



BenguetCorp

August 18, 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 August 18, 2014, seeking clarification and/or confirmation regarding the news article entitled "BenguetCorp eyes \$30-M financing for Balatoc gold tailings" posted in philSTAR.com on August 17, 2014. It was reported in part as follows:

"MANILA, Philippines - Benguet Corp. is working to close by the end of this year the financing deal for its \$30 million Balatoc gold tailings project in Benguet province, a ranking company official said.

Benguet Corp, chief finance officer Renato Claravall said the company is in talks with a local financing institution. He declined to identify the firm pending the conclusion of the transaction.

'We are just looking for the right hedge. Because we have to hedge the gold price,' said Claravall in a recent interview.

Benguet Corp., through its subsidiary Balatoc Gold Resources Corp., targets to finish before 2017 a gold recovery facility that would salvage gold from 16.7 million tons of tailings impounded in three tailings ponds in its Acupan gold mine in Benguet. Some .65 grams of gold can be recovered per ton of tailings.

Around 85 percent of the total volume of deposited tailings would be processed for gold recovery.

'If we can have financing within the year, we can have the first pouring by January 2017,' said Claravall.

He said a mineral processing permit has been given for the gold recovery project which would comprise a main processing plant having, a flotation facility, a fine grinding area, a CIP tank, and a gold storage facility. It would cost the company \$22.8 million for the actual cost of equipment.

Claravall said it would take at least two years to build the plant with the first pouring of tailings expected to take place in 2017.

Tailings deposited in the Acupan mine are expected to be exhausted within 10 years of operations of the gold recovery facility but plans are in place to ramp up production in the Acupan mine, therefore sustaining the supply of tailings to the gold recovery facility.

'We will continue to develop our Acupan mine which would create more tailings,' he said.

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Claravall said the company is now studying how to increase production in the Acupan mine.

'We are now studying how to increase capacity. We have to conduct detailing for the expansion. We will be needing a major drilling program for that,' he said."

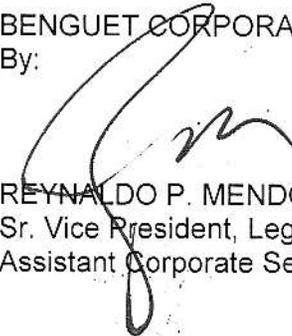
Please be advised that the news article appears to be derived from the speech of our Senior Vice President-Chief Finance Officer, Mr. Renato A. Claravall, during the 21st luncheon of the Philippine Mining Club last August 8, 2014 at the Manila Polo Club, Makati City. His speech referred to our Balatoc Tailings Project (BTP), which is the reprocessing of tailings from the Balatoc's tailings pond for the recovery of residual gold. This project has been the subject of our previous disclosures to the PSE/SEC. The most recent of which, was in the 2013 Third Quarter and 2014 First Quarter Reports. It was also presented in the 2013 Annual Report and Audited Consolidated Financial Statements of the Company for the year ended December 31, 2013. As for the \$30-M financial deal, we confirm there is ongoing talks with a financial institution. The Company will officially inform the Exchange should there be a positive development in the financial deal.

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

Very truly yours,

BENGUET CORPORATION

By:



REYNALDO P. MENDOZA
Sr. Vice President, Legal Services/
Assistant Corporate Secretary