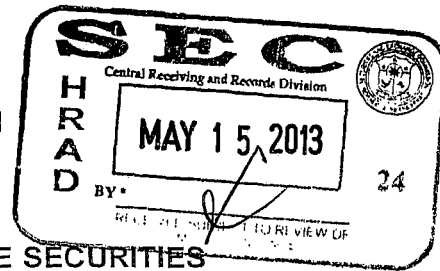


SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER



- 1. For the quarterly period ended: **March 31, 2013**
- 2. Commission identification number: **4429**      3. BIR Tax Identification No.: **000-164-442**
- 4. Exact name of issuer as specified in its charter:

**MANILA MINING CORPORATION**

- 5. Province, country or other jurisdiction of incorporation or organization:  
**Makati City, Philippines**

- 6. Industry Classification Code:  (SEC Use Only)

- 7. Address of issuer's principal office:

**20<sup>th</sup> Floor, Lepanto Building  
8747 Paseo de Roxas, Makati City, Philippines**

- 8. Issuer's telephone number, including area code:

**(632) – 815-9447**

- 9. Former name, former address and former fiscal year, if changed since last report: **N/A**

- 10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

| Title of each Class | Number of shares of common stock outstanding: |
|---------------------|---|
| Class "A"           | 121,281,301,045                               |
| Class "B"           | 80,737,597,656                                |

Amount of Debt Outstanding: **Please refer to the attached Balance Sheet (Annex "B")**

- 11. Are any or all of the securities listed on a Stock Exchange?

Yes       No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein.

**Philippine Stock Exchange**

**Classes "A" and "B"**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes  No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes  No

#### PART 1- FINANCIAL INFORMATION


- Item 1. Financial Statements:** *Income Statement* - Annex "A"  
*Balance Sheet* - Annex "B"  
*Statement of Cash Flow* - Annex "C"  
*Stockholders' Equity* - Annex "D"  
*Notes to Financial Statements* - Annex "E"  
*Aging of Accounts Receivable-Trade* - Annex "F"
- Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations** - Annex "G"
- Item 3. Impact of Current Global Financial Condition** - Annex "H"
- Item 4. Financial Ratios** - Annex "I"

#### PART II- OTHER INFORMATION (None)

##### SIGNATURES

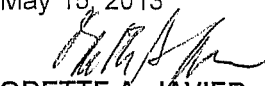
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **Manila Mining Corporation**

Signature :   
**MARIO L. LAVENTE**

Title : **Controller**

Date : **May 15, 2013**

Signature :   
**ODETTE A. JAVIER**

Title : **Assistant Corporate Secretary**

Date : **May 15, 2013**

## MANILA MINING CORPORATION

CONSOLIDATED QUARTERLY INCOME STATEMENT  
 FOR THE FIRST QUARTER OF 2013  
 (WITH COMPARATIVE FIGURES FOR THE FIRST QUARTER OF 2012)

|  | M A R C H            |                                  |
|--|----------------------|----------------------------------|
|  | 2013                 | 2012                             |
| <b>REVENUE</b>   |                      |                                  |
| Copper   | P -                  | P -                              |
| Gold   | -                    | -                                |
| Silver   | -                    | -                                |
| Interest and Other income  | 646,376              | 720,692                          |
|  | <u>646,376</u>       | <u>720,692</u>                   |
| <b>COST AND EXPENSES</b>   |                      |                                  |
| Mining, milling, refining and other<br>related charges and administrative<br>expenses including depreciation,<br>depletion and amortizations | 3,820,431            | 3,781,667                        |
|  | <u>3,820,431</u>     | <u>3,781,667</u>                 |
| <b>NET INCOME BEFORE INCOME TAX</b>  | <u>(3,174,055)</u>   | <u>(3,060,975)</u>               |
| <b>PROVISION FOR INCOME TAX</b>  |                      |                                  |
| Current  |                      |                                  |
| Deferred   |                      |                                  |
| <b>NET INCOME (LOSS) FOR THE PERIOD</b>  | <u>P (3,174,055)</u> | <u>P P (3,060,975)</u>           |
| <b>EARNINGS (LOSS) PER SHARE</b>   | <u>P (0.000016)</u>  | <u>P P (0.000015)</u>            |
|  |                      | (-3060,975 / 201,718,116,257 sf) |
| <b>Formula:</b>  |                      |                                  |
| Net Loss   | (3,174,055)          | (3,060,975)                      |
| divided by Total shares subscribed, issued and outstanding   | 201,983,116,257      | 201,718,116,257                  |
|  | <u>(0.000016)</u>    | <u>(0.000015)</u>                |

