-22-13	BOD Regular 04-19-13	BOD Regular 05-30-13	BOD Orgnt'l. 05-30-13	BOD Regular 07-16-13	BOD Regular 08-23-13	BOD Regular 10-09-13	BOD Regular 11-08-13	Total Number Attendance
DAG Romualdez	x	x	x	x	x	x	x	absent	X	x	9
BPG Romualdez	x	x	x	x	x	x	x	x	X	x	10
AC Agra	absent	absent	absent	x	x	x	absent	x	X	absent	5
IC Alcantara, Jr.	x	x	x	x	x	x	x	x	X	x	10
AG Gatmaitan	x	x	x	absent	x	x	absent	x	absent	x	7
MRR Pompidou	x	x	x	x	x	x	x	absent	X	x	9
RC Salazar	x	x	x	x	x	x	x	x	X	x	10
BM Villegas	x	x	x	x	x	x	x	absent	X	x	9
LJL Virata	x	x	x	x	x	x	x	absent	X	absent	8
CC Zalamea*	-	-	-	-	-	-	-	-	-	x	1

(*) – Appointed as Director on October 9, 2013

The incumbent independent directors Messrs. Bernardo M. Villegas and Alberto C. Agra who are also the Nominees for election to the Board of Directors were nominated by Ms. Rebecca R. Rapisura and Ms. Herminia G. Albar, respectively, whom they have no relations and who are stockholders of the Company. They possess all the qualifications and none of the disqualifications for election or to serve as independent directors. Attached is their sworn certificate of qualifications marked as Annexes "C" and "D".

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.

There are no other nominees for election as director or independent director submitted to the Corporate Secretary. Pursuant to Article III, Section 1.1 of the Amended By-Laws of the Company provides that nomination shall be submitted in writing to the Corporate Secretary not later than forty five (45) days prior to the date of the meeting or on or before April 13, 2013.

The Nomination Committee determined that the Nominees possess all the qualifications and none of the disqualifications for election as director or independent director. The Committee is composed of three directors, namely: Mr. Benjamin Philip G. Romualdez as the Chairman and the members are Mr. Rogelio C. Salazar, director and Mr. Alberto C. Agra, independent director.

The brief descriptions of business experience for the past five years, period of services directorships in other companies, and the positions currently held of herein named incumbent Directors who are also the Nominees for election to the Board of Directors of the Company, are as follows:

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

DANIEL ANDREW G. ROMUALDEZ – Has been the incumbent Chairman of the Board of Directors since July 21, 2011 to present. He first became a Director of the Company by appointment on October 22, 2002 and has served as Vice Chairman of the Board of Directors (January 9, 2009-July 20, 2011). He is also the Chairman of the Property Development Committee of the Company, Trustee of Doña Remedios Trinidad Romualdez Medical Foundation Inc., and Dr. V. Orestes Romualdez (DVOR) Educational Foundation Inc. 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). Mr. Romualdez is a Registered Architect and Principal of Daniel Romualdez Architects, P.C. (August 1993-present).

ROGELIO C. SALAZAR - First became a Director of the Company appointment on August 25, 2010. He is a Member of the Audit Committee, Risk Management Committee and Stock Option Committee of the Company. He also holds, among others, the following positions: Concurrently President and Chief Executive Officer of Kamahalan Publishing Corporation and Kagitingan Printing Press, Inc. (1998-present) His experience in operations and management in Mining extends over 21 years with Atlas Consolidated Mining and Development Corporation (ACMDC) in various capacities in the operations as Foundry Superintendent (1966-1969), Metallurgical Division Manager (1969-1974), Asst. Vice President for Metallurgy (1969-1974), Asst. Vice President for Administration and Services (1977-1979), and in top management as President & Chief Executive Officer and as Board of Director (1989 – 1997). Formerly, he was President (1990-1992) and Director (1989-1997) of the Chamber of Mines of the Philippines; President/Chief Operating Officer and Director, International Container Terminal Services Inc. (February 1997-April 1998); President/Chief Executive Officer and Director (1983-1989), Executive Vice President (1981-1983) and Vice President (1979-1981) of Paper Industries Corporation of the Philippines (PICOP) and 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; General Manager-Steel Foundry Division, Engineering Equipment, Inc. (1963-1996); Production Superintendent-Porcelain Enameling Plant, and concurrent Head of Quality Control, Manufacturing Division, Inter-Island Gas Service, Inc. (April 1962-September 1963).

ALBERTO C. AGRA - First became an Independent Director of the Company by appointment on August 25, 2010. He is Chairman of Risk Management Committee, Member of the Executive Committee, Property Development Property Committee and Nomination Committee of the Company. He also holds, among others, the following positions: Independent Director of Balatoc Gold Resources Corporation (2012 to present) and Benguetcorp Nickel Mines, Inc. (2012 to present), President of Forensic Law and Policy Strategies, Inc. or Forensic Solutions (August 2010-present); Professor of Laws, College of Law, Ateneo de Manila University (November 1993-present [on leave, AY 2010-2011]); Ex-Officio Trustee, Board of Trustees of MWSS (March 2007-present). Formerly, he was Acting Secretary, Department of Justice (March 2010-June 2010); Acting Solicitor General,

Office of the Solicitor General (January 2010-June 2010); Government Corporate Counsel, Office of the Government Corporate Counsel, Department of Justice (March 2007-March 2010); and Chief Regulator, Officer-In-Charge, Regulatory Office of MWSS.

MARIA REMEDIOS R. POMPIDOU – First became a Director of the Company by appointment on October 25, 2000. She is the Chairman of BenguetCorp Laboratories, Inc., a wholly owned subsidiary of the Company (2013 to present) and member of Investment Committee of the Company. She also holds, among others, the following positions: Director of Redpalm Tree Realty & Development Corporation, Director of Perea Realty & Development Corporation; Chairperson of Sequioa Business Management Corporation; Trustee of Doña Remedios Trinidad Romualdez Medical Foundation Inc., Dr. V. Orestes Romualdez (DVOR) Educational Foundation Inc., and RTR Foundation for Scientific Research and Development Inc.; President/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.

LUIS JUAN L. VIRATA – First became a Director of the Company by appointment on August 8, 1995. He is a Member of the Investment Committee of the Company. He also holds, among others, the following positions: Chairman/Chief Executive Officer of CLSA Exchange Capital Incorporated; Chairman/President, Exchange Properties Resources Corporation (owner of Caylabne Bay Resort); President/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 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.

CESAR C. ZALAMEA - Has been a Director of the Company by appointment on October 9, 2013 in replacement of Mr. Dennis R. Belmonte, who resigned as Director effective October 8, 2013. Mr. Zalamea was a former Director of the Company and became Chairman of Benguet Corporation from 1984 to 1986. Currently, he is Chairman of Focus Range International Limited, a Hongkong based company. He is also special envoy to China.

DIRECTORS REPRESENTING HOLDERS OF COMMON CLASS B STOCK:

BENJAMIN PHILIP G. ROMUALDEZ - Has been the incumbent Vice Chairman of the Board of Directors since July 21, 2011 and President/Chief Executive Officer of the Company since June 25, 1998. He first became a Director of the Company on May 26, 1992 and elected to the Board as Chairman (August 8, 1995-October 22, 2002) / (January 9, 2009-July 20, 2011). He is the Chairman of the Executive Committee, Investment Committee, Nomination Committee and a Member of the Property Development Committee and Salary (Compensation) Committee of the Company. He is also the Chairman/CEO of Benguet Management Corporation (2009 to present); Chairman of Benguetcorp Nickel Mines, Inc. (2011 to present), Benguet Pantukan Gold Corporation (2011 to present); BenguetCorp International Limited (Hongkong) (1998 to present); and Vice Chairman of BenguetCorp Laboratories, Inc.(2012 to present) and Acupan Gold Mines, Inc. (2012 to present), the wholly owned subsidiaries of the Company. He also holds, among others, the following positions: President, Chamber of Mines of the Philippines (2004-present); Director of Philippine Chamber of Commerce & Industry (PCCI) (Dec. 4, 2009-present), PCCI Vice President-Industry (Jan. 2010-present), Chairman of PCCI Mining Committee (Feb. 2014-present), Oxford University and Cambridge University Club of the Philippines (Jan. 2006-present), and Philippine Mine Safety and Environment Association (2004-present); Trustee, Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1984-present) and Philippine-Australia Business Council (PABC) (2004-present); Trustee/Chairman and Vice President, Dr. Vicente Orestes Romualdez (DVOR) Educational Foundation, Inc. (1995-present); and Trustee/Treasurer, RTR Foundation for Scientific Research and Development Inc.

ANDRES G. GATMAITAN – First became a Director of the Company by appointment on February 10, 1987. He is also the Chairman of Salary (Compensation) Committee and Stock Option Committee and a Member of the Executive Committee, Audit Committee and Corporate Governance Committee of the Company. He also holds, among others, the following positions: Senior Counsel of SyCip Salazar Hernandez & Gatmaitan Law Office which is the outside counsel of the Company; Chairman, Convergys Services Philippines Corporation and JVS Asia, Inc.; President, United Holdings and Development, Inc., and St. Agen Holding, Inc.; Director, Benguetcorp Nickel Mines, Inc. (2011 to present) the wholly owned subsidiary of the Company, Suprallex Asia Ventures Corporation, Colgate Palmolive Philippines, Inc., Triumph International (Philippines) Inc., Maybank Philippines, Inc., JVS Worldwide, Inc., Star Performance Philippines, Inc., Unicharm Philippines, Inc., AMI 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 in 2002 up to present, although he has been a Director prior to the issuance of SEC Circular No. 16 dated November 29, 2002. He is also the Chairman of the Audit Committee and Corporate Governance Committee and a Member of the Salary (Compensation) Committee, Stock Option Committee, Investment Committee, Property Development Committee and Nomination Committee of the Company. He also holds, among others, the following positions: Independent Director of Benguetcorp Nickel Mines, Inc. (2012 to present), a wholly owned subsidiary of the Company; Director and Consultant, Insular Life, Transnational Diversified, Inc. (1998 to present); Member of the Boards of Dualtech Foundation (1998 to present); Director and Consultant of Alaska (1999 to present); and Columnist, Manila Bulletin (1964 to present). Formerly, he was Director of Makati Business Club (1981-2010); Director, Phinma Foundation (1995-2001); Director, Pilipinas Shell Foundation (1995-2001); Senior Vice President, University of Asia and the Pacific (2004-2006); Chairman, Center for Research and Communication (1995); President, Philippine Economic Society (1972-1974); Chairman, Department of Economics-De La Salle University Manila (1964-1969), 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).

ISIDRO C. ALCANTARA, Jr., - First became a Director of the Company by appointment on November 14, 2008. He is also a Member of the Executive Committee, Audit Committee, Risk Management Committee, Investment Committee, Property Development Committee and Corporate Governance Committee of the Company. He also holds, among others, the following positions: Director of the following subsidiaries of the Company: Benguetcorp Nickel Mines, Inc. (2012 to present); Benguet Management Corporation (2012 to present) and Balatoc Gold Resources Corporation (2009 to present); and President of Financial Risk Resolution Advisory, Inc. (2006 to present). Formerly, 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 previously worked with Bancom Finance Corporation, PCI Bank & Insular Bank of Asia & America- Bank of America Affiliate (1975 to 1981).

B. **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 the incumbent executive officers of the Company, and their respective ages, citizenship and positions as follows:

Name	Age	Citizenship	Present Position Held
Daniel G. Romualdez	54	Filipino	Chairman of the Board
Benjamin Philip G. Romualdez	52	Filipino	Vice Chairman, President & Chief Executive Officer

Bienvenido M. Araw II	67	Filipino	Senior Vice President, Project & Organization Development Officer
Marcelo A. Bolaño	65	Filipino	Senior Vice President, Engineering, Research & Project Development
Renato A. Claravall	62	Filipino	Senior Vice President, Chief Finance Officer
Reynaldo P. Mendoza	56	Filipino	Senior Vice President, Legal Services/Assistant Corporate Secretary
Lina G. Fernandez	49	Filipino	Vice President, Corporate Planning, Chief of Staff & Asst. Treasurer/Risk Management Officer
Leopoldo S. Sison III	55	Filipino	Vice President, Logistics Management
Roland P. de Jesus	66	Filipino	Vice President, HR & Administration/Compliance Officer
Ma. Mignon D. De Leon	55	Filipino	Vice President, Community Relations
Pablo Gabriel R. Malvar	47	Filipino	Vice President, Business Development
Nilo Thaddeus P. Rodriguez	46	Filipino	Vice President, Systems and Audit
Max D. Arceño	52	Filipino	Vice President, Accounting and Treasurer
Ana Margarita N. Hontiveros	46	Filipino	Vice President, Special Projects & concurrently President of Benguetcorp Laboratories, Inc.
Chuchi C. Del Prado	53	Filipino	Vice President, Human Resource & Administration
Valeriano B. Bongalos, Jr.	64	Filipino	Vice President & General Manager, Benguet District Operation
Pamela M. Gendrano	47	Filipino	Assistant Vice President, Environmental Compliance
Mary Jean G. Alger	43	Filipino	Assistant Vice President, Deputy Chief Finance Officer
Ma. Anna G. Vicedo-Montes	36	Filipino	Assistant Vice President, Deputy Head-Business Development
Hermogene H. Real	58	Filipino	Corporate Secretary

None of the incumbent executive officers of the Company are government employees. Certification attached as Annex "E" hereof.

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:

DANIEL ANDREW G. ROMUALDEZ has been the Chairman of the Board of Directors of the Company since July 21, 2011 to present.

BENJAMIN PHILIP G. ROMUALDEZ has been the Vice Chairman of the Company since July 21, 2011 to present. He is also President & Chief Executive Officer of the Company since June 25, 1998 to present.

BIENVENIDO M. ARAW II has been the Senior Vice President-Project & Organization Development Officer of the Company since March 17, 2010 to present. He also holds various positions and directorship to the following subsidiaries of the Company: Chairman/President of Berec Land Resources, Inc.; President & Chief Operation Officer of Balatoc Gold Resources Corporation; Vice Chairman of Benguetrade, Inc.; Director of Benguet Management Corporation, Acupan Gold Mines, Inc., Calhorr 1 Marine Services Corporation, Calhorr 2 Marine Services Inc., and Ex-Officio Member of Benguetcorp Nickel Mines, Inc. He also holds, among others, the following positions: Rehabilitation Receiver, Our Lady of Pilar Montessori Center (2003-present) and Philippine Appliance Corporation (2002-present). His previous employments include: Project Director-Medical Center Parañaque, Inc. (2002-2005); Senior Consultant, ZMG Ward Hawell (2008-2010); Chief Executive Officer-Davies Energy System Inc. (2007-2008); President and CEO-JP Latex Technology, Inc. (2004-2007); Management Consultant of 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); and Sales Engineer-Usiphil, Inc. (1969-1971).

MARCELO A. BOLAÑO has been the Senior Vice President-Engineering, Research & Project Development since February 17, 2012 to present. Prior to his present position, he was Senior Vice President for Mining and Technical Services (June 1998-February 2012). He also holds various positions and directorship to the following subsidiaries of the Company: President/COO of Pillar of Exemplary Consultants Inc. (1999- present); Chairman/President of Sagittarius Alpha Realty Corp. (1997-present); President of BC Property Management, Inc. (2011-present); Director/President of Benguet Pantukan Gold Corporation (2011-present); Director of Benguetcorp Nickel Mines, Inc. (2011-present), Balatoc Gold Resources Corp. (1998-present), Ifaratoc Mineral Resources Corp. (2009-present), Batong Buhay Mineral Resources Corporation (2011-present), Calhorr 1 Marine Services Corporation (2012-present), Calhorr 2 Marine Services Inc. (2012-present) and Benguetrade, Inc.. Formerly, he was Chairman/President, Benguetcorp Nickel Mines Inc. (2009-2011); President, Benguet Management Corporation; Director Kingking Copper-Gold Corp. (2009-2011); 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 (1993-1994); Assistant General Manager of Dizon Copper-Gold (Feb. 1993-Apr. 1993), Masinloc Chromite Operations (Feb. 1991-June 1991) & Kingking Copper-Gold Project (May 1993-June 1993); and Acting General Manager of Baguio Gold Operation (1992-1993). 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).

RENATO A. CLARAVALL has been the Senior Vice President-Chief Finance Officer of the Company since March 16, 2010 to present. He also holds various positions and directorships to the following subsidiaries of the Company: Chairman of Benguetrade, Inc.; Vice Chairman of Benguet Management Corporation (2012 to present); Director/Vice President & Treasurer of Keystone Port Logistics and Management Services Corporation (2013 to present) and Sagittarius Alpha Realty Corporation (2012 to present); Director/Treasurer of Benguet Pantukan Gold Operation, Acupan Gold Mines, Inc. (2012 to present); Ex-Officio Member & Treasurer of Benguetcorp Nickel Mines, Inc.; Director of Balatoc Gold Resources Corporation (2011-present), Berec Land Resources, Inc., (2011-present), BMC Forestry Corporation (2011-present), and Benguetcorp Laboratories, Inc. (2012-present). Mr. Claravall is a Senior Executive with a multi-faceted 39-year work experience primarily in financial services: Banking (commercial and investment) and Insurance. His previous employments include: Chief Financial Officer-Creative Hotel Concepts Group (2009-2010), President-MRC Allied Industries, Inc. (2008), General Manager-Value Gen Financial Insurance Company, Inc./BancLife Insurance Company, Inc. (2002-2008), Senior Vice President/Consultant – Export and Industry Bank (2001-2002), Officer-in-Charge – Bancorp 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).

