



LEPANTO CONSOLIDATED MINING CO.

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

PRESS RELEASE, 3 OCTOBER 2016

Since the publication of news items that Lepanto Consolidated Mining Company is under threat of suspension of its mining operations by the Department of Environment and Natural Resources (DENR), we have been bedeviled by numerous inquiries and expressions of concern from nervous stakeholders on the status of our operations. This situation constrains us to make this explanatory report to these stakeholders, namely, our worried employees, our communities, our stockholders and investors, our retirees, our partners and partner banks, and our services and goods providers.

First. Lepanto's operation has not been suspended. We have not received any official communications to that effect.

Second. There is no reason to suspend our operations. We passed the recent audit of all mines ordered by the DENR, which in our case was completed on August 14, 2016. The DENR Audit Report confirms that we have complied with all relevant laws and regulations.

We have also recently obtained an ISO 14001 certification for our environmental management system.

For the last 80 years, Lepanto did much more than produce copper, gold and silver. We helped build Mankayan, Benguet into a first class municipality. We have been dutifully paying our taxes.

We have over a thousand employees who enjoy free housing, hospitalization, electricity and water at the mine site. We have been building roads, schools, churches, marketplaces, barangay halls, health centers, daycare centers, recreation centers and training centers in Mankayan and its neighboring towns (the "Community"). We built a hospital in the minesite that services not only our employees and their dependents but the entire Community. The public schools and other public facilities inside our mine site also enjoy free electricity and water. We protect and enhance the environment for thousands of our employees and the Community. We have planted 6,500,000 trees in the Community in the last 50 years. Our livelihood programs and scholarship grants have benefitted thousands of Community members.

In times of calamities, our men and equipment are always at the forefront of rescue and retrieval operations, not only in Benguet but other provinces as well, sometimes even outside Luzon. When roads in or around the Community break down or are covered by slides, we are always among the first to provide men and equipment for road-clearing for the benefit of all commuters, especially the vegetable growers and traders.

For the last 80 years, we have been a good corporate citizen and a caring partner to the Community.

We assure our stakeholders that we will take all and every step necessary to ensure that we can and shall continue our mining operations and uphold Lepanto's legacy of responsible mining.

We thank you all for your continued support.



BRYAN U. YAP
President and COO