MANILA MINING CORPORATION  
 CONSOLIDATED BALANCE SHEET  
 March 31, 2013  
 (With Comparative Figures for December 2012)

| A S S E T S                         |   |                             |                             | LIABILITIES AND STOCKHOLDERS' EQUITY  |   |                             |                             |
|-------------------------------------|---|-----------------------------|-----------------------------|---|---|-----------------------------|-----------------------------|
|                                     |   | **March<br>2013             | *December<br>2012           |   |   | **March<br>2013             | *December<br>2012           |
| <b>CURRENT ASSETS</b>               |   |                             |                             | <b>CURRENT LIABILITIES</b>  |   |                             |                             |
| Cash and cash equivalents           | P | 33,115,522                  | P 147,056,636               | Accounts payable and accruals   | P | 213,189,789                 | 229,457,267                 |
| Receivables                         |   |                             |                             | Dividends payable   |   | 573,097                     | 573,097                     |
| Trade                               |   | -                           | -                           | Non-trade payables  |   | 1,064,612                   | 570,098                     |
| Non-trade (net)                     |   | 22,978,882                  | 1,507,699                   |   |   | <u>214,827,498</u>          | <u>230,600,462</u>          |
| Inventories                         |   |                             |                             | <b>NON-CURRENT LIABILITIES:</b>   |   |                             |                             |
| Supplies (net)                      |   | 33,647,623                  | 25,741,306                  | Deferred Tax Liability  |   | 66,124,650                  | 66,124,650                  |
| Prepayments                         |   | 82,644,813                  | 78,743,627                  | Pension Liability   |   | 12,126,038                  | 12,126,038                  |
|                                     |   | <u>172,386,841</u>          | <u>253,049,268</u>          |   |   | <u>78,250,688</u>           | <u>78,250,688</u>           |
| <b>NON-CURRENT ASSETS</b>           |   |                             |                             | <b>STOCKHOLDERS' EQUITY</b>   |   |                             |                             |
| Property, Plant and Equipment (net) |   | 2,515,602,932               | 2,453,304,452               | Capital Stock   |   |                             |                             |
| Other assets (net)                  |   | 9,124,151                   | 9,107,224                   | Authorized - 260,000,000,000 shares divided into 156,000,000,000 shares of Class "A" and 104,000,000,000 shares of Class "B" at P0.01 par value each - P2,600,000,000 |   |                             |                             |
| Available for sale Financial assets |   | 73,370,000                  | 73,370,000                  | Issued and outstanding-201,718,116,257 shares December 2010-201,321,086,412   |   | 2,019,956,163               | 2,019,576,163               |
|                                     |   | <u>2,598,097,084</u>        | <u>2,535,781,675</u>        | Subscribed capital stock - 301,774,944 shares December 2010-58,774,944 subscriptions receivable of P366,405   |   | 211,420                     | 371,419                     |
| <b>TOTAL ASSETS</b>                 | P | <u><u>2,770,483,924</u></u> | <u><u>2,788,830,944</u></u> | Share Premium   |   | 502,563,353                 | 502,183,353                 |
|                                     |   |                             |                             | Deposit for Future Subscription   |   | 0                           | 0                           |
|                                     |   |                             |                             |   |   | <u>2,522,730,935</u>        | <u>2,522,130,935</u>        |
|                                     |   |                             |                             | Fair Value Reserve  |   | 5,828,008                   | 5,828,008                   |
|                                     |   |                             |                             | Deficit   |   | (1,005,774,479)             | (1,002,600,424)             |
|                                     |   |                             |                             | Effects of changes with non-controlling interest  |   | 954,621,275                 | 954,621,275                 |
|                                     |   |                             |                             | Net stockholders' equity  |   | <u>2,477,405,739</u>        | <u>2,479,979,794</u>        |
|                                     |   |                             |                             | <b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>   | P | <u><u>2,770,483,924</u></u> | <u><u>2,788,830,944</u></u> |

\*\* - UNAUDITED

\* - AUDITED

MANILA MINING CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2013  
(WITH COMPARATIVE FIGURES FOR THE THREE MONTHS ENDED MARCH 31, 2012)