REYNALDO P. MENDOZA has been the Senior Vice President for Legal of the Company since August 25, 2006 to present and Assistant Corporate Secretary (2002 to present). He is also Corporate Secretary of the following subsidiaries of the Company: Arrow Freight Corporation, BMC Forestry Corporation, Benguetrade, Inc., Sagittarius Alpha Realty Corporation, Benguet Pantukan Gold Corp., (1997 to present), Pillars of Exemplary Consultants Inc. (1996-present), Benguetcorp Nickel Mines, Inc. (2009-present), Balatoc Gold Resources Corp.(1998-present), Ifaratoc Mineral Resources Corp. (2009-present), Berec Land Resources, Inc. (2000- present), Benguet Management Corporation, Aqua de Oro Ventures Corporation, BC Property Management, Inc., Batong Buhay Mineral Resources Corporation, Keystone Port Logistics and Management Services Corporation. Formerly, he was Director of Jaime V. Ongpin Foundation (1996-2007). 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).

LINA G. FERNANDEZ has been the Vice President for Corporate Planning, Chief of Staff and Assistant Treasurer of the Company since August 25, 2006 to present. She is also Risk Management Officer (March 2011-present) and Chief of Staff and Assistant Treasurer (May 30, 2013-present) of

the Company. She also holds various positions and directorship to the following subsidiaries of the Company: Concurrent Acting President of Benguetcorp Nickel Mines, Inc. (2012-present); Director/Treasurer of Benguet Management Corporation; Director/Asst. Treasurer of Berec Land Resources, Inc., and Saguitarius Alpha Realty Corporation; Director of BC Property Management, Inc., Benguet Pantukan Gold Corporation, Batong Buhay Mineral Resources Corporation, and Keystone Port Logistics and Management Services Corporation (2013 to present); Treasurer of Benguetrade Inc., Arrow Freight Corporation, BMC Forestry Corporation, Aqua de Oro Ventures Corporation, and Balatoc Gold Resources Corporation. Formerly, she is Director of Benguetcorp Nickel Mines Inc. (2009-2011) and Kingking Copper-Gold Corp. (2008-2011).

LEOPOLDO S. SISON III has been the Vice President-Logistics Management of the Company since February 17, 2012 to present. Prior to his present position, he was Vice President for Project Planning & Business Development (2002-2012). He also holds various positions and directorship to the following subsidiaries of the Company: Concurrent President and Chief Operating Officer of Benguet Management Corporation; President of Benguetrade, Inc.; Chairman, Arrow Freight Corporation (1998-present); Director of Berec Land Resources Inc. (2005-present), Pillars of Exemplary Consultants Inc. (1999-present), BMC Forestry Corporation (1995-present), Calhorr 1 Marine Services Corporation (2012-present), Calhorr 2 Marine Services Inc. (2012-present). Formerly, he was Director, Benguetcorp Nickel Mines Inc. (2009-2011); President/General Manager of BMC Forestry Corporation (1995-1998) and Arrow Freight Corporation (1992-1995); President, Capitol Security and Allied Services, Inc. (1984-1985); Production Supervisor, CDCP-Systemas (1980-1983).

ROLAND P. DE JESUS has been the Vice President for HR and Administration of the Company since October 22, 2002 to present. He is also Compliance Officer of the Company; President of Aqua de Oro Ventures Corporation; Director, Ifaratoc Mineral Resources Corporation, Arrow Forwarding Corporation, and Ebarra Benguet Inc. Formerly, he was Chairman/Director of Benguet Ebara Real Estate Corporation and BEREC Land Inc.; Director, Personnel Evaluation Research & Testing; Assistant to the Vice President-Administration, Delta Motors Corporation; Seconded as Vice President-Administration, Air Manila International; and Senior Consultant of ABKJ Training Consultants, Inc.

CHUCHI C. DEL PRADO has been the Vice President-Human Resource and Administration, effective 01 April 2014. She will replace Mr. Roland P. de Jesus, Vice President-HR & Administration, whose retirement will take effect on August 31, 2014. Ms. Del Prado graduated with a degree in BS Business Administration from the University of Sto. Tomas (1982) with additional MBA on HR/Talent Management, Post Baccalaureate Program in HR Management from De la Salle – College of St. Benilde. She has been certified as Chartered Business Administrator (C.B.A.), a graduate-level professional certification granted by premier professional body based in Canada. Her previous work experiences include: Senior Project Consultant for HR and Organizational Development for Victorias Milling Company (VMC); Regional HR Manager and Compliance Officer for Asia, for Schweitzer-Mauduit International Inc. (2011-2013), Senior Manager for Learning Development and HR Services for Metro Drug Inc. (2009-2011); Senior Manager for HR and Business Development for Value Management Options, Inc – a private consultancy firm (2004-2009); Department Head, HR and Administration for Tupperware Philippines, Inc.; Corporate Manager for HR, Administration and Special Projects for Luen Thai International Group (Philippines, Hongkong, China and USA).

MA. MIGNON D. DE LEON has been the Vice President for Community Relations of the Company since May 29, 2012 to present. Prior to her present position, she was Vice President for Benguet District Administration and Property Management (October 22, 2002 – May 28, 2012). She is also Director of the following subsidiaries of the Company: BC Property Management, Inc. Aqua de Oro Ventures Corporation, BMC Forestry Corporation and BenguetCorp. Laboratories, Inc., Benguetrade, Inc., and Irisan Lime Operations, Inc. Formerly, she was Board Member (Management Representative) to the Regional Tripartite Wages and 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, Province of Benguet (2005 – 2010); Past Chairman (1984-1995) and Current Adviser (1996 – present) to the Regional Mining Industry Training Board – Technical Working Group of the Cordillera Administrative Region; Past President (1989-1993) and

Current Adviser (1994-present) to the People Management Association of the Philippines , Baguio-Benguet Chapter; Board Member, Benguet Province Visitor's Bureau (2008-2009); Past President of the Benguet Provincial Tourism Council (2001-2006); and Past Chairman of the Cordillera Tourism Council (2006-2008). At present, she is the Large Scale Mining Representative appointed by the Chamber of Mines to the Provincial Mining Regulatory Board of the Province of Benguet.

PABLO GABRIEL R. MALVAR has been the Vice President for Business Development of the Company since February 20, 2012 to present. He is also a Director of the following subsidiaries of the Company: Benguet Management Corporation and Benguetcorp Laboratories, Inc. Mr. Malvar has a BA in Economics from Ateneo de Manila University (1990) and finished MS in Industrial Economics at the University of Asia and the Pacific (1992). He was awarded the Chartered Financial Analyst (CFA) distinction by the Association for Investment Management and Research, based in Charlottesville, Virginia (2000). He attended the "E-valuation: Maximizing the Value of Internet Ventures" Executive Education Program of Columbia Business School (2000). His previous work experiences include: Forecast Manager/ Marketing and Customer Finance Manager/Senior Accountant/Internal Control Steward, The Procter & Gamble Manufacturing Company in Australia, July 2006–October 2009; Global Bundle Finance Manager, The Procter & Gamble Manufacturing Company in U.S.A.; Senior Investment Analyst, Clarion Capital in Thailand, January 1997-November 1998; Research Manager, Kim Eng. Securities, Philippines, May 1994-December 1996; and Research Manager/Economist, Center for Research and Communication, Philippines, December 1992-May 1994.

NILO THADDEUS P. RODRIGUEZ has been the Vice President for Systems and Audit of the Company since July 1, 2012 to present. He is also a Director of Keystone Port Logistics and Management Services Corporation, a wholly owned subsidiary of the Company. Mr. Rodriguez is a Certified Public Accountant. He graduated with a degree in Business Administration and Accountancy from the University of the Philippines- Diliman (1990) and also holds a Master's Degree in Business Management from the Asian Institute of Management (1996). His previous work experiences include: Global Service Delivery Lead-Project Matterhorn and Cluster Site Lead for F&A projects located at Eastwood (Accenture Philippines, June 2011-June 2012); Regional Manager-Finance, Asia-Pacific (Delta Airlines, February 1999-April 2011); Executive, Corporate Finance (SGV & Co., December 1996-January 1999); Chief Finance Officer (Cornerstone Builders, Inc., November 1992-June 1994).

MAX D. ARCEÑO has been the Vice President for Accounting and Treasurer of the Company since March 1, 2013 to present. He was formerly Assistant Vice President for Treasury (July 2011-February 2013) prior to his promotion on March 1, 2013. He is also concurrent Treasurer of Benguetcorp Laboratories, Inc. (Feb. 2013 to present) and a member of the board of directors of Saguitarius Alpha Realty Corporation. Mr. Arceño graduated from the University of the East (Batch 1983) with a degree in BSBA-Accounting and passed the board examination for Certified Public Accountant in 1984. He joined the Company in 1985 as Accounting Staff I, where he rose from the ranks.

ANA MARGARITA N. HONTIVEROS has been the Vice President for Special Projects of the Company and concurrently President of Benguetcorp Laboratories, Inc., since January 16, 2013 to present. She graduated with a degree in BS Legal Management from the Ateneo De Manila University (1988). Her previous work experiences include: Senior Assistant Vice President, Marketing (Republic Surety and Insurance Co., Inc., March 2010-January 2013); Consultant (Lapanday Group of Companies, 2005-2007); Manager (Bulgari Philippines, Jan. 2000-2005); Chief Operating Officer (World Partners Finance Corporation/World Partners Insurance Brokerage Corporation, Sept. 1997-1998); Vice President (Macondray Finance Corp. (MFC) (Lapanday Group), Oct. 1991-1996); President (People's Credit Network Inc. (Subsidiary of MFC), Oct. 1991-1996); Senior Manager (First Active Capital Corporation, 1990-1991); Senior Officer (First Active Capital Corporation, 1990-1991); and Marketing Officer (Urban Bank, April 1988-1990).

VALERIANO B. BONGALOS, JR., has been the Vice President and General Manager of Benguet District Operation of the Company since July 16, 2013 to present. He is also a member of the board of directors of Saguitarius Alpha Realty Corporation and Benguet Pantukan Gold Operation, both subsidiaries of the Company. His previous work experiences include: He worked with Benguet Corporation in 1978-1980 and in 1984-1992 as Mine Manager of Benguet Gold

Operation; Vice President for Operations and Resident Manager, Apex Mining Co., Inc. (May 2010-July 2011); Mine Manager, Phuoc Son Gold Company, Ltd., Quang Nam, Vietnam (November 2006-July 2009); Mine Planning Manager, Ban Phuc Nickel Mines in Hanoi, Vietnam (March to June 2006); Mine Superintendent, Lepanto Consolidated Mining Company (1999-2001); Tunnel Superintendent, San Roque Multipurpose Dam (1998); Mine Manager, Base Metal Mineral Res. Corp. (1996-1997); Project Manager, Ground Specialist, Inc.-Contractor (1994-1995); Drilling & Blasting Engineer, Al Dhary International Group in Tabuk, Saudi Arabia (1993-1994); Senior Assistant Mining Engineer, Zambia Consolidated Copper Mines (Underground Copper Mine) in Zambia, Africa (1980-1983); Project Engineer, Argonaut Mineral Exploration (1975-1978); and Shift Foreman, Long Beach Mining Corporation (1974). Mr. Bongalos is a BS Mining Engineering graduate of Mapua Institute of Technology (1973). He obtained his Mining Engineering license in 1974. He completed the Management Development Program at AIM in 1987.

PAMELA M. GENDRANO has been the Assistant Vice President for Environmental Compliance since February 20, 2012 to present. Ms. Gendrano is a graduate of MS in Environmental Studies and Community Development from the University of the Philippines at Los Baños (1992). She is also a graduate of BS in Forestry (1988) from the same university. Her previous work experiences include: Freelance Environment Consultant (2008-2011); Technical Operations Manager/Senior Environment Management Specialist (GEOSPHERE Technologies, Inc., (2005-2008); Technical Operations Manager (Geographic Management Services Company (2002-2004); Senior Project Officer (BOI, JICA Study in Environmental Management w/ Public and Private Ownership (2002); Environment Management Specialist (Tetra Tech. Environmental Management, Inc. (1999-2001); EIA/IEE Consultant (1999); Project/Program Evaluator, Philippine-Canada Development Fund (1999); Section Chief, Strategic Coordination and Special Projects Section, DENR/EMB (1994-1999); Project Officer, Institute of Environment Science and Management-CIDA/Research Associate, UPLB-College of Forestry-JICA (1991-1995); Research Forester, DENR-Policy Planning Division (1987).

MARY JEAN G. ALGER has been the Assistant Vice President, Deputy Chief Finance Officer since January 16, 2013 to present. She is also the Assistant Treasurer of BenguetCorp Laboratories, Inc., a wholly owned subsidiary of the Company. Ms. Alger is a graduate of BC Business Economics from the University of the Philippines (1991). Her previous work experiences include: Assistant Vice President-Corporate Planning (Basic Energy Corporation, July 2007-January 2013); Investment Officer (ValueGen Financial Insurance Company, Inc. & Banclife Insurance Corporation, October 2002 to July 2007); Held position on consultant basis and concurrently Assistant Vice President (Corporate Financial Advisors, Inc., March 2001 to November 2004); Deal Manager (New Millennium Investment Corporation, March 1999 to January 2001); Financial Analyst-Credit Department (Petron Corporation, November 1991 to December 1996).

MA. ANNA G. VICEDO-MONTES has been the Assistant Vice President, Deputy Head- Business Development) since February 18, 2013 to present. She is a graduate of BS Business Economics from the University of the Philippines (Batch 1999). Her previous work experiences include: Corporate Planning Manager, (ABS-CBN Corporation, 2007-2012); Strategic Planner, Manager-Sales and Product Application, Trade Promotions and Relations Manager-Food Service Marketing, (San Miguel Pure Foods Company, Inc., 2003-2007); Account Manager, (Central, Hongkong); Senior Team Leader, (The Thomson [Philippines] Corporation – Banking and Brokerage, 1999-2003).

HERMOGENE H. REAL has been the Corporate Secretary of the Company since October 25, 2000 to present. She is also Director of Philippine Collectivemedia Corporation (2008 to present); Corporate Secretary of Universal Re Condominium Corporation (1997 to 2009, 2010 to present); Assistant Corporate Secretary of Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1996 to present), Benguetcorp Nickel Mines, Inc. (2009 to present), and Bright Kindle Resources and Investment Inc. [formerly Bankard Inc.] (present); and Practicing Lawyer, D.S. Tantuico and Associates (1998 to present). She previously held the following positions: Chairman of the Board and President, Philippine Collectivemedia Corporation (2008 to 2010); Corporate Secretary, Trans Middle East Phils. Equities, Inc. (1996 to 2006); and Assistant Corporate Secretary, Equitable PCI Bank, Inc. (2005-2006).

Significant Employees - Other than the executive officers, other employees are expected by the Company to make significant contribution to the business.

Family Relationship - Except with respect to Benjamin Philip G. Romualdez, Daniel Andrew G. Romualdez and Maria Remedios R. Pompidou, who are siblings, no other relationship within the third degree of consanguinity or affinity exists between and among the executive officers and directors of the Company.

Involvement in Certain Legal Proceedings - The Company is not aware of any bankruptcy proceeding against any of its directors and officers during the past five years. Neither is the Company aware of any conviction by final judgment in any criminal proceeding, or the involvement, of any of its directors or officers, in any case where such officer or director has been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, including those connected with securities trading, investments, insurance or banking activities.

Certain Relationship and Related Transactions - Related party transactions are included in Note 34 in the 2013 Consolidated Financial Statements of the Company and its Subsidiaries which are stated as follows:

- a. On December 6, 2010, the Company and Berc Land Resources Inc. (BLRI) a wholly owned subsidiary, signed an Agreement for the management of the operation of the Acupan Gold Project (AGP). Under the management contract, BLRI will provide the necessary technical and financial assistance to expand the production capacity of AGP to 300 tons per day in exchange for a management fee based on the net operating profit of AGP. BLRI also leases its equipments to the AGP mining operations.
- b. On August 8, 2011, Benguetcorp Nickel Mines, Inc. (BNMI), a wholly owned subsidiary, appointed the Parent Company as its exclusive agent with a marketing fee of \$5 per ton of nickel ore shipped, inclusive of Value Added Tax (VAT). Prior to the marketing agreement, the Company and BC had an operating agreement.

In addition, please refer also to Note 28 of the 2013 Consolidated Financial Statements of the Company and its Subsidiaries

Aside from the above, there are no other transactions or proposed transactions during the last two years in which the registrant or any director or executive officers, any nominee for election as director, any security holder or member of their immediate families, is a party and the amount of which exceeds P500,000.00. None of the directors, officers or affiliates of the Company, or beneficial owner of more than 10% of any class of voting securities of the Company, or any associate of any such director or security holder, or any of its subsidiaries, has a material interest adverse to the Company or any of its subsidiaries.

Parent Company

Benguet Corporation has no parent company.

Resignation of Director/Officer or Demise of Officer

No incumbent director has resigned or declined to stand for re-election to the board of directors due to disagreement with Management since the date of the last annual meeting.

