



Manila Mining Corporation

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Disclosure Department
Listings and Disclosure Group
Philippine Stock Exchange, Inc.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

Mr. Felipe U. Yap, Chairman and CEO of Manila Mining Corporation (“MMC”), is pleased to announce that MMC and Philex Mining Corporation (“Philex”) have finalized an agreement for the exploration and joint development of the Kalayaan Project (“Project”) located in Placer, Surigao del Norte. The Project is covered by Exploration Permit No. XIII-014B in the name of Kalayaan Copper Gold Resources, Inc. (“Kalayaan”), a 100%-owned subsidiary of MMC.

Pursuant to their agreement:

1. MMC sold to Philex for US\$25 million a total of 125,000 shares of stock of Kalayaan, representing a 5% interest in Kalayaan.
2. Philex shall earn a further 55% interest in Kalayaan, for a total of 60%, by sole-funding all pre-development expenses including a final feasibility study for the Project and the development of the Project jointly with MMC.

Very truly yours,



ODETTE A. JAVIER
Asst. Corporate Secretary