|   | MARCH 31                 |                           |
|---|--------------------------|---------------------------|
|   | 2013                     | 2012                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                          |                           |
| Net income/(loss) for the period  | (3,174,055)              | (3,060,975)               |
| Add/(deduct) year-to-date adjustments   | <u>(3,174,055)</u>       | <u>(3,060,975)</u>        |
| <b>Adjustment to reconcile net income to net cash provided by operating activities:</b> |                          |                           |
| Depreciation  | 1,085,437                | 1,063,158                 |
|   | <u>(2,088,618)</u>       | <u>(1,997,817)</u>        |
| <b>Changes in assets and liabilities</b>  |                          |                           |
| (Increase) decrease in receivables  | (21,530,645)             | 1,695,082                 |
| (Increase) decrease in inventories  | (7,906,317)              | (2,471,055)               |
| (Increase) decrease in prepayments/marketable securities                                | (3,901,186)              | (5,173,507)               |
| Increase (decrease) in accounts payable & accruals                                      | (16,208,016)             | (16,444,876)              |
| Net cash provided by operating activities   | <u>(51,634,782)</u>      | <u>(24,392,172)</u>       |
| <b>CASH USED IN INVESTING ACTIVITIES:</b>   |                          |                           |
| (Increase) decrease of property, plant and eqpt   | (63,383,918)             | (47,346,779)              |
| (Increase) decrease in other assets   | (16,928)                 | (409,342)                 |
| Net cash used in investing activities   | <u>(63,400,846)</u>      | <u>(47,756,121)</u>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                          |                           |
| Increase (decrease) in subscribed capital stock   | 220,000                  | (9,702)                   |
| Increase (decrease) in share premium  | 380,000                  | 9,702                     |
| Deposit for future subscriptions  | (0)                      |                           |
| Receipts from ( payment to ) related parties  | 494,514                  | (1,197,323)               |
| Net cash provided by (used in) financing activities                                     | <u>1,094,514</u>         | <u>(1,197,322)</u>        |
| <b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>                                     | <b>(113,941,113)</b>     | <b>(73,345,615)</b>       |
| <b>CASH</b>   |                          |                           |
| Beginning of the period   | <u>147,056,636</u>       | <u>527,306,881</u>        |
| End of the period   | <u><b>33,115,523</b></u> | <u><b>453,961,266</b></u> |

MANILA MINING CORPORATION  
 CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
 FOR THE PERIOD ENDED MARCH 31, 2013 AND 2012

|  | MARCH 31               |                        |
|--|------------------------|------------------------|
|  | 2013                   | 2012                   |
| <b>STOCKHOLDERS' EQUITY</b>                                      |                        |                        |
| Capital Stock  |                        |                        |
| Authorized - 260B shares @ P.01 par value each (P 2,600,000,000) |                        |                        |
| Issued and outstanding   | 2,019,956,163          | 2,017,306,163          |
| Subscribed capital stock (net of subscriptions receivable)       | 211,420                | 2,641,343              |
| Share premium  | 502,563,353            | 502,183,429            |
| Deposit for Future Subscription                                  | 0                      | 0                      |
| Deficit  |                        |                        |
| Operations   |                        |                        |
| Beginning balance  | (1,002,600,424)        | (993,550,475)          |
| Net income (loss) for the period                                 | (3,174,055)            | (3,060,975)            |
|  | (1,005,774,478)        | (996,611,450)          |
| Fair Value Reserve   | 5,828,008              | 42,056,507.60          |
| Effects of changes with non-controlling interest                 | 954,621,275            | 954,621,275.00         |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                                | <b>P 2,477,405,739</b> | <b>P 2,522,197,268</b> |

MANILA MINING CORPORATION  
NOTES TO FINANCIAL STATEMENTS

**Note 1 - Operations; registration with the Board of Investments (BOI)**

Manila Mining Corporation (the parent company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 20, 1949, primarily to carry on the business of mining, milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in precious and semi-precious metals, ores, minerals and their by-products. The parent company's shares are listed and traded on the Philippine Stock Exchange (PSE). On April 16, 1999, the SEC approved the extension of the Parent Company's corporate term for another fifty (50) years upon expiration of its original term on May 30, 1999. Lepanto Consolidated Mining Company (LCMC), a publicly listed company, and its subsidiaries, has 20.12% equity interest in the Company.

The principal office of the Parent Company is located at the 20th Floor, Lepanto Building, 8747 Paseo de Roxas, 1226 Makati City.

The parent company had a total of 67 regular employees as of 31 March 2013.

On May 11, 2011, the Parent Company, KCGRI and Philex Mining Corporation (Philex), finalized an agreement for the exploration and joint development of the Kalaya-an Project located in Placer, Surigao del Norte. The Kalaya-an Project, which is registered under KCGRI, is covered by EP No. XIII-014B.

Prior to its expiration, or on 18 April 2012, an application for another renewal was filed by KCGRI for the purpose of conducting a more in-depth and detailed exploration in the area and to complete the feasibility study.

Pursuant to the agreement, the Parent Company sold to Philex a total of 125,000 shares of stock of KCGRI, representing a 5% interest in KCGRI, for a consideration of US\$25 million. Philex shall earn an additional 55% interest in KCGRI by sole-funding all pre-development expenses including a final feasibility study for the Project. The development of the Project shall be undertaken jointly by the Parent Company and Philex.

**Note 2 – Compliance with generally accepted accounting principles and basis of financial statement presentation**

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) Interpretations.

The policies set out below have been consistently applied to all the months presented. The Company's financial statements were prepared in accordance with generally accepted accounting principles in the Philippines (GAAP) and in conformity with PFRS

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed properly.