The following officer and director of the Company cited personal reasons for their resignation: Mr. Randolph B. Afidchao, Vice President-Benguet District Operation resigned effective April 1, 2013 and Mr. Dennis R. Belmonte, Director resigned on October 8, 2013 but remained as Senior Consultant to Management. Mr. Salvador P. Pabalan, Senior Vice President-Audit demised on January 3, 2013.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

1. Summary Compensation - The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the Chief Executive Officer and four other most highly compensated executive officers of the Company are as follows:

<u>Name</u>	<u>Principal Position</u>
1. Benjamin Philip G. Romualdez	President & Chief Executive Officer
2. Renato A. Claravall	SVP, Chief Finance Officer
3. Bienvenido M. Araw	SVP, Project & Organization Development Officer
4. Pablo Gabriel R. Malvar	VP, Business Development
5. Reynaldo P. Mendoza	SVP, Legal Services

	Year	Salary (In-Million)	Bonus (In-Million)	Other Annual Compensation
All above-named officers as a group	2014*	₱40.3	₱5.0	₱0.7
	2013**	40.0	7.8	0.7
	2012**	35.0	7.9	0.2
All other directors and officers as a group unnamed	2014*	49.6	6.2	3.1
	2013**	50.6	6.4	3.1
	2012**	41.1	7.6	1.1

(*) - Estimate (**) – Actual

There are no arrangements with any officer or director for payment of any amount or bonus other than the regular salary or per diem for attendance of board meetings. Neither was there any compensatory plan or arrangement concerning or resulting from the resignation, termination of employment of any officer or from a change-in-control in the Company and no amount exceeding ₱2,500,000 is involved, which is paid periodically or installments. The provisions of the Company's Personnel Policy Manual govern the terms and conditions of employment, benefits and termination.

- 2. Compensation of Directors** - Directors receive per diems of ₱15,000.00 (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.

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 2012, there was no amount set aside for payment of bonuses in accordance with the Plan.

Retirement Plan

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.

- 3. Warrants and Options Outstanding** - Since 1975, the Company has a Stock Option Plan (the "Plan") for its selected staff employees, directors and consultants and its subsidiaries. The purpose in granting options are: (1) to encourage stock ownership in the Company, and thereby generate an

interest in the Company and its subsidiaries, (2) to promote its affairs, and (3) to encourage its staff employees, directors and consultants to remain in the employ of the Company. The Plan had been amended several times. The latest amendment was approved by the Board of Directors on March 23, 2012 and by the stockholders of the Company on May 29, 2012, extending the termination date of granting stock options for another five (5) years or until May 31, 2018.

In the current implementation of the Plan, the Company granted the following stock options:

a. On April 6, 2006, under the Plan, the Company granted a stock option of 7,004,000 common shares (consisting of 4,202,400 class "A" common shares at an exercise price of ₱8.50 per share and 2,801,600 class "B" common shares at an exercise price of ₱29.07 per share) to qualified participants. These shares are exempted from registration under SEC's Resolution No. 084 dated March 31, 2008 and the listing was approved by the PSE. As of April 6, 2010, 100% of the stock option is exercisable by the optionees. The 7,004,00 shares granted to optionees came from the remaining reserved shares of 7,926,454 under the Plan, leaving a balance of 922,454 shares available for grant of options in the future.

As of March 31, 2014, the number of options granted to, exercised, and unexercised by the following officers, directors, consultants and managers is set forth in the following tables:

	Option Grants		Option Exercise Price/Share		Options Exercised		Options Unexercised		Options Cancelled (Due to resignation, retirement, death and retrenchment)	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
BPG Romualdez, Pres/CEO	120,000	80,000	₱8.50	₱29.07	-	-	120,000	80,000	-	-
Four Highest Paid Named Executive Officers:										
RA Claravall	-	-	-	-	-	-	-	-	-	-
BM Araw	-	-	-	-	-	-	-	-	-	-
PGR Malvar	-	-	-	-	-	-	-	-	-	-
RP Mendoza	79,200	52,800	₱8.50	₱29.07	39,600	-	39,600	52,800	-	-
All Executive Officers & Directors as a Group Unnamed	1,065,600	710,400	₱8.50	₱29.07	614,920	19,200	289,400	484,800	161,280	148,800
All Consultants and Managers as a Group Unnamed	2,937,600	1,958,400	₱8.50	₱29.07	1,480,280	-	87,880	921,600	1,369,440	1,036,800
Total	4,202,400	2,801,600			2,134,800	19,200	536,880	1,539,200	1,530,720	1,243,200
Less: Options Awarded on May 3, 2011									1,320,199	880,133
Total Options Cancelled-Net									210,521	363,067

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. Shares included in each installment may be exercised in whole at any time, or in part from time to time, until the expiration of the option. All shares purchased shall be paid in full, in cash, at the time of the exercise of the option. No option is exercisable after ten years from the date of the grant.

b. On May 3, 2011, under the Plan, the Company granted stock option to officers, directors, managers and consultants of the Company. The option grants of 2,200,332 common shares (consisting of 1,320,199 class "A" common shares at an exercise price of ₱16.50 per share and 880,133 class "B" common shares an exercise price of ₱17.50 per share) came entirely from the unissued/cancelled stock options of 2,404,320 common shares of optionees who have been separated from the Company under the previous implementation of the Plan. These unissued/cancelled shares came from the option grants of 7,004,000 common shares granted on April 6, 2006 stock option award, which shares are exempted from registration under SRC rules and the listing was approved by the PSE.

As of March 31, 2014, the number of options granted to, exercised, and unexercised by the following officers, directors, consultants and managers is set forth in the following tables:

	Option Grants		Option Exercise Price/Share		Options Exercised		Options Unexercised		Options Cancelled (Due to resignation, retirement, death & retrenchment)	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
BPG Romualdez Pres/CEO	No Options Granted									
Four Highest Paid Named Exe. Officers:										
RA Claravall	36,000	24,000	₱16.50	₱17.50	-	-	36,000	24,000	-	-
BM Araw	36,000	24,000	16.50	17.50	-	-	36,000	24,000	-	-
PGR Malvar	-	-	-	-	-	-	-	-	-	-
RP Mendoza	36,000	24,000	16.50	17.50	-	-	36,000	24,000	-	-
All Officers & Directors as a Group Unnamed	453,200	302,133	₱16.50	₱17.50	12,600	8,400	380,600	253,733	60,000	40,000
All Consultants and Managers as a Group Unnamed	758,999	506,333	₱16.50	₱17.50	30,000	19,885	689,999	460,115	39,000	26,000
Total	1,320,199	880,133			42,600	28,285	1,178,599	785,848	99,000	66,000
Add: Total Net Cancelled awarded on April 6, 2006									210,521	363,067
Grand Total Cancelled									309,521	429,067

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. Shares included in each installment may be exercised in whole at any time, or in part from time to time, until the expiration of the option. All shares purchased shall be paid in full, in cash, at the time of the exercise of the option. No option is exercisable after ten years from the date of the grant.

c. On September 7, 2012, under the amended Plan, the Company granted stock option to officers, directors/members of the stock option committee and independent directors. The option grants of 828,000 common shares (consisting of 496,800 class "A" common shares at an exercise price of ₱17.96 per share and 331,200 class "B" common shares an exercise price of ₱17.63 per share). The stock option grants will be sourced from future and current balance of unissued / cancelled stock options under the present implementation of the Plan.

The total unissued / cancelled stock options of optionees as of July 31, 2013 totaled to 624,988 common shares exempted from registration under SEC Resolution No. 084 dated March 31, 2008 and the listing was likewise approved by the Philippine Stock Exchange (PSE). Out of the unissued / cancelled 624,988 common shares, 624,000 common shares (consisting of 374,400 class "A" and 249,600 class "B" shares) was allocated to officers, directors/members of the stock option committee and independent directors and the balance to be sourced from future issuance of shares under the Plan.

As of March 31, 2014, the number of options granted to, exercised, and unexercised by the following officers, directors, consultants and managers is set forth in the following tables:

	Option Grants		Option Exercise Price/Share		Options Exercised		Options Unexercised		Options Cancelled (Due to resignation, retirement, death & retrenchment)	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
BPG Romualdez Pres/CEO	180,000	120,000	₱17.96	₱17.63	-	-	180,000	120,000	-	-

Four Highest Paid Named Exe. Officers:											
BM Araw	-	-	-	-	-	-	-	-	-	-	-
RA Claravall	-	-	-	-	-	-	-	-	-	-	-
PGR Malvar	-	-	-	-	-	-	-	-	-	-	-
RP Mendoza	-	-	-	-	-	-	-	-	-	-	-
All Officers & Directors as a Group Unnamed	194,400	129,600	₱17.96	₱17.63	-	-	194,400	129,600	-	-	-
All Consultants and Managers as a Group Unnamed	-	-	-	-	-	-	-	-	-	-	-
Total	374,400	249,600	₱17.96	₱17.63	-	-	374,400	249,600	-	-	-

Under the amended Plan, options are non-transferable and are exercisable to the extent of 30% after one year from the grant, 60% after two years from the grant, and 100% after three years from the grant. Shares included in each installment may be exercised in whole at any time, or in part from time to time, until the expiration of the option. No option is exercisable after ten years from the date of the grant. Payment may be made in full and in cash or installment over three years, at the time of the exercise of the option, provided that the stock certificate shall be issued only upon full payment of the option price.

As of March 31, 2013, 1,037,042 common shares are available for grant of options in the future. These shares came entirely from the remaining reserved common shares of 922,454 and 114,588 common shares of optionees who have been separated from the Company under the previous implementation of the Plan.

The Stock Option Committee of the Company is composed of three directors chaired by Mr. Andres G. Gatmaitan and the members are: Mr. Rogelio C. Salazar, director and Mr. Bernardo M. Villegas, independent director.

INDEPENDENT PUBLIC ACCOUNTANTS

The Company's independent public accountants, Sycip Gorres Velayo and Company (SGV) was re-appointed by the Board of Directors and approved/ratified by the stockholders of the Company on May 29, 2012 and May 30, 2013, respectively. Audit services of SGV for the calendar year ended December 31, 2013 included the examination of the parent and consolidated financial statements of the Company, assistance in the preparation of annual income tax return and other services related to filing of reports made with the Securities and Exchange Commission (SEC).

The Company is in compliant with SRC Rule 68, paragraph (3)(b)(iv) requiring the rotation of external auditors or engagement partners who have been engaged by the Company for a period of five (5) consecutive years. The engagement partner who conducted the audit for Calendar Years 2012 and 2013 is Mr. Jaime F. Del Rosario, an SEC accredited auditing partner of SGV. This is Mr. Del Rosario's second year as engagement partner for the Company. There has been no event occurred where SGV and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

For the last two fiscal years, the aggregate audit fees inclusive of VAT and out-of-pocket expenses billed by SGV & Company are ₱4.7 million for 2013 and ₱4.5 million for 2012. For year 2013, the Company engaged the services of SGV in handling the BIR tax investigation of the Company for taxable year 2009. The fees for this engagement is ₱1.8 million exclusive of VAT. There are no other services rendered by the external auditor other than the usual audit services as mentioned above.

Prior to the commencement of audit work, the external auditor presented their program and schedule to the Company which included discussion of issues and concerns regarding the audit work to be done. The external auditor presented to the Audit Committee the audited financial statements of the Company for the year for approval and endorsed to the full Board for final approval prior to release/issuance by the external auditor.

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.

The Audit Committee of the Company is composed of four directors chaired by an independent director, Mr. Bernardo M. Villegas and the members are: Messrs. Andres G. Gatmaitan, Isidro C. Alcantara, Jr., and Rogelio C. Salazar.

C. ISSUANCE AND EXCHANGE OF SECURITIES

AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

On August 23, 2013, the Company's Board of Directors approved the private placement of RYM Business Management Corporation (RBMC) where RBMC to infuse additional capital of up to ₱250 Million in exchange for equivalent number of shares (27,777,777 common shares) of the Company at the mutually agreed price of ₱9.00 for both Class A and Class B shares. The additional capital will be used to augment the working capital of existing mining operations.

The subscription or placement is divided into two transactions. The first part of the transaction was fully paid by RBMC the amount of ₱162 Million on September 20, 2013 upon execution of the Stock Subscription Agreement, where RBMC to acquire 18,000,000 common shares (consisting of 7,169,003 Class A and 10,830,997 Class B common shares). The securities sold came entirely from the unissued capital stock of the Company which have been previously registered with the Securities and Exchange Commission (SEC) on September 20, 1989 per SEC-BED Order No. 748, Series of 1989. The sales are exempted from the registration requirements under SEC Memorandum Circular No. 9, Series of 2008 and the required Notice of Exempt Transaction under SEC Form 10.1 was filed by the Company with the SEC. The shares were likewise listed in the Philippine Stock Exchange.

The work program for the projected first transaction of the private placement amounting to ₱162 million shall be disbursed/used as follows:

- A. ₱25 Million – as capital costs in establishing Taytay Branch of BenguetCorp Laboratories, Inc. (BCLI), a wholly owned subsidiary of the Company providing outpatient medical and laboratory services which was opened in December 2013. Taytay Branch is equipped with state of the art facilities which offer various laboratory diagnostic services, primary and specialty clinics. BCLI currently operates four full-fledged tertiary multi-specialty facilities: two clinics in Baguio City under the trade name Benguet Laboratories, MedCentral in San Fernando, Pampanga and Taytay Branch in Taytay, Rizal.
- B. ₱48 Million – to purchase various mining equipment for the gold mining operation [Acupan Gold Project (AGP)] of the Company such as: 2 units LHD Loader, 2 units Air Compressor, 1 unit Mini Loader, 1 unit Mini Dump Truck, 30 units Rockdrills, and 15 units Transformer. AGP is an underground gold mining operation in Itogon, Benguet Province. Mine development is currently expedited to access additional mineable reserve from the available original reserves of Acupan. Mining process was changed to a combination of vein and bulk mining from the completely vein mining, when it started mining at the GG located at the rear of the Acupan Plug on level 2000L to 1500L. AGP increased its level of operations and expected to operate consistently on the levels of 650 to 700 ounces of gold production per month given the support in spare parts and equipment supply. The mine development entails more mining equipment and transforming the mining activity into a more mechanized operation.
- C. ₱89 Million - as capital costs for the Greater Acupan Surface Drilling Project. The Greater Acupan Drilling Project was designed to probe the GW breccia mineralization within Acupan to validate the extent of the Company's gold resources. This is apart from the vein-type mineralization the Company is currently mining. Breccia ores uncovered by the Greater Acupan Project (GAP) drilling may be fed into the Acupan Gold Project (AGP) mill but it will be GAP which will be a bigger mining and milling operations in the future which is envisioned to be at about 1,000 to 2,000 tpd production level.

The dividend rights/restrictions and voting rights of the Company's Convertible Preferred, Common Class A and Common Class B stocks is contained in the Amended Articles of Incorporation of the Company, to wit:

"For a period of ten years after issuance, the holders of each shares of Convertible Preferred Stock shall be entitled to receive out of surplus profits of the Corporation earned after issuance of such Stock, when and as declared by the Board of Directors, cash dividends equal to the peso amount of and payable at the same time as that declared on each share of Common Class A or Common Class B Stock. The total cash dividends payable at any given time on Common Class A, Common Class B and Convertible Preferred Stock shall not exceed seventy-five percentum (75%) of the total after-tax earnings for any current fiscal year of the Corporation from all sources.

Immediately upon the expiration of ten years from issuance, the holders of shares of Convertible Preferred Stock still outstanding shall be entitled to receive out of surplus profits of the Corporation, when and as declared by the Board of Directors, cash dividends at the fixed annual rate of eight percentum (8%) of the par value of such Stock before any cash dividends shall be declared or set apart for holders of Common Class A and Common Class B Stock. The balance of the net profits of the Corporation available for cash dividends shall be distributable exclusively to holders of Common Class A and Common Class B Stock. Dividends accrued and unpaid, if any, on the Convertible Preferred Stock at the end of any given fiscal year of the Corporation shall be cumulated, provided and to the extent that the net profits of the Corporation earned during such fiscal year are at least equal to the amount of such accrued and unpaid dividends; no cash dividends shall be declared and paid to holders of Common Class A and Common Class B Stock until after such accumulated, accrued and unpaid dividends on the Convertible Preferred Stock shall have been paid or provision for payment thereof made.

Holders of Convertible Preferred Stock shall not be entitled to any part of stock dividends declared and issued on outstanding Common Class A and Common Class B and no stock dividends may be declared and issued on Convertible Preferred Stock."

Holders of Common Class A and B Stocks of the Company has the same voting rights except each share of Convertible Preferred Stock shall, in all shareholder meetings and on all corporate matters, including the election of directors, have one vote for each full share of Common Class A Stock into which such share of Convertible Preferred Stock is, at the time of such shareholders' meeting, then convertible.

The second transaction shall be in the form of an option for RBMC to subscribe to 9,777,777 common shares out of the new capital increase and to be effective when the Company obtained approval of the increase of its Authorized Capital Stock in the next stockholders' meeting on May 27, 2014 or its resetting date as the case may be. As additional feature, RBMC is entitled to a warrant to subscribe to additional shares at the ratio of one share for every two shares subscribed under the Second Transaction of up to a maximum of 4,888,888 shares, at the price of ₱9.50 per share. However, RBMC is given the discretion and option to decide whether the second transaction shall take the form of a warrant depending on share price. As of now, there is no subscription agreement or warrant instrument executed b the parties.

