

LEPANTO CONSOLIDATED MINING CO.

BA-Lepanto Building, 8747 Paseo de Roxas, 1226 City of Makati, Philippines

17 July 2006

Disclosure Department
Listings and Disclosure Group
Philippine Stock Exchange, Inc.
4th Floor, PSE Centre, Exchange Road
Ortigas Center, Pasig City

Attention: Ms. Jurisita M. Quintos
Senior Vice President-Operations Group

Gentlemen:

In compliance with your continuing disclosure rule, please be advised that at its regular meeting this afternoon, the Board of Directors approved an offer to be made from the current unissued authorized capital of the company to shareholders as of a record date to be fixed in accordance with the rules of the Philippine Stock Exchange (PSE), to subscribe to one (1) share of Common Stock for every eight (8) shares held on such record date, at the price of P0.20 per share. The Company is targeting a record date of August 16, 2006 and an offer period commencing on September 11, 2006. Initial payment of 50% is due upon subscription and the balance will be payable not later than October 20, 2006. Actual record and offer dates will be announced upon PSE approval of the pertinent listing application.

The proceeds of the offer, which will amount to P639,000,000, more or less, will be utilized to settle accounts with banks, advances from shareholders and employee-related accounts.

Very truly yours,


ODETTE A. JAVIER
Vice President/Asst. Corporate Secretary

cc: SEC