



Manila Mining Corporation

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3 March 2011

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

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Re: "Philex, Manila Mining revive deal for jt dev't of mine sites"

Gentlemen:

This is in reply to your letter asking us to confirm or deny the following article appearing in the 3 March 2011 issue of the Philippine Star:

"Philex Mining Corp. and Manila Mining Corp. already have a "meeting of the minds" on the basic commercial terms for the joint exploration/ survey of certain properties adjacent to Philex's Boyongan property in Surigao del Norte, in particular the Kalayaan copper-gold project of Manila Mining, Philex Chairman Manuel Pangilinan said.

"Pangilinan revealed in an interview that while the agreement between the two mining companies is still in the documentation stage, it will most likely involve a joint venture, with Philex having a 60 percent stake and Manila Mining, 40 percent."

We can confirm that Manila Mining and Philex are in negotiations for a potential joint venture on the Kalayaan Project. The Kalayaan project covers about 286 hectares of mining claims in Surigao del Norte.

Very truly yours,


ODETTE A. JAVIER
Asst. Corporate Secretary