The Company has 12 months from date of full payment to issue and deliver to RBMC the equivalent common shares and within the same period, the Company shall cause the approval of the increase of its Authorized Capital Stock and registration of the shares with the SEC and the listing of the shares at the PSE. The parties may agree in writing to extend the foregoing periods in both transactions to allow the capital increase to be approved and the shares to be registered and listed.

To accommodate the second transaction of the private placement, there is a need to increase the authorized capital stock of the Company and the corresponding amendments of Article Seventh of the amended Articles of Incorporation and Article I, Section 1, of the amended By-Laws of the Company.

FINANCIAL AND OTHER INFORMATION

The Company has incorporated by reference the following as contained in the Management Report (Annex "A") in accordance with Rule 68 of the Amended Rules and Regulations of the Securities Regulation Code (SRC):

1. Management Report containing Management's Discussion and Analysis of Financial Position and Results of Operations for 2013 compared to 2012 and 2011, Market Price of and Dividends of the Company's Common Equity and Compliance of Leading Practices on Corporate Governance of the Company; and
2. Audited Consolidated Financial Statements for 2013 with Management's Responsibility for Financial Statements.

D. OTHER MATTERS

ACTION WITH RESPECT TO REPORTS

As a matter of corporate policy, Management seeks the approval/ratification by the stockholders of the following which will be considered and acted upon in the meeting:

1. Minutes of the 2013 Annual Stockholders' meeting with the following items:
 - a) Approval of the Minutes of the 2012 Annual Stockholders' Meeting;
 - b) 2012 Annual Report;
 - c) Approval of the amendments to the existing Amended Stock Option Plan; and
 - d) Approval/ratification of all acts, contracts, investments, resolutions and proceedings made and entered into by Management and/or the Board of Directors since the June 29, 2011 Annual Stockholders' Meeting.

BRIEF SUMMARY OF MINUTES OF MAY 30, 2013 STOCKHOLDERS' MEETING

1. Date / Venue: The Annual Meeting of the Stockholders of the Company was held on 30 May 2013, 3:00 p.m. at Fairways Dining Room, Manila Golf and Country Club, Inc., Harvard Road, Forbes Park, Makati City.
2. Quorum Present: The Corporate Secretary certified that there is a quorum for the transaction of business, there being present in person or represented by proxy 110,041,752 shares or 61.92% of the outstanding capital stock of the Company.
3. Matters Taken Up:

1. Quoted below is the report of the Company's President to the stockholders present during the annual meeting, to wit:

"Mr. Chairman, Members of the Board of Directors, Fellow shareholders, Ladies and Gentlemen, a pleasant afternoon to you.

It gives me great pleasure to report to you the highlights of your Company's performance in 2012.

2012 was another good year for your Company. We focused our effort on improving production capability and operational efficiency in our mining operations, as we advanced our diversification plans. As a result, we sustained our momentum and positive operating and financial performance with a consolidated net income of ₱637 million from revenues of ₱1.8 billion. This was spurred by increased operating revenues from the nickel operation contributing 61% of the total, and gold operation accounting for 24% share of total revenues. Under its diversification strategy, your Company provided the impetus for the strategic capital re-structuring and re-organization of its non-mining subsidiaries, as well as created new business units that will provide additional income streams.

Your Company's Consolidated Results in 2012 show that---

Operating revenues significantly increased by 83% to ₱1.8 billion in 2012 from ₱994 million in 2011. The gold operation contributed ₱439 million or 38.5% increase from 2011. On the other hand, nickel operation contributed ₱1.1 billion or an increase of 120% from the ₱501 million in 2011.

Consolidated net earnings for 2012 amounted to ₱637 million, a drop from the prior year's ₱1.38 billion. Of the 2012 income however, ₱197 million represented recurring income, an improvement from the previous year's ₱192 million.

Mining remains the core business of the Company.

The Acupan Gold Operation increased considerably, producing 6,238 ounces, a 35% increment from the 2011 production of 4,625 ounces. Our gold operation ended the year 2012 at a milling rate of 149 tons per day against 128 tons per day in 2011. The improved production coupled with higher gold prices pushed gold revenues to ₱439 million from 2011's ₱317 million. Net earnings generated totaled ₱41 million in 2012. To upgrade Acupan's resource capacity, your Company is also currently working with Roscoe, Postle and Associates (RPA), a Canada-based third party competent person, for the exploration and drilling programs.

Our nickel operation shipped 735 thousand tons of nickel ore with grades from 1.56% to 1.82% in the last five months of 2012, which is equivalent to 15 boatloads. Total volume shipped, including those from its mining contractor in Area 1, reached 1.5 million tons. In 2012, nickel generated ₱1.1 billion in revenues, 120% higher than the prior year's ₱501 million. On the other hand, our nickel operation reported a lower net income of ₱38.6 million than the previous year's ₱141 million. It was its first year of operations, enabling it to recognize as revenues the tonnage shipped from its mines, hence the marked top-line growth. However, the softening of nickel prices in 2012 coupled with non-capitalized start-up costs contracted margins which contributed to the decrease in net income. Notwithstanding the decline in income, cash dividends of ₱150 million or ₱0.12 per share were distributed during the year.

Meanwhile, the nickel business' port operations, which is under the umbrella of Benguet Management Corp. (BMC) is currently being expanded to accommodate five barges loading simultaneously. We take pride in being the only port operation in Sta. Cruz and Candelaria areas in Zambales that is certified by DENR-EMB Region 3 as environmentally compliant.

The Subsidiaries and Affiliates of your Company performed creditably well in 2012.

Benguet Management Corporation's and its subsidiaries' consolidated revenues grew by ten-fold from ₱59 million in 2011 to ₱511 million by the close of 2012. Net earnings meanwhile amounted to ₱88.0 million in 2012, an increase of 138% over 2011. The significant increase is due to the logistics services provided by BMC's subsidiaries to the nickel operation and gains resulting from full settlement of all remaining bank debts this year.

Arrow Freight Corporation, specializing in mining logistics generated net earnings of ₱33 million, Benguetrade, Inc., re-organized in 2012, ₱1.0 million, BMC Forestry Corporation (BFC) close to ₱1 million. BFC continues to develop the Woodspark Rosario Subdivision Project in La Union.

BMC undertook a quasi-reorganization and capital restructuring which was approved by the Securities and Exchange Commission in December 2012. These restored its positive retained earnings and primed the company toward its role as logistics provider.

Benguet Laboratories is a healthcare provider of your Company for 87 years. In September 2012, your Company spun off the business and created a wholly owned subsidiary, BenguetCorp Laboratories, Inc. (BCLI), as a distinct corporate unit to create value for your Company and its shareholders. BCLI currently operates three full-fledged tertiary multi-specialty facilities: two clinics in Baguio City under the trade name Benguet Laboratories and the new MedCentral, which was opened in December 2012 in San Fernando, Pampanga. An expansion and roll out program is being planned, starting with four additional primary care facilities within the Luzon corridor, including one in Metro Manila in 2013.

Your Company continues to move forward on its projects in various minerals.

The Exploration, Research and Development activities for 2012 are as follows:

The Exploration and Geology Department completed the design of the diamond drill program for the Phase I of the Greater Acupan Project (GAP), which is intended to test the ore potential of the Go-to-Gold GG vein mineralization. The program's major component is the drilling to be conducted both on the surface and underground.

Balatoc Gold Resources Corporation (BGRC), a wholly owned subsidiary and operator of the Balatoc Tailings Project (BTP), continued the expansion and rehabilitation of its penstocks at Tailings Ponds Nos. 2 and 3, the silt dam, the Ambalanga River pumping station, plus the earthmoving and ridge enhancement works. Detailed engineering work has commenced following the completion of the process design. These are requisite pre-development works for the planned tailings processing plant in Balatoc. Additionally, the application for duty-free importation of its process equipment has been approved by the Incentive Department of the Board of Investments. The BTP is the country's first large scale gold recovery project from mill tailings.

Your Company and its wholly owned subsidiary, Sagittarius Alpha Realty Corporation (SARC), have two pending Financial Technical Assistance Agreement (FTAA) applications covering a total of 72,806.291 hectares: one within the province of Ilocos Norte (AFTA No. 003) and within Apayao (AFTA No. 033). Exploration work within the two areas will be undertaken as soon as the applications are approved by the government.

Under its Land Development initiatives, it will be recalled that your Company has land assets comprising of mineral, agricultural and commercial real estate in various provinces.

Your Company holds and controls 6 million square meters of patent-titled mineral land, 10 million square meters of agricultural land and 133,000 square meters of commercial and residential land. Development options being pursued are the Kelly Special Economic Zone in Itogon, Benguet for an industrial complex, a mango farm in Zambales for agro-industrial tourism, among others.

Environment Protection and sustainable Community Services are paramount considerations in the way your Company does its business.

Your Company is committed to the continued protection and enhancement of the environment by ensuring that its mining operations are compliant with the strict regulations and standards of DENR-MGB and other government agencies. To meet its environmental obligations, your Company spent a total of ₱21 Million for the various activities implemented in Benguet and Zambales, based on the approved Annual Environmental Protection and Management Programs. With the heavy rainfall in both mining areas, mitigating and contingency measures were closely monitored to adequately receive and channel the run-off to the nearby receiving body of water. Moreover, in support of the National Greening Program of the government, a total of 100,000 seedlings were planted in

your Company's mining areas, thus exceeding the 3-year target of the Mines and Geosciences Bureau of 50,000 trees.

Your Company continues to fulfill its social development obligations to communities in Benguet and Zambales through the implementation of various Social Development and Management Programs (SDMP), which include initiatives in education, medical and outreach and social upliftment, as you can see in the slides. All programs were implemented in coordination with the Local Government Units, various government agencies and organizations and the host communities.

Your Company adheres to the principles and practices of Good Corporate Governance, as embodied in its Revised Manual on Corporate Governance and related Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) circulars. In October 2012, the Board approved the Audit Committee Charter. Your Company annually submits to SEC and PSE a Certification of Compliance with the Manual on Corporate Governance and a Corporate Governance Disclosure Report. It regularly posts corporate disclosures and reports on its website for transparency and easy access and reference of stakeholders.

Your Company is moving forward in the expansion of its gold and nickel operations even in the midst of difficult times. We are committed to be the pioneer in gold tailings reprocessing. We have embarked on a program of revitalizing not only our mining services business lines but also our various non-mining projects. Toward these ends, we have started to institutionalize organizational reforms, core competencies and values, business processes and management systems aligned towards the vision of a more vibrant and dynamic BenguetCorp and to increase shareholder value.

The encouraging accomplishments of 2012 were made possible by the exceptional efforts of your management team. We take this opportunity once again to express our deep appreciation to our shareholders for your continued belief in your Company. We salute our Board of Directors, officers, managers, and rank and file workers for their dedicated performance. We look forward with enthusiasm to the pleasure of working together to build a sustainable and profitable future for your Company.”

2. The stockholders approved the Minutes of the Annual Meeting of Stockholders held on May 29, 2012. The Company received votes in person and by proxy a total of 81,675,975 or 73.62% of Class A shares and a total of 28,151,646 or 42.15% of Class B shares or a combined total of 109,827,621 or 61.79% of Class A and B shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on May 29, 2012.
3. The stockholders confirmed and ratified all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors during the period May 29, 2012 to May 30, 2013. The Company received votes in person and by proxy a total of 81,675,975 or 73.62% of Class A shares and a total of 28,027,532 or 41.97% of Class B shares or a combined total of 109,703,507 or 61.72% of Class A and B shares in favor of the confirmation and ratification of all acts, contracts, resolutions and proceedings made and entered into by Management and/or Board of Directors since the Annual Stockholders' Meeting held on May 29, 2012.
4. No election of directors was held because the 1993 Supreme Court Temporary Restraining Order (TRO) enjoining the holding of elections of directors has not been lifted. Thus, the Company's present set of directors 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 is as follows:

- A. Representing the Class "A" Convertible Preferred and Common Class "A" Shares of Stock
 1. Alberto C. Agra – (Independent Director)
 2. Dennis R. Belmonte
 3. Ma. Remedios R. Pompidou
 4. Daniel Andrew G. Romualdez
 5. Rogelio C. Salazar
 6. Luis Juan L. Virata

 - B. Representing the Common Class "B" Shares of Stock
 1. Isidro C. Alcantara, Jr.
 2. Andres G. Gatmaitan
 3. Benjamin Philip G. Romualdez
 4. Bernardo M. Villegas – (Independent Director)
2. Approval/ratification of the following acts, contracts, investments, resolutions, and proceedings made and entered into by Management and/or the Board of Directors since the May 30, 2013 Annual Stockholders' Meeting to wit:
- a) 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, SGV & 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 Brisbois Bisgaard & Smith LLP as the Legal Counsel of the Company in the United States of America;
 - v. Re-appointment of local (STSI) and foreign (ASTTC) stock registrars and transfer agents of the Company; and
 - vi. Reconstitution of various Board committees: Executive Committee, Salary (Compensation) Committee, Stock Option Committee, Investment Committee, Audit Committee, Property Development Committee, Nomination Committee, Corporate Governance Committee, and Risk Management Committee.
 - b) Approved and designated officers to transact business with commercial banks/financing institutions as authorized by the Company;
 - c) Approved the amendment to BC Retirement Fund successor-trustees as follows: Atty. A.G. Gatmaitan, Mr. R.C. Salazar, Dr. B.M. Villegas and Atty. A.C. Agra;
 - d) Approved the amendment to BC-CHQ bankers and signatories to include BANK OF CHINA, Manila Branch and AVP, Deputy Chief Finance Officer, Ms. Mary Jean G. Alger, as additional Class B signatory;
 - e) Approved the appointment of Engr. Valeriano B. Bongalos as Vice President/Resident Manager-Benguet District Operation effective July 16, 2013;
 - f) Approved resolution authorizing Engr. Valeriano B. Bongalos as replacement for Messrs. Afidchao and Padcayan as signatory with BDO and UCPB;
 - g) Approved the amendment to resolution authorizing officers to sign verifications and certifications and on filing of complaints on all legal cases in the gold operations to include Engr. Valeriano B. Bongalos;
 - h) Approved the establishment of a Rehabilitation Cash Fund for Benguet Corporation – Irisan Lime Project with UCPB as government depository bank;
 - i) Approved the amendment to BC-ACMP and BAGO trust account signatories to include Engr. Valeriano B. Bongalos as one of the signatories with UCPB-Baguio Branch for the following accounts:
 - 1) Benguet Corporation-Acupan Contract Mining Project-Rehabilitation Cash Fund (RCF-BC-ACMP);

- 2) Benguet Corporation-Acupan Contract Mining Project-Monitoring Trust Fund (MTF-BC-ACMP);
- 3) Benguet Corporation-Acupan Contract Mining Project-Final Mine Rehabilitation and Decommissioning Fund (FMRDF-BC-ACMP);
- 4) Benguet Corporation-Benguet Antamok Gold Operations-Rehabilitation Cash Fund (BAGO-RCF);
- 5) Benguet Corporation-Benguet Antamok Gold Operations-Monitoring Trust Fund (BAGO-MTF);
- 6) Benguet Corporation-Benguet Antamok Gold Operations-Final Mine Rehabilitation and Decommissioning Fund (FMRDF-BC-ACMP);
- j) Approved the nomination of Engr. Valeriano B. Bongalos as BC member-representative at the Baguio Country Club corporate membership;
- k) Approved the private placement of RYM Business Management Corp. and authorizes management to sign, execute and deliver for and in behalf of the Corporation the MOA and Subscription Agreement;
- l) Accepted the resignation of Mr. Dennis R. Belmonte as Director and approved the Resolution of Appreciation for the invaluable service he has rendered to the Company;
- m) Approved the nomination of Mr. Cesar C. Zalamea as Director representing Common Class A and Convertible Preferred Class A;
- n) Approved and ratify the Continuing Suretyship executed on September 24, 2013 by BenguetCorp and BengueTrade, Inc. with BDO Unibank, Inc.
- o) Approved and authorized management to avail of, and to utilize the P25 million revolving credit facility with Malayan Bank, in addition to previously approved P150M for its working capital requirements;
- p) Approved the resolution on the authority to issue guaranty/security for any wholly-owned subsidiary or affiliate for credit lines of up to US\$1 Million per issuance but not to exceed US\$5 Million in aggregate;
- q) Approved the resolution to avail of, and to utilize US\$6 million trade finance facility with MayBank and designated authorized officers to sign and execute Trade Finance Facility Agreement;
- r) Approved the resolution to sign, execute and deliver the Corporation's waiver of the confidentiality provision of the National Internal Revenue Code (NIRC), for purposes of reporting in compliance with the Philippine implementation of the Extractive Industries Transparency Initiative (EITI) and designated authorized officers to sign Waiver;
- s) Approved the grant of Christmas gift/13th month pay to all employees equivalent to one month basic pay;
- t) Noted the President's request for two months sabbatical leave of absence starting end of November until January 15, 2014 and designation of Mr. Renato A. Claravall as interim OIC;
- u) Approved the reconstitution/revitalization of the Executive Committee and the reduction of its members from 6 to 4, as follows: Mr. Benjamin Philip G. Romualdez as Chairman and Messrs. Isidro C. Alcantara, Jr. Andres G. Gatmaitan and Alberto C. Agra as members;
- v) Approved Audit Committee and Risk Management Committee composition as follows:
AUDITCOM: Dr. Bernardo M. Villegas as Chairman and Messrs. Andres G. Gatmaitan, Isidro C. Alcantara, Jr. and Rogelio C. Salazar as members.
RISK MANAGEMENT COM: Atty. Alberto C. Agra as Chairman and Messrs. Isidro C. Alcantara, Jr. and Rogelio C. Salazar as members;
- w) Approved and authorized management to initiate discussion and negotiate beneficial terms and conditions with third party investor for strategic partnership or joint venture on real estate development, subject to final approval of the transaction by the Board of Directors or Executive Committee;
- x) Approved and authorized the sale by BenguetCorp subsidiaries of real estate properties: 47,627 sq.m. lot in Canlubang by Berec Land, Inc.; 13,386 sq.m. industrial land in Valenzuela City, Bulacan by Arrow Freight Corp.; 3,169 sq.m. industrial land in San Pedro, Laguna by Arrow Freight Corp; and 324.47 sq.m. 2 office condominium units in 3F One Corporate Plaza, Arnaiza Avenue by BMC Forestry Corp.;
- y) Approved the 2014 consolidated budget;

- z) Approved the nomination of Mr. Isidro C. Alcantara, Jr. as one of the Company nominees in BC corporate membership with Baguio Country Club;
- aa) Approved and ratified the contract for security services for Benguet District and the explosives supply and blasting services contract as recommended and approved by the Purchase, Bids and Awards Committee;
- bb) Approved in principle the renewal of heliservice contract with Eurocopter Philippines, Inc.

