



BenguetCorp

May 13, 2014

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

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

Gentlemen:

This is in response to your letter dated May 12, 2014, seeking clarification and/or confirmation regarding the news article entitled "Benguet Corp. racing to fix tailings dam to check breach" published in the May 12, 2014 issue of the Philippine Daily Inquirer, which reported in part as follows:

"ITOGON, Benguet—The country's first and oldest mining company is rushing the rehabilitation of two tailings ponds here to prevent a potential mine spill, officials said on Friday.

Valeriano Bongalos, resident manager of Benguet Corp.'s Balatoc mine operations, asked town officials and residents of Ampucao, Virac and Poblacion villages to allow engineers to rush work on raising the crest of two tailings storage facilities.

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Mario Ymbong, an engineer and company consultant, said Benguet Corp. intended to raise its tailings pond crests to level 775 to contain mine wastes equivalent to eight years of operations.

At present, tailings pond No. 2 is at level 765 while tailings pond No. 2A is at level 770, Ymbong said.

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At a hearing on Friday, Bongalos announced that Benguet Corp. was prepared to voluntarily stop operations should it fail to convince villagers about the need to increase the height of its tailings ponds.

The news report particularly the heading is misleading and contains misquotes. We have already written the editor of PDI to correct the false information. There is no existing breach of our tailings dam or is there danger of a future breach. The engineering design of our dam preclude the risk of breach or spillage because it involves a system of spillway, penstocks and diversion tunnels, which is of different design from Philex dam. The proposed upgrading of the dam which certain group in Batuang is opposing, entails the raising of the dam crest to 775 meters to contain or impound additional mill wastes equivalent to eight (8) more

years of operation of Acupan mine in compliance with our Environmental Compliance Certificate (ECC) as approved by the Mines and Geosciences Bureau-CAR (MGB-CAR) and the Environment Management Bureau-CAR (EMB-CAR). The community based contract mining in Acupan benefits the community which support the project.

We hope that we have clarified the above matter to your satisfaction.

Very truly yours,

BENGUET CORPORATION

By:



REYNALDO P. MENDOZA
SVP-Legal Services /
Asst. Corporate Secretary