A vote of the stockholders representing majority of the outstanding capital stock of the Company is required for the approval/ratification of Minutes of the May 30, 2013 Annual Stockholders' Meeting and all acts, contracts, investments, resolutions, and proceedings made and entered into by Management and/or the Board of Directors since the Annual Stockholders' Meeting held on May 30, 2013. Management recommends a vote **FOR** these above-stated matters.

Amendment of Charter, By-Laws or Other Documents

1. Change of Principal Office Address

During the regular meeting of the Board of Directors of the Company held on March 28, 2014, the Board approved the amendment of Article Third of the amended Articles of Incorporation of the Company to indicate therein the complete address of the Company's principal office from Metro Manila to 7th Floor, Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Philippines pursuant to SEC Memorandum Circular No. 6, Series of 2014.

A vote of the stockholders representing two-thirds of the outstanding capital stock of the Company is required for the amendment of Article Third of the amended Articles of Incorporation of the Company. Management recommends a vote **FOR** the above-stated matters.

2. Increase in Authorized Capital Stock

Submitted for approval of the stockholders is the proposal to increase the authorized capital stock of the Company. During the regular meeting of the Board of Directors of the Company, the Board approved the amendment of Article Seventh of the amended Articles of Incorporation and Article I, Section 1 of the Amended By-Laws of the Company on the increase of the authorized capital stock of the Company. The capital increase will affect only the common shares which will increase from the present amount of P600,000,000, consisting of 120,000,000 Common Class A shares and 80,000,000 Common Class B shares, both having par value of P3.00 each, to the total amount of P717,300,000, consisting of 143,460,000 Common Class A shares and 95,640,000 Common Class B shares, both having par value of P3.00 each. After the amendment, the total authorized capital stock of the Company will have increased to P784,700,000 from P667,500,000.

The increase in capitalization and the corresponding amendments of Article Seventh of the amended Articles of Incorporation and Article I, Section 1 of the amended By-Laws of the Company, are made necessary by the following:

1. The current authorized capital stock having been fully subscribed/issued and the balance of unissued shares are reserved for stock options; and
2. Under the Memorandum of Agreement with RYM Business Management Corporation ("RYM") dated 23 August 2013, there is a need to issue additional 9.78 million common shares when RYM decides to exercise its option to subscribe under the second transaction. The RYM private placement for 27.78 million shares comprises of two transactions. The first transaction comprising of 18 million shares (consisting of 7,169,003 Class A and 10,830,997 Class B shares) was paid last 20 September 2013.

A vote of the stockholders representing two-thirds of the outstanding capital stock of the Company is required for the amendment of Article Third of the amended Articles of Incorporation of the Company. Management recommends a vote **FOR** the above-stated matters.

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, Vice 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 May 28, 2014 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 (Stock Transfer Service, Inc.), 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 May 28, 2014, the proxy will still be valid for ninety (90) days from said date, or up to August 26, 2014 and can still be exercised in the event the TRO is lifted after the May 28, 2014 Stockholders' Meeting and an election is ordered within the said ninety (90) day-period.

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 ₱50.00 per envelope and ₱800.00 per envelope for foreign stockholders. In the United States, total cost of mailing is about \$31,500. The Company retained Georgeson Inc. 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: 8 – Compensation Plans; 10 – Modification or Exchange of Securities; 12 – Mergers, Consolidations, Acquisitions and Similar Matters; 13 - Acquisition or Disposition of Property; and 14 – Restatement of Accounts 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 of Financial Position and Results of Operations for 2013 compared to 2012 and 2011, Market Price of and Dividends of the Company’s Common Equity and Compliance of Leading Practices on Corporate Governance of the Company;
- 2 Annex “B” - President’s Report 2013
- 3 Annex “C” – Sworn Certificate of Qualification of Independent Director, Bernardo M. Villegas
- 4 Annex “D” – Sworn Certificate of Qualification of Independent Director, Alberto C. Agra
5. Audited Consolidated Financial Statements for 2013 with Management’s Responsibility for Financial Statements.
6. Supplementary Schedules

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 April 24, 2014.

BENGUET CORPORATION
Issuer

By:

HERMOGENE H. REAL
Corporate Secretary

MANAGEMENT REPORT

BRIEF DESCRIPTION OF BUSINESS

Benguet Corporation (the “Company”, “Benguet”) is the oldest mining company in the Philippines and is the country’s recognized pioneer of modern mining. Established on August 12, 1903 as Benguet Consolidated Mining Company, the Company’s 110 years of existence is a testament of its adaptability and resiliency in the face of changes brought about by global events, natural calamities, economic conditions and industry trends.

Benguet was reorganized and registered with the Securities and Exchange Commission (SEC) on June 18, 1956 under the name Benguet Consolidated, Inc. to engage primarily in mining, fabricating, manufacturing and dealing in and with minerals, metals, ores, petroleum gas, products of earth and soil, timber and the products and by-products thereof. It operated some of the richest mineral prospects using up-to-date and cutting-edge technology and has contributed significantly to the country’s export earnings.

In the 1980’s, following its name change to the now “Benguet Corporation”, the Company’s stature peaked as it simultaneously operated its five major mines: Benguet Gold Operations (BGO), Benguet Antamok Gold Operation (BAGO), Dizon Copper-Gold Operation (DCO), Masinloc Chromite Operation (MCO), and Paracale Gold Operation (PGO).

In the 1990s, as the Philippine mining industry went through a difficult period, the Company likewise suffered a decline. Its operations were gravely affected by natural calamities such as the Baguio earthquake in 1990 and the Mount Pinatubo eruption in 1991, countless typhoons, and other external factors such as low metal prices and the 1997 Asian currency and economic crisis. All these led to the suspension of operations of the Company’s BGO in 1992, PGO in 1993, BAGO in 1998; and the Company’s decision to sell its remaining interest in DCO in 1997. The Company also turned over MCO to the claim owner in July 2007 due to the expiration of the operating contract.

In 2003, it reopened BGO on a limited scale through the Acupan Contract Mining Project now renamed as the Acupan Gold Project (AGP), developed Sta. Cruz Nickel Project (SCNP) in 2007, and continued to review and package its various mineral properties for future development or sale. In 2010, the Company resolved a long standing issue with the claimowner of the Kingking Project. It invested in the development of the Sta. Cruz Nickel, Balatoc Tailings, and Surigao Coal projects, and the expansion of AGP. It likewise settled a majority of its debt, and continued to hold interest in the Acupan Gold, Ampucao Gold Copper, Pantingan Gold, Benguet Orelina Contract Operation (BOLCO), and the Ilocos Norte and the Kalinga Financial or Technical Assistance Agreement (FTAA) prospects.

Aside from mining and mineral exploration, the Company ventured into various projects through several wholly owned subsidiaries. It is engaged in healthcare and diagnostics services through its expanding BenguetCorp Laboratories, Inc., mining logistics through Arrow Freight Corporation, trading of industrial equipment and supplies through Benguettrade, Inc., port services through Keystone Port Logistics and Management Services Corporation, shipping services through Calhorr 1 Marine Services Corporation and Calhorr 2 Marine Services, Inc., and real estate development and lime kiln operation through BMC Forestry Corporation.

Benguet is now on its third fifty-year corporate life, the extension having been approved by the SEC on June 18, 2006. Having been listed in the Philippine Stock Exchange since January 4, 1950, it is one of the most widely held public companies in the country with 16,952 stockholders of record, with 20.31% of its outstanding shares owned by foreign nationals and institutions, as of December 31, 2013.

ON MINING OPERATIONS

- **Acupan Gold Project (AGP) in Benguet Gold Operation (BGO) in Itogon, Benguet Province:** AGP [formerly Acupan Contract Mining Project (ACMP)]. Gold production in 2013 totaled 11,967 ounces, lower as compared to 12,468 ounces in 2012. The average grade of ore milled was 4.88 grams gold

per ton in 2013 and 6.89 grams gold per ton in 2012. AGP ended the year 2013 with an average milling rate of 243 tons per day, higher as compared to average milling rate of 149 tons per day in 2012 and 128 tons per day in 2011. The increase of milling tonnage was due to the commissioning of a 300 tpd continuous process on the second half of 2013. The continued implementation of efficiency enhancing programs and the change in mining method from conventional vein mining to a combination of vein and trackless cut and fill panel mining/room and pillar stoping method is expected to further improve AGP's gold production.

Drilling works for the expansion program of the Acupan gold operations continued with the aim of converting the reported resource potential into Indicated and Measured Mineral Resource category. Overall, 43 boreholes with an aggregate length of 4,972.66m was drilled from the surface and underground targeting different ore bodies. Detailed core logging, sampling and assaying are ongoing. Likewise, the company already prepared a total of 22 surface drill pads as part of the preparation for the Greater Acupan Drilling Project. The Greater Acupan Drilling Project was designed to probe the GG breccia mineralization within Acupan Mines and to validate the extent of the Company's gold resources. This is apart from the vein-type mineralization the Company is currently mining.

- **Sta. Cruz Nickel Project (SCNP) in Sta. Cruz, Zambales Province:** The Sta. Cruz Nickel Project (SCNP) is a surface mining operation of Benguetcorp Nickel Mines, Inc. (BNMI), a wholly owned subsidiary of the Company. BNMI exported a total of 1,007 million tons of nickel ore ranging from 1.71% to 1.88% Ni grade as compared to 1.488 million tons of nickel ore ranging from 1.5% to 1.82% Ni grade in 2012 and 1.441 million tons of nickel ore ranging from 1.75% to 2.06% Ni grade in 2011. BNMI has an agreement for a three-year off-take contract with Bright Mining & Resource Company Ltd. for the sale of 1.8 million tons of nickel ore and with Minecore Resources Inc., for the sale of 2.0 million tons of nickel ore and with LS Networks Co., Ltd., for the sale of 500K of nickel ore.

BNMI continues exploration and development program to develop the total potential entry into nickel processing. It continues to evaluate and study other nickel processing technologies suitable to its ore characteristics and environment. BNMI team visited and observed several nickel processing plants in China during the year. It is also looking at acquisitions or tie-ups with other nickel properties to increase volume in anticipation of the Indonesian direct-ore-shipment ban in January 2014.

In June 2013, an independent competent person completed the Mineral Resource Report covering the entire SCNP with the following PMRC-complaint information at 0.5% cut off grade of ore:

Measured	:	40.59 million tons (68% of total)
Indicated	:	8.67 million tons (14% of total)
Inferred	:	<u>10.71 million tons (18% of total)</u>
Total	:	59.97 million tons at a weighted average grade of 1.1% nickel

The above information is based on 66,716 meters of drilling. The remaining resource after three years of mining at the same cut-off grade of 0.5% is 34.12 million tons with an average grade of 1.33% nickel. At 1% cut-off, the property's global resource is 35.32 million wet metric tons averaging 1.4% nickel. This updated resource is 155% higher than previously declared resource in 2011 of 22.82 million wet metric tons at the same 1.0% cut off grade, with lower nickel grade of 1.3%. The previous resource was based on 15,664 meters of drilling.

From start of BNMI mining operation in 2010, it continues to adhere to ECC mandated regulatory standards for environmental protection. Following best mining practices, it constructed the necessary engineering structure at the mine site for water, sediment and erosion control consisting of 47 silt ponds, 3 sabo dams, and about 9 kilometers of drainage canals feeding to the silt ponds.

- **Irisan Lime Project (ILP) in Baguio City:** ILP produced 9,102 tons of quicklime in 2013, higher as compared to 8,626 tons in 2012 and 8,172 tons produced in 2011. In 2012, ILP obtained a renewal of its lime plant mineral processing permit for another five years or up to 2016.

EXPLORATION, RESEARCH AND DEVELOPMENT

- **Balatoc Tailings Project (BTP) in Itogon, Benguet Province:** Balatoc Gold Resources Corporation (BGRC), a wholly owned subsidiary of the Company and the operator of BTP, expects completion of the engineering and design of the BTP processing plant parallel to the closing of the fund raising efforts the Company is undertaking for this project. The construction of processing plant and equipment installation will likewise commence bidding upon financial close. BGRC was granted by the Board of Investment (BOI) a Certificate of Registration as pioneer enterprise for BTP. The Mineral Processing Permit (MPP) and other government permits have been issued to put BTP into operation.
- **Antamok Tailings Project (ATP) in Itogon, Benguet Province:** The Antamok Tailings is of lower gold grade than BTP and was found not economically viable. It plays a strategic role however as the tailings and the tailings dam are part of the old BAGO where the company has to perform or comply with the ECC's FMRDP. BAGO's former open pit was found viable as a water reservoir and provided with a water treatment plant, a Bulk Water Project (BWP), it was accepted as a compliance to the FMRDP. Delayed by a court case for almost a decade the BWP was lately being moved by the city government with several big players interested.
- **Ampucao Copper-Gold Prospect in Itogon, Benguet Province:** The Ampucao prospect is located inside the Pugo Mining Company claims within the southern part of Benguet's Acupan gold mine. The initial exploration work conducted by the Company geologists indicates a porphyry copper-gold mineralization hosted in the diorite below the 2000 level. Two test holes have been programmed to be drilled within the area, but have been put on-hold pending the resolution of the Application for Production Sharing Agreement (APSA).
- **Pantingan Gold Prospect in Bagac, Bataan Province:** The Pantingan epithermal gold prospect consists of 1,410 hectares covered by MPSA No. 154-2000-111. The property is under a Royalty Agreement with Option to Purchase with Balanga-Bataan Mineral Corporation signed in March 1996. Surface mineralization consists of quartz and clay veins ranging from 0.70 meters to 10 meters wide with values as much as 1.0 gram gold and 9.60 gram silver. The prospect needs exploratory drilling to probe the behavior of the veins and tenor of the postulated gold mineralization at depth. To pursue this, the Company, has been trying to secure clearance from DENR because of a watershed application surrounding the claim area. The DENR has yet to act on the Company's request for clearance.
- **Zamboanga Gold Prospect (BOLCO) in R.T. Lim Zamboanga del Sur:** The Zamboanga gold prospect consists of 399.3 hectares. The claims are under an operating agreement with Orelina Mining Company, the owner of the property. A drilling program to evaluate the gold potential of the main structure at depth has been put on-hold pending the resolution of the Application for Processing Sharing Agreement (APSA).
- **Surigao Coal Project in Lianga, Surigao del Sur:** Pre-development activities for the Surigao Coal Project was put on hold in 2011 due to a Department of Environment and Natural Resources (DENR) Circular EO 23 which declares a moratorium on cutting of timber in natural and residual forests. The CENRO of Lianga Municipality denied the Company's request for a tree inventory preparatory to application for a Cutting Permit, but reversed the decision last January 2012 after the issuance of a Memorandum from the Executive Secretary which exempted exploration and mining activities from EO 23. The Company is in the process of completing the requirements to secure permits for mine development of the project.
- **Financial Technical Assistance Agreement:** The Company and its subsidiary, Sagittarius Alpha Realty Corporation (SARC) have two pending Financial Technical Assistance Agreement (FTAA) applications consisting of a total of 72,806.291 hectares. The FTAA application within the province of Ilocos Norte (AFTA No. 003) is undergoing FPIC process under the NCIP Regional Office while the FTAA application within Apayao (AFTA No. 033) is pending with the MGB-Cordillera Administrative Region. Exploration work within the two areas will be undertaken as soon as the applications will be approved by the government.

SUBSIDIARIES AND AFFILIATES

- Benguet Management Corporation (BMC, a wholly-owned subsidiary of the Company and incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) in 1980 was established to manage and conduct the non-mining businesses of the Company. Following are BMC's subsidiaries:
 - Arrow Freight Corporation (AFC) is BMC's logistics company that provides mining, earthmoving, road construction and maintenance, and hauling equipment services. Currently, AFC is the general contractor for BenguetCorp's Santa Cruz Nickel Project where it has deployed various equipment: excavators, bulldozers, graders, compactors, loaders, water trucks, and dump trucks. AFC is also capable of providing warehouse management services, product distribution, cargo storage and freight services.
 - BMC Forestry Corporation (BFC) manages the Irisan Lime Plant and develops the Company's real estate assets in Northern Luzon, such as the Woodspark Subdivision. BFC obtained a Certificate of Completion (COC) from the Housing and Land Use Regulatory Board (HLURB) and approval by the Rosario LGU for the Deed of Donation of the completed subdivision road lots, alleys, open spaces and common areas. Woodspark Rosario Homeowners Association has also accepted the full turned over for the administration and maintenance of the subdivision amenities and facilities.
 - Benguetrade, Inc. (BTI) is BMC's trading arm primarily dealing with industrial and environmental equipment and supplies requirements of both mining and non-mining companies. BTI is expanding its marketing product mix to offer lines and services and to increase its market scope and coverage. It is likewise taking major role in promoting BenguetCorp's various products and services and disposable idle assets.
 - Keystone Port Logistics Management & Services Corporation (KPLMSC) was organized to deal with port operations and cargo, and to handle the export shipment of BNMI's nickel ore through Calhorr 1 Marine Services Corporation and Calhorr 2 Marine Services, Inc. KPLMSC handles the port operations of BNMI port in Candelaria, Zambales

BMC undertook a quasi reorganization and capital restructuring which was approved by the Securities and Exchange Commission in December 2012. These restored its positive retained earnings and primed the company toward its role as logistics provider. BMC also continues to maintain the mango plantation in Iba, Zambales.

- 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 (BUSA) in Nevada, U.S.A. continue to hold interest and the claimowner of about 259 hectares of mineral property for gold/silver at Royston Hills, Nevada, U.S.A., which is currently being offered for joint venture or sale to interested parties.
- Benguetcorp Laboratories, Inc. (BCLI), a wholly owned subsidiary of the Company and registered with the SEC began as a modest medical facility that aims to address the various health concerns of the Company's employees and their families. With the growing demand for reliable and high quality healthcare services in Baguio City, the Company has expanded its operations to become a full-fledged tertiary multi-specialty facilities: two clinics in Baguio City under the trade name Benguet Laboratories and the new MedCentral, which was opened in December 2012 in San Fernando, Pampanga. BCLI is set to open another MedCentral diagnostic clinic in SM Taytay Rizal by January 2014 and the new Oncology Center located in the commercial business district of Makati is expected to be operational by mid-April 2014.

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 year ending December 31, 2013 are incorporated hereto by reference.

MANAGEMENT DISCUSSION & ANALYSIS & PLAN OF OPERATION

The management's discussion and analysis of financial position and results of operations of the Company is presented below and should be read in conjunction with the audited consolidated financial statements of the Company as of and for the year ended December 31, 2013 which is incorporated hereto by reference.

A. For the years ended December 31, 2013 and 2012

During the year ended December 31, 2013, BC generated consolidated revenues of ₱2.3 billion made up of 20 shipments of nickel ore and 11,967 ounces of gold, as compared to ₱1.8 billion consolidated revenues realized in 2012 representing 15 shipments of nickel ore and 12,468 ounces of gold. Despite the increase in sales volume, the Company generated only a modest earnings of ₱7.7 million this year, lower compared to 2012 principally due to the softening of gold price which averaged US\$1,409 per ounce in 2013 as against US\$1,671 per ounce in 2012; lower average nickel price of US\$30.35 per ton as against US\$33.77 per ton in 2012; lower gold production volume and higher cost of mine products sold as a result of increased in volume of nickel ore sold.

Operating costs and expenses increased to ₱2.4 billion in 2013 from ₱1.6 billion in 2012 mainly due to increase in cost of mine products sold and services as a result of increase in volume of nickel ore sales.

Interest expense amounted to ₱126 million, higher compared to the ₱84 million in 2012. The increased was mainly due to the interest on additional loan obtained this year.

Other net income in 2013 amounted to ₱216.7 million, mainly from the reversal of impairment loss on the Kelly-Ampucao Project and reversal of accrual interest on the loan from Lazard. The other income of ₱395.8 million in 2012 includes ₱387 million non-recurring gain from debt settlement. Benefit from income tax in 2013 amounted to ₱9.8 million compared with ₱90.8 million income tax in 2012.

The Company's consolidated total assets amounted to ₱7.2 billion, up by 8% than 2012. The increased is primarily due to higher production resulting in higher ending nickel inventory, and revaluation increment of the Company's parcel of land amounting to ₱122 million

Cash and cash equivalents decreased to ₱358 million in 2013 from ₱508 million in 2012 mainly cash used by operating activities, equipment purchases for expansion of the Acupan Gold Project, exploration of Sta. Cruz Nickel Project Areas 2, 3 and 4, Greater Acupan Project (GAP) and repayment of loan amortization.

Trade and other receivables slightly declined to ₱706 million in 2013 from ₱721 million in 2012 mainly from collection of nickel ore shipment.

Inventories increased primarily due to higher production resulting in higher ending nickel inventory. Other current assets increased to ₱557 million from ₱258 million in 2012. The increased pertains mainly to the unapplied input VAT and creditable withholding tax. In 2013, short-term investment has been reclassified to commercial notes and was there after pre-terminated.

Property, plant and equipment increased to ₱3.7 billion in 2013 from ₱3.4 billion in 2012. The increase is attributable to the revaluation increment of the Company's parcels of lands and equipment purchases for the expansion of AGP, GAP and nickel project in Zambales.

Deferred mine exploration cost went up to ₱840 million in 2013 from ₱594 million in 2012. The increased pertains to the expenses incurred in the AGP's expansion program to increase its milling capacity, Nickel Expansion Project, Balatoc and Antamok Tailings Project.

Other non-current assets increased to ₱583 million from ₱539 million. The increased was mainly due to the increased in the Mine Rehabilitation Fund (MRF) and RYM Business Management Corporation RYM Business Management Corporation prepayments to various contractors and suppliers regarding various exploration projects.

Loans payable declined to ₱1.6 billion from ₱1.9 billion last year mainly due to the repayment of debt amortization this year.

Trade and other payables increased to ₱1,017 million in 2013 from ₱490 million in 2012 mainly from the purchases of various supplies for AGP and Arrow Freight Corporation (AFC) sub-contractors hauling services for BNMI not yet paid in 2013.

Deferred income tax liabilities slightly decreased to ₱792 million compared to ₱813 million last year. Accrued pension liability amounted to ₱93 million compared to ₱71 million in 2012. The increase in manpower and salary in 2013 accounted for the increased.

Obligations under finance lease decreased on account of the repayment made during the year. Increased in noncurrent liabilities to ₱140 million from ₱67 million in 2012 pertains to advance payments received from nickel customers. The advances from nickel customers will be applied against future receivables.

Capital Stock increased to ₱532 million from ₱492 million in 2012 due to the additional investment made by RYM Business Management Corporation (RBMC). For the same reason, capital surplus increased to ₱161 million from ₱21 million last year.

Other components of equity increased to ₱1,087 million from ₱1,024 million in 2012 primarily due to the revaluation increment of the Company's parcel of land amounting to ₱122 million

The modest income during the year resulted to a slight increased in retained earnings.

Increased in Stockholders Equity to ₱3.4 billion from ₱3.1 billion in 2012 is attributed to the private placement of RBMC pursuant to the Memorandum of Agreement on April 7, 2010 between the Company and RBMC and Stocks Subscription Agreement dated May 4, 2012.

Other information on Management Discussion and Analysis of Financial Position and Results of Operations is also discussed on pages 49 to 54 in the PRESIDENT'S REPORT incorporated hereto by reference (Annex "A").

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, 2013, the Company's current ratio is 0.88:1 versus 1.25:1 in 2012.

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\$1,409 per ounce in 2013 and US\$1,671 per ounce in 2012.

Tonnes Mill and Ore Grade- Tons milled and ore grade determine gold production and sales volume. The higher the tonnage and ore grade, the more gold are produced and sold. Tons milled in 2013 were 88,755 with average grade of 4.96 grams per ton gold. Gold sold in 2013 were 11,967 ounces. In 2012, tons milled were 54,962 with average grade of 8.11 grams per ton gold. Gold sold in 2012 were 12,468 ounces.

Foreign Exchange Rate- 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, 2013, the peso to dollar exchange rate was at ₱44.40 higher as compared to ₱41.05 in 2012.

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 earnings per share in 2013 is ₱0.04 compared to earnings per share of ₱3.91 in 2012. With the anticipated shipments 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 2014.

Known Trends, Events or Uncertainties

The Company does not foresee within the next twelve months any cash flow or liquidity problems. AGP continues increase gold production due to ongoing exploration and drilling programs to upgrade its capacity. ILP maintains steady market of quicklime and SCNP has assured market for high and low grade nickel ores to signing of off-take agreements with Mincore Resources Inc., Bright Mining & Resource Company Ltd., and LS Networks Company, Ltd. In addition, the Company's Board of Directors approved on August 23, 2013 the private placement transaction between the Company and RYM Business Management Corporation (RBMC). RBMC will infuse additional capital of up to ₱250 Million in exchange for equivalent number of shares based on average market price plus premium of ₱9.00 per share for Class "A" and "B" shares. The first part of the transaction was done on September 20, 2013 upon execution of the Stock Subscription Agreement and full payment by RBMC of ₱162 Million where RBMC to subscribe 18,000,000 common shares (consisting of 7,169,003 Class A and 10,830,997 Class B common shares), which are the remaining unissued shares of the Company. The second transaction shall be in the form of an option for RBMC to subscribe to 9,777,777 common shares out of the new capital increase and to be effective when the Company obtained approval of the increase of its Authorized Capital Stock in the next stockholders' meeting on May 27, 2014 or its resetting date as the case may be. As additional feature, RBMC is entitled to a warrant to subscribe to additional shares at the ratio of one share for every two shares subscribed under the Second Transaction of up to a maximum of 4,888,888 shares, at the price of ₱9.50 per share.

Within the ensuing twelve months, the Company anticipates changes in the number of employees due to reduction of manpower in drilling activities of its Acupan Gold Project in Itogon, Benguet and Sta. Cruz Nickel Project in Zambales.

There is no known event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked although, the Company could be contingently liable for lawsuits and claims arising from the ordinary course of business which are not presently determinable. The Parent Company's outstanding principal debt subject to the 1992 Restructuring Agreement was reduced to ₱117 million or only 10% of the original principal. The Company remains committed to a final and comprehensive settlement of all the old debt or to arrange a suitable restructuring of the remaining obligations.

There is 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.

Other than what have been discussed in their respective sections above, 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 from the year ended December 31, 2013 to December 31, 2012.

B. For the years ended December 31, 2012 and 2011

The Company's operating revenues amounted to ₱1.8 billion, significantly higher than last year. The increased was attributed to the mining business which contributed 89% of the consolidated revenues. The Acupan Gold Project (AGP) and Benguet Nickel Mines (BNMI) Sta. Cruz Nickel Project contributed ₱439 million and ₱1.1 billion, respectively. AGP gold production continues to improved to 6,238 ozs from 4,625 ozs last year. BNMI shipped 735,190 tons in its first year of operation. The total volume shipped including those from its mining contractor in Area 1 increased to 1.488 million tons in 2012 from 1.441 million tons in 2011.

Consolidated net earnings amounted to ₱637 million for 2012, inclusive of ₱387 million non-recurring gain from debt settlement. In 2011, consolidated earnings amounted to ₱1.4 billion, inclusive of a non-recurring gain of ₱797 million from debt settlement and a ₱411 million gain from the sale of Kingking interest.

Consolidated earnings declined as a result of lower non-recurring gains but operating income is almost at the same level as in previous year. Despite the increase in sales revenue, the operating income was maintained at the same level as last year because the increase in revenues was partly offset by the increased in gold production cost and ramp up expenses.

The mining operations as a group contributed ₱549 million inclusive of ₱387 million non-recurring gain from debt settlement. Benguet Management Corporation, a wholly owned subsidiary and its subsidiaries added ₱88 million mainly from the logistics services provided to BNMI.

Operating costs and expenses went up to ₱1,577 million in 2012 from ₱734 million in 2011 mainly due to increase in cost of mine products and services sold and selling and general expenses.

Interest expense amounted to ₱84 million primarily from the interest on loans and advances obtained in 2012. The interest expense in 2011 decreased by ₱43 million mainly due to the settlement of restructured bank loans and reduced interest on the remaining dollar denominated loans due to the appreciation of peso against the US Dollar.

Other net income in 2012 amounted to ₱396 million lower than the other income of ₱1.3 billion in 2011. The decrease versus the previous year is mainly due to the lower non-recurring gain of ₱387 million from debt settlement in 2012 versus ₱797 million gain from debt settlement and ₱411 million income from sale of Kingking interest in 2011.

In 2012, benefit from income tax amounted to ₱92 million compared with the provision for income tax of ₱96 million in 2011. The ₱45 million provision for income tax liability of the Sta. Cruz Nickel Project this year was offset by the ₱137 million increased in deferred tax assets.

The Company's consolidated total assets amounted to ₱6.6 billion, up by 25% than 2011. The increased is basically due from the US\$20 million Pre-Export Financing Facility obtained from Amsterdam Trade Bank N.V and Maybank Philippines, Inc. and the ₱180 million Private Placement with RYM Business Management Corp.

Cash and short-term investments decreased to ₱0.7 billion in 2012 from ₱1.3 billion in 2011 mainly cash used by operating activities, equipment purchases for expansion of the Acupan Gold Project , exploration of Sta. Cruz Nickel Project Areas 2, 3 and 4, Greater Acupan Project (GAP) and debt settlement.

Trade and other receivables increased to ₱721 million in 2012 from ₱140 million in 2011 mainly from nickel ore shipment not yet collected.

Inventories increased to ₱175 million from ₱37 million last year. The increased pertains to the nickel ore inventory booked this year and increased in purchases of materials and supplies for AGP.

Other current assets increased to ₱258 million from ₱117 million in 2011 partly due to the increased in input tax on various purchases of goods and services for Acupan Gold Project and Nickel Project expansion.

Property, plant and equipment increased to ₱3.3 billion in 2012 from ₱3.0 billion in 2011 due to equipment purchases for the expansion of AGP, GAP and nickel project in Zambales.

Deferred mining exploration costs went up to ₱747 million in 2012 from ₱408 million in 2011. The increased pertains to the expenses incurred in the AGP's expansion program to increase its milling capacity, Nickel Expansion Project, Balatoc and Antamok Tailings Project and GAP.

Other non-current assets increased to ₱536 million from ₱134 million. The increased was mainly due to the investible funds of the parent company under the management of an investment banking corporation and additional Mine Rehabilitation Fund deposited with a local bank in compliance with the requirements of DENR Administrative Order (DAO) No. 96-40.

The current portion of loans payable declined to ₱966 million from ₱1,004 million last year mainly due to the debt settlement this year.

Trade and other payables increased to ₱490 million in 2012 from ₱243 million in 2011 mainly from the purchases of various supplies for AGP and Arrow Freight Corporation (AFC) sub-contractors hauling services for BNMI not yet paid in 2012.

The regular corporate income tax due from the Sta. Cruz Nickel Project accounted for the income tax payable this year.

The non-current portion of loan payable of ₱931 million increased from ₱563 million in 2011 mainly from the US\$20 million Pre-Export Facility obtained from ATB and Maybank Philippines. The loan was obtained to fund its capital expenditure and working capital requirements.

Deferred income tax liabilities decreased to ₱817 million from ₱980 million last year. The decreased pertain to the reduction in excess of accelerated deduction of mining exploration write-off and excess of accelerated depreciation over normal depreciation.

Accrued pension liability amounted to ₱57 million compared to ₱30 million in 2011. The increase in manpower and salary in 2012 accounted for the increased.

Obligations under finance lease pertains to transport equipment acquired by Parent Company.

Other non-current liabilities slightly decreased to ₱67 million from ₱74 million in 2011.

In December 2012, the Philippine SEC approved the Benguet Management Corporation, wholly owned subsidiary application for quasi reorganization to wipe out its deficit as of December 31, 2011, setting it off against its capital surplus and revaluation increment. The quasi-reorganization and the income this year resulted to a positive retained earnings of ₱1,614 million compared to ₱975 million in 2011. For the same reason, the Stockholders Equity increased to ₱3.1 billion from ₱2.3 billion last year.

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, 2012, the Company's current ratio is 1:1.25 versus 1:1.18 in 2011.

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\$1,673 per ounce in 2012 and US\$1,589 per ounce in 2011.

Tonnes Mill and Ore Grade- Tons milled and ore grade determine gold production and sales volume. The higher the tonnage and ore grade, the more gold are produced and sold. Tons milled in 2012 were 32,790 with average grade of 6.89 grams per ton gold. Gold sold in 2012 were 6,238 ounces. In 2011, tons milled were 21,121 with average grade of 7.92 grams per ton gold. Gold sold in 2011 were 4,625 ounces.

Foreign Exchange Rate- 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, 2012, the peso to dollar exchange rate was at ₱41.05 lower as compared to ₱43.919 in 2011.

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 earnings per share in 2012 is ₱3.89 compared to earnings per share of ₱8.50 in 2011. With the anticipated shipments 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 2013.

Known Trends, Events or Uncertainties

The Company does not foresee any cash flow problems over the next twelve months due to continuing improvement of its gold production compounded with the prevailing favorable metal price and assured market of the nickel ores due to existing off-take agreements. Through the off-take arrangement, BNMI signed an agreement for a three-year off-take contract with Bright Mining & Resource Company Ltd., on August 24, 2011, for the sale and delivery of 1.8 million metric tons of nickel ore grading at least 1.8% and with Minecore Resources Inc., on October 5, 2011, for 1.8 million metric tons of nickel ore grading 1.8% and above and 200,000 metric tons of 1.6% nickel. Within the ensuing twelve months, the Company anticipates changes in the number of employees due to expansion of its gold and nickel operations.

In May 2012, the Company sold 13,235,310 common shares consisting of 7,941,240 shares of Class "A" and 5,294,070 shares of Class "B" for a total consideration of ₱180 million pursuant to a Private Placement with RYM Business Management Corporation (RBMC). The transaction is the second private transaction under the terms and conditions of the Memorandum of Agreement (MOA) dated April 7, 2010, Addendum to the MOA dated September 17, 2010 and Stock Subscription Agreement dated May 4, 2012 between the Company and RBMC, with the first transaction having been completed in April 2010. The funds will be utilized for general corporate purposes, and to fund in part the development of various mining projects of the Company, including the BTP and AGP. In turn, the income generated from these projects will be used to advance the other mineral properties of the Company and to acquire or enter into joint venture arrangement for promising properties and/or projects.

In July 2012, the Company signed a US\$20 million Pre-Export Financing Facility Agreement with Amsterdam Trade Bank N.V. and Maybank Philippines Inc., to be used for working capital and capital expenditure requirements.

There is no known event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked although, the Company could be contingently liable for lawsuits and claims arising from the ordinary course of business which are not presently determinable. The Parent Company's outstanding principal debt subject to the 1992 Restructuring Agreement was reduced to ₱117 million or only 10% of the original principal. The Company remains committed to a final and comprehensive settlement of all the old debt or to arrange a suitable restructuring of the remaining obligations.

There is 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.

Other than what have been discussed in their respective sections above, 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 from the year ended December 31, 2012 to December 31, 2011.

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

Since the voluntary deregistration of the Company's Class "B" shares with the United States Securities & Exchange Commission (U.S. SEC) in 2008, trading of the U.S. registered class "B" shares (BENGF) in the Over-The-Counter (OTC) Pink Sheets was suspended. To address the concerns of the U.S. stockholders on lack of trading venue in the U.S., the Company is taking steps to have its U.S. registered Class "B" shares converted to Philippine registry. In the June 29, 2011 and May 29, 2012 Annual Stockholders' Meetings, the Company sent notices along with the annual report and proxy materials to its U.S. stockholders, informing them of the option to convert their shares to Philippine registry so they can transact in the Philippine Stock Exchange (PSE) in Manila. By converting the U.S. registered Class B share into Philippine registered Class B share, it is possible for the U.S. shareholders to trade their shares in the PSE.

The Class A, Class B and Convertible Preferred Class A shares of the Company are listed and traded in the PSE under the trading symbol of "BC" for Class A, "BCB" for Class B and "BCP" for Convertible Preferred Class A share.

As of April 14, 2014, the closing price of Common Class A is ₱7.65 per share, ₱8.00 per share for Common Class B and ₱22.65 per share for Convertible Preferred Class A as of the last trading day on November 5, 2012.

a) The high and low prices of the Company's shares in the PSE for the first quarter 2014 are as follows:

	<u>High Price</u>	<u>Low Price</u>
Common Class A	₱8.90	₱6.70
Common Class B	8.95	7.00
Convertible Preferred Class A	No trading	

b) The high and low prices of the Company's shares for each quarter of 2013 and 2012 are as follows:

	1 ST QUARTER		2 ND QUARTER		3 RD QUARTER		4 TH QUARTER	
	2013	2012	2013	2012	2013	2012	2013	2012
<u>CONVERTIBLE PREFERRED CLASS A*</u>								
Highest Price Per Share	₱ -	₱51.15	₱ -	₱52.00	₱ -	₱30.20	₱ -	₱22.65
Lowest Price Per Share	-	31.00	-	30.00	-	30.05	-	22.65
<u>COMMON CLASS A</u>								
Highest Price Per Share	19.50	29.00	18.00	28.50	10.00	25.10	8.90	24.50
Lowest Price Per Share	17.60	25.60	10.00	22.00	7.90	22.50	6.20	18.80
<u>COMMON CLASS B</u>								
Highest Price Per Share	19.94	34.00	18.50	30.50	9.50	25.00	9.48	24.00
Lowest Price Per Share	17.00	25.50	10.00	21.80	8.00	22.15	6.00	18.80

(*) There were no transactions in 2013. The last trading day of the share is November 5, 2012 at a closing price of ₱22.65 per share.

The Company's public float as of March 31, 2014 is 53.507%.

Holders – As of March 31, 2014, the Company's has 3,186 stockholders for Common Class A, 13,165 stockholders for Common Class "B" share, and 601 stockholders for Convertible Preferred Class "A" shares or a total of 16,952 stockholders.

As of March 31, 2014, the list of top 20 stockholders for Common Class "A", Common Class "B" and Convertible Preferred Class "A" shares as follows:

A. Common Class "A" Share

Name	Number of Shares Held	Percent to Total Issued Per Class
PCD Nominee Corporation (Filipino)	51,936,788	44.19%
Palm Avenue Holding Company, Inc.	21,874,909	18.61%
Palm Avenue Holdings Company and/or Palm Avenue Realty Corporation	21,306,830	18.13%
Palm Avenue Holdings Company and/or Palm Avenue Realty Corporation	10,278,125	08.74%
House of Investment, Inc.	2,848,637	02.42%
FEBTC TA 4113-000204-5 (ESPP)	1,700,000	01.45%
FEBTC TA 4113-00204-5	908,533	00.77%
Cynthia Manalili Manalang	500,000	00.43%
Henry Sy	373,535	00.32%
RP Land Development Corporation	320,000	00.27%
Henry Sy, Sr.	307,346	00.26%
Sysmart Corporation	289,652	00.25%
Pan Malayan Management and Investment Corporation	143,948	00.12%
RCBC TA #74-034-9	121,043	00.10%
Sun Hung Kai Sec. A/C# YUO34	118,875	00.10%
Marilex Realty Development Corporation	110,400	00.09%
FEBTC TA 4113-00204-5	97,008	00.09%
Enrique T. Yuchengco, Inc.	85,792	00.08%
Luis Juan L. Virata	78,001	00.07%
Franciso M. Vargas	73,000	00.06%

B. Common Class "B" Share

Name	Number of Shares Held	Percent to Total Issued Per Class
PCD Nominee (Filipino)	25,114,278	43.00%
Palm Avenue Realty and Development Co.	14,560,000	24.93%
PCD Nominee (Non-Filipino)	13,695,068	23.45%
David L. Sherman	926,859	01.59%
Michael Vozar TOD Sharon K. Vozar Sub To Sta Tod Rules	245,420	00.42%
National Financial Services	168,011	00.29%
Fairmount Real Estate, Inc.	161,419	00.28%
Independent Realty Corporation	161,147	00.28%
Richard Soltis & Veronica T. Soltis JT Ten	132,000	00.23%
Arthur H. Runk TTEE of Arthur H. Runk Liv Tr U/A dtd 08/17/1990	118,000	00.20%
Edmund S. Pomon	100,000	00.17%
William David Courtright	100,000	00.17%
William T. Coleman	100,000	00.17%
Garry A. Gil TTEE FBO Arthur Weir Gill Rev Tr	100,000	00.17%
Henry Sy	97,175	00.17%
Sanford E. Halperin	83,788	00.14%
Vince S. Chiamonte & Mary W. Chiamonte JT Ten	72,200	00.12%
Nick Floros	70,000	00.12%
Orald L. Stewart TTE for the Orald Stewart TR dtd U/A 10/23/08	70,000	00.12%
Henry Sy Sr.	62,498	00.11%

C. Convertible Preferred Class "A" Share

Name	Number of Shares Held	Percent to Total Issued Per Class
PCD Nominee Corporation (Filipino)	59,933	27.61%
Fairmount Real Estate	59,262	27.30%
Jose Concepcion, Jr.	5,000	02.30%
Jalemont Realty Inc.	2,902	01.34%
Reginaldo Amizola	1,737	00.80%
Evengeline Alave	1,720	00.79%
Maverick Marketing Corporation	1,720	00.79%
Jayme Jalandoni	1,380	00.64%
Rosendo U. Alanzo	1,376	00.63%
Romelda E. Asturias	1,376	00.63%
Rosalina O. Ariacho	1,324	00.61%
CMS Stock Brokerage Inc.	1,324	00.61%
Luisa Lim	1,238	00.57%
Delfin GDN Jalandoni	1,118	00.52%
Ventura O. Ducat	1,032	00.48%
Conchita Arms	1,000	00.46%
Equitiworld Securities, Inc.	1,000	00.46%
Benito V. Jalbuena	1,000	00.46%
Remedios Rufino	1,000	00.46%
Carlos W. Ylanan	1,000	00.46%

Dividends – The Company has not declared any dividends in the two (2) most recent fiscal years 2013 and 2012 due to restrictions provided for in the Company's loan agreements with creditor banks. The dividend rights and restrictions of the Company's Convertible Preferred, Common Class A and Common Class B stocks is contained in the Amended Articles of Incorporation of the Company, to wit:

"For a period of ten years after issuance, the holders of each shares of Convertible Preferred Stock shall be entitled to receive out of surplus profits of the Corporation earned after issuance of such Stock, when and as declared by the Board of Directors, cash dividends equal to the peso amount of and payable at the same time as that declared on each share of Common Class A or Common Class B Stock. The total cash dividends payable at any given time on Common Class

A, Common Class B and Convertible Preferred Stock shall not exceed seventy-five percentum (75%) of the total after-tax earnings for any current fiscal year of the Corporation from all sources.

Immediately upon the expiration of ten years from issuance, the holders of shares of Convertible Preferred Stock still outstanding shall be entitled to receive out of surplus profits of the Corporation, when and as declared by the Board of Directors, cash dividends at the fixed annual rate of eight percentum (8%) of the par value of such Stock before any cash dividends shall be declared or set apart for holders of Common Class A and Common Class B Stock. The balance of the net profits of the Corporation available for cash dividends shall be distributable exclusively to holders of Common Class A and Common Class B Stock. Dividends accrued and unpaid, if any, on the Convertible Preferred Stock at the end of any given fiscal year of the Corporation shall be cumulated, provided and to the extent that the net profits of the Corporation earned during such fiscal year are at least equal to the amount of such accrued and unpaid dividends; no cash dividends shall be declared and paid to holders of Common Class A and Common Class B Stock until after such accumulated, accrued and unpaid dividends on the Convertible Preferred Stock shall have been paid or provision for payment thereof made.

Holders of Convertible Preferred Stock shall not be entitled to any part of stock dividends declared and issued on outstanding Common Class A and Common Class B and no stock dividends may be declared and issued on Convertible Preferred Stock.”

Recent Sales of Unregistered or Exempt Securities – Below are the transactions of sold stocks of the Company in the past three years.

- a. Under the present implementation of the Company’s Amended Stock Option Plan (the “Plan”), as of March 31, 2014, a total of 2,134,800 shares common class “A” at option price of ₱8.50 per share and 19,200 shares common class “B” at option price of ₱29.07 per share were exercised by the optionees in the April 6, 2006 stock option awards and 42,600 shares common class “A” at option price of ₱16.50 per share and 28,285 shares common class “B” at option price of ₱17.50 per share were exercised by the optionees in the May 3, 2011 stock option awards. The shares granted under the Plan are exempted from registration under SEC Resolution No. 084 dated March 31, 2008 and the listing of the shares was approved by the PSE.
- b. Pursuant to the Memorandum of Agreement (MOA) on Private Placement dated April 7, 2010 between the Company and RBMC, the Company sold to RBMC 14,558,880 common class “A” shares at ₱12.00 per share and 9,705,840 common class “B” shares at ₱16.00 per share for a total value of ₱330 million. The placement was divided into two (2) transactions. The first transaction was completed on April 23, 2010 upon full payment of ₱150 million by RBMC to the Company for which RBMC subscribed 6,617,640 class “A” common shares and 4,411,770 class “B” common shares and the listing of the shares was approved by the Philippine Stock Exchange (PSE). The second transaction was completed on May 31, 2012 upon full payment of ₱180 million by RBMC to the Company for which RBMC subscribed 7,941,240 common class “A” shares and 5,294,070 class “B” common shares and the listing of the shares was approved by the PSE. The securities sold came entirely from the unissued capital stock of the Company which have been previously registered with the Securities and Exchange Commission (SEC) on September 20, 1989 per SEC-BED Order No. 748, Series of 1989. The sales are also exempted from the registration requirements under SEC Memorandum Circular No. 9, Series of 2008.
- c. On August 23, 2013, the Company’s Board of Directors approved the private placement of RYM Business Management Corporation (RBMC) where RBMC to infuse additional capital of up to ₱250 Million in exchange for equivalent number of shares (27,777,777 common shares) of the Company at the mutually agreed price of ₱9.00 for both Class A and Class B shares. The subscription or placement is divided into two transactions. The first part of the transaction was fully paid by RBMC the amount of ₱162 Million on September 20, 2013 upon execution of the Stock Subscription Agreement, where RBMC to acquire 18,000,000 common shares (consisting of 7,169,003 Class A and 10,830,997 Class B common shares). The securities sold will come entirely from the unissued capital stock of the Company which have been previously registered with the Securities and

Exchange Commission (SEC) on September 20, 1989 per SEC-BED Order No. 748, Series of 1989. The sales are exempted from the registration requirements under SEC Memorandum Circular No. 9, Series of 2008. The subscribed shares were also listed in the Philippine Stock Exchange (PSE).

The second transaction shall be in the form of an option for RBMC to subscribe to 9,777,777 common shares out of the new capital increase and to be effective when the Company obtained approval of the increase of its Authorized Capital Stock in the next stockholders' meeting on May 27, 2014 or its resetting date as the case may be. As additional feature, RBMC is entitled to a warrant to subscribe to additional shares at the ratio of one share for every two shares subscribed under the Second Transaction of up to a maximum of 4,888,888 shares, at the price of ₱9.50 per share. However, RBMC is given the discretion and option to decide whether the second transaction shall take the form of a warrant depending on share price. As of now, there is no subscription agreement or warrant instrument executed by the parties.

The Company has 12 months from date of full payment to issue and deliver to RBMC the equivalent common shares and within the same period, the Company shall cause the approval of the increase of its Authorized Capital Stock and registration of the shares with the SEC and the listing of the shares at the PSE. The parties may agree in writing to extend the foregoing periods in both transactions to allow the capital increase to be approved and the shares to be registered and listed.

The Company did not sell or issue securities within the past three years which are not registered under the 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.

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The directors, officers and employees substantially complying with the leading practices and principles on good corporate governance as embodied in the Revised Manual on Corporate Governance of the Company and related Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) Circulars. The Board of Directors (the "Board") oversees the Company's corporate governance and continuously strives to create value for and enhance the long term interests of its stakeholders. The Board approved the Revised Manual on Corporate Governance in compliance with SEC's Revised Code of Corporate Governance. It approved the Audit Committee Charter which set out Audit Committee membership and qualifications, duties and responsibilities, reporting process and evaluation. Pursuant to the mandate of SEC's Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange, performance of the Committee shall be regularly reviewed. To aid in compliance with the principles of good corporate governance, the Board constituted nine committees which directly report to the Board in accordance with duly approved procedures, as follows: the Executive Committee, the Salary (Compensation) Committee, the Stock Option Committee, the Investment Committee, the Audit Committee, the Property Development Committee, the Nomination Committee, the Corporate Governance Committee, and the Risk Management Committee. The Board has independent directors in compliance with the minimum requirement of the SEC.

The Company continues to improve systems and processes to enhance adherence to principles and practices of good corporate governance. It undertakes to consistently review and update its existing policies and practices to achieve an improved state of corporate governance. It shall also continue to adopt code of corporate governance promulgated by the SEC and PSE. A Corporate Governance Guidelines Disclosure Report is submitted by the Company every year to the PSE and the Company also submitted its Annual Corporate Governance Report 2013 to the SEC. The Company continues to regularly posts corporate disclosures and reports on its website for transparency and easy access and reference of stakeholders.

No deviation from the Company's Manual on Corporate Governance has been noted by the Company.

**UNDERTAKING TO PROVIDE COPIES OF THE ANNUAL REPORT AND
INTERIM FINANCIAL STATEMENTS**

The Company undertake to provide without charge to each person solicited, upon written request of such person, a copy of the Company's 2013 Annual Report or SEC Form 17-A. Such written request should be directed to: THE MANAGER, Shareholder Relations Office, Benguet Corporation, 7th Floor Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City, Philippines. The Company's 2013 Annual Report/SEC Form 17-A is also available for downloading at the Company's website: <www.benguetcorp.com>

The Company also undertakes to provide / distribute during the Annual Stockholders' Meeting, a copy of First Quarter Report 2014 (SEC Form 17-Q) containing Company's Interim Financial Statements, Management Discussion and Analysis of Financial Condition and Results of Operation. The First Quarter Report 2014 (SEC Form 17-Q) is also available for downloading at the Company's website.

PRESIDENT’S STATEMENT

2013 was a challenging year for Benguet Corporation. Market forces, with prices of our two main product lines, nickel and gold, dropping substantially on average for the year, delayed our timetable to achieve our goal of consistent profitability and sustainable growth.

We are however, committed to attain our long term goals. Hence, despite the challenges, we went out and expanded our customer base for our nickel ore; pushed for higher operating efficiencies in our nickel production; pursued the ramp up of our gold milling operation and implemented operating efficiency programs; advanced the development of our new projects; and sought equity investments to partly fund these efforts.

CONSOLIDATED RESULTS

Your Company was able to increase its consolidated revenues from ₱1.8 billion in 2012 to ₱2.3 billion (US\$52.1 million) at the close of 2013. This ₱501.7 million (US\$11.3 million) or 27.7% increase was mainly driven by the increase in the production and sales volume of your Company’s nickel business, albeit considerably offset by the drop in prices. Prices of its two main revenue drivers dropped on average by 13.6% (1.8% nickel ore) and by 24.5% (1.6% nickel ore) for nickel and 15.7% for gold in 2013 from the 2012 average prices.

The drop in metal prices and lower gains from debt settlement resulted in the contraction of your Company’s bottom line. Consolidated net income fell by ₱629.8 million (US\$14.2 million) or 98.8% to close at ₱7.7 million (US\$ 0.2 million) in 2013 from the 2012 level of ₱637.5 million.

Consolidated assets meanwhile closed at ₱7.2 billion (US\$161.8 million) at the end of 2013, ₱578.4 million (US\$13.0 million) higher than the 2012 balance of ₱6.6 billion. Total equity settled at ₱3.4 billion (US\$76.3 million) at the close of 2013, up by ₱251.2 million (US\$5.6 million) or 8.0% from the 2012 balance of ₱3.1 billion.

MINING

Gold Operations

In 2013, your Company’s gold operations in Acupan started to build their capability with the change in mining method, boosting its continuous mill capacity utilization by as much as 200% with the volume of ore milled jumping from 19,535 tons in 2012 to 59,998 tons at the close of 2013. Total tonnage milled in 2013 including the production of your Company’s Acupan Gold Project (AGP) reached 88,756 tons, up by 61.5% from the prior year’s 54,962 tons.

Revenues from gold operations in 2013 amounted to ₱708.6 million (US\$16.0 million) from the sale of 11,967 ounces. This represents an approximately 18.7% drop from the prior year’s ₱874.4 million revenue, on a gross basis. The decline is traceable mainly to the over 15.0% slide in gold prices. Your Company’s gold sale price averaged at US\$1,671 per ounce in 2012 while it only averaged at US\$1,409 per ounce in 2013. In view of the substantial decrease in price, bottom line decreased from an income of ₱44.4 million in 2012 to a loss of ₱8.6 million (US\$0.2 million) in 2013. The ramp up is vital to the building of the gold operations production capabilities in preparation for eventual expansion. Operational improvements and cost control measures were introduced by mid-2013 that are aimed to tighten operating costs, the full impact of which is expected to reflect in the succeeding year’s operating and financial results.

Drilling works for the expansion program is expected to convert the reported resource potential into Indicated and Measured Mineral Resource category with 43 boreholes aggregating nearly 5,000 meters drilled from the surface and underground.

Nickel Operations

Your Company's nickel business under its wholly owned subsidiary, Benguetcorp Nickel Mines, Inc. (BNMI), operating the Sta. Cruz nickel mines, shipped 1,006,784 tons of ore ranging in grades from 1.65% to 1.88% in 2013. This volume is equivalent to 20 boatloads, 36.9% higher than last year's 735,190 tons equivalent to 14 boatloads.

Revenue generated in 2013 amounted to ₱1.3 billion (US\$29.0 million), 16.2% higher than the previous year's ₱1.1 billion. Nickel prices dipped further in 2013, averaging at US\$33.6 per ton with a low of US\$29.00 per ton in June 2013 for the 1.8% ore. The 2013 average price for 1.80% ore was 13.6% lower compared to the US\$38.81 per ton average price in 2012 for the same grade of ore. 1.5% to 1.6% ore prices also fell by an average of 24%. Oversupply of ore brought about by record exports of Indonesia to China in anticipation of the Indonesian direct ore shipment ban starting January 2014 brought down prices in 2013.

The contraction of margins due to the further drop in nickel prices in 2013 impacted BNMI's bottom line resulting in a net loss of ₱84.4 million (US\$1.9 million) versus a ₱38.6 million income in 2012. The nickel operations however continue to be the revenue source for the logistics and port operations subsidiaries of your Company and a major revenue contributor to your Company itself.

In June 2013, an independent competent person completed the Mineral Resource Report covering the entire Sta. Cruz Nickel property with the following information compliant with the Philippine Mineral Reporting Code at 0.5% cut off grade of ore and weighted average grade of 1.1% Ni:

Measured	40.59 million tons
Indicated	8.67 million tons
Inferred	<u>10.71 million tons</u>
Total	59.97 million tons

The above is based on 66,716 meters of drilling. The remaining resource after three years of mining at the same cut-off grade of 0.5% is 34.12 million tons with an average grade of 1.33% nickel.

At 1% cut-off, the property's global resource is 35.32 million wet metric tons averaging 1.4% nickel. This updated resource is 155% higher than previously declared resource in 2011 of 22.82 million wet metric tons at the same 1.0% cut off grade, with lower nickel grade of 1.3%. The previous resource was based on 15,664 meters of drilling.

As BNMI ramped up production in its second year of operation in anticipation of better market conditions, its learning curve continue to improve with the adjustments it implemented in its system of operations.

BNMI expanded its market base during the year with the signing of another offtake agreement covering 500,000 tons of 1.8% nickel ore.

BNMI also continues to study and evaluate varying nickel processing technologies suitable to its ore characteristics and environment. Corollary to its expansion plans, BNMI has been studying acquisition prospects in various parts of the Philippines.

Lime Operations

Your Company's Irisan Lime Project (ILP) generated net earnings of ₱8.6 million (US\$0.2 million) in 2013, 12.7% or ₱1.2 million lower compared to the same period in 2012 of ₱9.8 million. Sales volume improved by 336 metric tons or 4% to 9,274 metric tons from 8,938 metric tons due to increase in lime consumption of our various customers. Production volume improved by 476 metric tons or 6% from 8,626 metric tons to 9,102 metric tons.

EXPLORATION RESEARCH AND DEVELOPMENT

Balatoc Tailings Project (BTP). Balatoc Gold Resources Corporation (BGRC), wholly owned subsidiary and operator of BTP, is completing the detailed engineering design of the mill and a shortlist of possible

Construction Managers has been drawn up. The repair and reinforcement of the ponds are ongoing and other pre-construction works will be accelerated upon financial close. Fund raising efforts have commenced in the latter part of 2013.

Antamok in Itogon, Benguet Province. Your Company has revived and accelerated the development plan of its Bulk Water Project (BWP). Your Company has an open pit in Antamok (Antamok Open Pit 440) which can be converted to a natural water reservoir with major potential water sources via the watershed of the Antamok River and a claim area, which are very close to Baguio City, in addition to other rivers and catchments that can augment the main water source. Your Company has water permits within these catchments and already has existing facilities including road systems. Your Company is seeking a strategic partner to complete the development of the project.

Ampucao Copper Gold Prospect in Itogon, Benguet. The Ampucao prospect is within the southern part of your Acupan's gold mine, indicating a porphyry copper-gold mineralization. This prospect is among the various properties that are being prioritized for further development by your Company and a preliminary drilling program is presently being prepared.

SUBSIDIARIES AND AFFILIATES

Benguetcorp Laboratories Inc. (BCLI), the healthcare provider subsidiary of your Company, completed its first full year of operation in 2013 as a spun off business. The first two clinics in Baguio City were originally under your Company until it was spun off in September 2012 as BCLI. In its first year, it was able to generate revenues of ₱28.4 million (US\$0.6 million) and net loss of ₱5.7 million (US\$0.1 million), ₱4.3 million higher than the loss of ₱1.4 million in 2012. The loss is attributed mainly to the hike in costs and expenses as BCLI geared up for the anticipated expansion. It operated three clinics at the start of the year, the third one located in San Fernando, Pampanga and it opened its fourth branch in mid-December 2013 in Taytay, Rizal. BCLI's clinics are located in popular shopping malls for easy access to its customers. BCLI is expecting to expand its customer base in its various operating locations. It is targeting to open an oncology center in the second quarter of 2014. Other primary care as well as specialized clinics are in the planning stages.

Consolidated net earnings from Benguet Management Corporation (BMC), another wholly owned subsidiary of your Company, and its subsidiaries, amounted to ₱16.8 million (US\$0.4 million), a decline of ₱71.2 million or 81% from the 2012 level of ₱88.0 million. The 2012 income comprised mostly of gains from debt settlement. Meanwhile, income from operations dropped from ₱29.4 million in 2012 to ₱14.0 million (US\$0.3 million) at the close of 2013. BMC's subsidiary, Arrow Freight Corporation (AFC) is a major contractor of BNMI providing all mining equipment and hauling services. AFC registered a net income of ₱19.2 million (US\$0.4) in 2013, a 27% or ₱4.1 million hike from the prior year's ₱15.1 million, attributable mainly to gains from sale of asset. Its margin, however was reduced as a consequence of BNMI's across-the-board cost cutting program following the weakening of nickel prices.

Benguetrade Inc. (BTI) meanwhile registered net earnings of ₱1.1 million (US\$0.02 million) in its first full year of operation since it was reorganized in December 2012. BTI, as the Group's trading arm, provides the major materials and supplies of the other operating segments. It has assisted the Acupan gold operations in lowering its costs by facilitating bulk purchases and expanding the network of suppliers.

Keystone Port Logistics and Management Services (Keystone), on the other hand, registered a ₱366 thousand (US\$0.008 million) loss in 2013, a negative turnaround from its ₱7.6 million income in 2012. Keystone beefed up its organization in 2013, accounting for the increase in overhead, to address increased port activity as BNMI's operations expanded. Its margins were likewise reduced following the cost-cutting measures implemented by BNMI following the softening of nickel prices.

BMC Forestry Corporation (BFC), a wholly owned subsidiary of BMC registered a net loss of ₱1.1 million (US\$0.02 million) in 2013 from an income of ₱0.9 million in 2012. It is the developer of Woodspark Rosario Subdivision, which has been completed following the obtainment of all necessary clearances and acceptance by the homeowners' association of the full turnover of the management and maintenance of the subdivision facilities.

As with the previous year, Benguetcorp International Limited (BIL), Benguet's Hongkong-based and wholly owned subsidiary for international operations had no activity for the year. BIL's 100% owned subsidiaries, BenguetCorp Canada Limited (BCL) in Vancouver, B.C. and BenguetCorp USA Limited (BUSA) in Nevada, USA still hold interest in gold/silver mining properties located in Royston Hills, Nevada, USA.

ENVIRONMENTAL PROTECTION

Your Company is committed to the protection and enhancement of the environment by ensuring that its mining operations are compliant with the strict regulations of the Department of Environment and Natural Resources – Mines and Geosciences Bureau (DENR-MGB) and other government agencies. It continues to implement various activities based on its approved Annual Environmental Protection and Enhancement Program (AEPEP) in close coordination with the Mine Rehabilitation Fund Committee (MRFC) and regularly monitored by the Multi-Partite Monitoring Team (MMT), composed of representatives from DENR, MGB, the Environmental Management Bureau (EMB), the community, the Local Government Units (LGU) and representatives from your Company. It spent for the progressive rehabilitation and maintenance of environmental structures such as the tailings disposal system, settling ponds, sabo dams, drainage tunnels and canals, mine waste dumps, silt dams and domestic waste disposal. It also allocated resources for environmental parameters monitoring, implementation of waste management programs, risk management and safety programs, regulatory agencies' monitoring activities and other environmental related activities. Your Company's expenditure on all these programs amounted to approximately ₱50.3 million (US\$1.1 million).

Continuous nursery maintenance and rehabilitation are being carried out in the Acupan gold operations and nickel operations to expand seedling production for its massive reforestation program and community-based agro-forestry program. In support of the National Greening Program (NGP) of the government, a total of 167,850 seedlings were planted in your Company's mining areas. Your Company remains committed to environmental protection, management and sustainable development.

COMMUNITY RELATIONS

As a continuing commitment and manifestation of your Company's Corporate Social Responsibility and for the successful implementation of its Social Development and Management Programs, your Company has addressed the various needs of its hosts and neighboring communities in all its areas of operation in the following:

1. On Human Resource Development and Institutional Building. Your Company provided assistance in capacity building through the sponsorship of Good Governance and Leadership Skills Enhancement trainings for Barangay-level LGUs and Disaster Management Training for High School students. We also initiated skills training on micro-enterprise programs such as Meat and Fish Processing and Preservation, Hand Knitting and Technological Training on Organic Fertilizer Production. Barangay Peacekeeping Action Team, Day Care Workers, Barangay Health Workers and Barangay Nutrition Scholars and Philippine National Police were given skills training and incentives to improve and strengthen the services they are providing to their respective communities.
2. On Enterprise Development and Networking. Your Company continued to promote economic development by supporting various livelihood projects such as goat and pig raising and dispersal, community-based organic fertilizer production, cattle raising, mushroom production, meat and fish processing and preservation and community-based nursery establishment.
3. On Infrastructure Development and Support Services. Your Company provided assistance in the rehabilitation and maintenance of structures and facilities such as water systems, foot bridges, basketball courts, Day Care Centers, community centers, school buildings and school grounds, Barangay Health Centers and Barangay Halls. Other projects included construction of farm-to-market road, construction of school pavements, installation of water tanks, and maintenance of eco-trails in support to the tourism program of the government.

4. On Education and Educational Support Programs. Your Company has installed the Chamber of Mines' Adopt-A-School Program covering seven (7) Elementary Schools in its areas of operation by providing assistance in the maintenance of school grounds, school buildings, and provision of various cleaning materials and instructional materials and equipment. It also supported the Department of Education's Alternative Learning System (ALS) benefitting 105 Out-of-School Youths. High School, Vocational Tech and College Scholarship Programs continue to benefit 154 students from the various host communities.
5. On Health Services, Health Facilities and Health Professionals. Your Company has conducted several Medical Outreach Programs to various host communities providing free medical consultations, free medicines, free eyewear, medical diagnostics, dental services, massage therapy and ophthalmology services. In support to various government health programs, your Company continues to implement the Philhealth Private Sponsorship Program for indigent families and sponsorship of various disease-preventing and nutrition-enhancing activities. Incentives are likewise provided to Barangay Health Workers to assist them in reaching far flung areas in the performance of their duties. Further, your Company allows the use of its services and facilities such as Company clinics and ambulance for emergency medical needs of members of the host and neighboring communities.
6. On Socio Cultural Activities and Education. Your Company also sponsored various socio-cultural activities and the promotion of public awareness and education of community members on mining activities and technology. Your Company has sponsored 13 scholars to study mining related courses.

Total expenditure for your Company's programs and projects for the communities amounted to approximately ₱11.6 million (US\$0.3 million).

Community Services

Your Company and its subsidiaries as socially responsible entities, always provide assistance not only to the communities they operate in but other calamity stricken areas as well. Your Company, its gold and nickel operating groups and its logistics support units conducted relief operations in the aftermath of various typhoons and severe effects of continuous inclement weather.

In response to the monumental devastation of Typhoon Yolanda (Haiyan) on the 8th of November 2013, Your Company and its subsidiaries extended significant assistance in the relief efforts in the affected areas in Leyte.

Led by BenguetCorp Laboratories, Inc. (BCLI), Your Company's medical services subsidiary, "Mission Tacloban" was organized, tasked to provide relief and medical missions from Manila to Tacloban targeting municipalities (over 330 barangays) across Leyte. The effort was done with the help of local and international volunteers, distributing donations of food, clothing and medicines. Your Company's logistics subsidiary, AFC, made available its resources and transport to ensure donations reached the victims safely and promptly.

To date, BCLI continues to lead your Company's involvement in mission operations in Leyte through long term projects focused on rehabilitation, recovery and rebuilding.

OUTLOOK

2014 and the coming years are expected to be better years for industrial metals such as nickel, iron and others. It is an opportune time for us to accelerate the development of projects that would enable your Company to produce higher value products, expand our resource base through jumpstarting the development of relevant properties that we already own and acquisition of promising properties. Opportunities similarly abound in all the industries in your Company's value chain, which we have already started to tap and would want to expand in, like drilling services, logistics, port services and trading. In

the healthcare industry, the prospects for growth of our healthcare line are bright not only of the basic service line but also for offshoot businesses such as specialized clinics, wellness centers and the likes.

All these would require substantial investments and your Company, with a healthy balance sheet and improving operating capability, is poised to undertake fund raising efforts from all types of debt financing and equity raising modes. Your Company is ready to welcome strategic and financial partners to bring all its projects, in the mining, mining-allied and non-mining fronts, into fruition.

We are grateful to your Company's committed and capable management team, competent employees and our Board of Directors whose insightful guidance has led us to the right course. We are most of all thankful to our shareholders who have been patient with, supportive of, and hopeful for your Company to finally be back in a profitable and sustainable track. We look forward to a better, bigger Benguet Corporation.

BENJAMIN PHILIP G. ROMUALDEZ
President & Chief Executive Officer (on leave)