The accounting policies adopted in the preparation of the financial statements are consistent with the most recent annual financial statements.

#### **Adoption of new accounting standards**

The ASC approved the issuance of new and revised accounting standards which are based on revised International Accounting Standards (IAS) and new International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) which are effective for annual periods beginning on or after January 1, 2005.

These new Standards have been renamed PASs to correspond to adopted IASs while the PFRSs correspond to adopted IFRSs. The Company adopted the applicable PASs and PFRSs effective January 1, 2005:

**PAS** - PAS 1, 2, 8, 10, 16, 17, 19, 21, 24, 32, 33, 36, 37, 38 & 39

**PFRS** - PFRS 1 & 2

#### **Adoption of PFRS 9**

After consideration of the result of its impact evaluation and the postponement of the effectivity of PFRS 9 to annual periods beginning on or after January 2015, the Company has decided not to early adopt PFRS 9 for its 2012 annual financial statement.

#### **Note 3 – Standards under SEC Memorandum Circular No. 6 (SEC MC-6)**

The company adopts the following standards and interpretations that took effect on January 1, 2013 and are covered under the SEC Memorandum Circular No.-6:

| Title               | Subject   | Applicable |
|---------------------|---|------------|
| PAS 27 (Amended)    | Separate Financial Statements                                     | Yes        |
| PAS 28 (Amended)    | Investments in Associates and Joint Ventures                      | Yes        |
| Amendment of PFRS 1 | Government Loans  | N/A*       |
| Amendment of PFRS 7 | Disclosures-Offsetting Financial Assets and Financial Liabilities | N/A*       |
| PFRS 10             | Consolidated Financial Statements                                 | Yes        |
| PFRS 11             | Joint Arrangement   | N/A*       |
| PFRS 12             | Disclosures of Interests in Other Entities                        | Yes        |
| PFRS 13             | Fair Value Measurement  | Yes        |



N/A\*-not applicable

The company does not expect the adoption of these new and amended PFRS and PAS to have a significant impact on its financial statements and on the audited figures as of December 31, 2012.

**Note 4– Cash and cash equivalents**

These include cash on hand and in banks. Cash in banks earn regular bank deposit interest. Money placements earn an interest at slightly higher rates. All placements are for fixed short term tenor and subject to pre termination at the option of the company without penalty.

**Note 5– Receivables**

This consists of Advances to officers and employees and other receivables.

**Note 6– Pre-payments and Deposits**

This account represents prepaid royalties & miscellaneous deposit in relation to drilling contract.

**Note 7– Property, Plant and Equipment**

Property, plant and equipment are carried at cost less accumulated depletion, depreciation and impairment in value, if any. This includes exploration cost.

**Note 8 – Other Assets**

This account consists mainly of Deposit receivable and idle equipment.

**Note 9 – Available for sale investments**

These include quoted and unquoted equity instruments. Quoted instruments (listed shares) and unquoted equity instruments (shares not listed) are carried at fair market value as of December 31 2011 as determined. Unquoted or investments not listed have no fixed maturity date or coupon rate, and they have no available bid price.

Unrealized gain on the movement in fair value of these investments amounting to P42.06 million is recognized as separate component in the statement in changes in equity under Fair Value Reserve.

**Note 10– Accounts Payable and Accrual**

This represents payables to suppliers and advances from shareholders.

**Note 11 – Non-trade Payables**

This account represents payables to affiliates.

**Note 12 – Pension Benefits**

Pension cost and obligation are computed in accordance with Republic Act No. 7641, Retirement Pay Law, which is similar to that computed under a defined benefit pension plan. A defined benefit plan is a retirement plan that defines an amount of pension benefit that an employee will receive on

retirement, usually dependent on certain factors such as age, years of credited service and salary.

The liability recognized in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with any adjustments for unrecognized gains or losses and past service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity which approximates the terms of the related pension liability. The defined benefit obligation is calculated on a regular periodic basis by an independent actuary using the "Projected Unit Credit Cost" method.

**Note 13 - Earnings (loss) per share**

Following are the basis for the computation of earnings (loss) per share:

|  | 1st qtr 2013    | 1st qtr 2012    |
|--|-----------------|-----------------|
| Numerator:   |                 |                 |
| Net (loss) income for<br>The quarter                                   | P(3,174,055)    | P (3,060,975)   |
| Denominator:   |                 |                 |
| Weighted average<br>Total shares subscribed,<br>issued and outstanding | 201,983,116,257 | 201,718,116,257 |

MANILA MINING CORPORATION

AGING OF ACCOUNTS RECEIVABLE TRADE

As of March 31, 2013

NONE

p -o0o-

## Management's Discussion and Analysis of Financial Condition and Results of Operations

As of 31 March 2013

The company earned a modest interest income of P.646 million for the first quarter. Earnings for the same quarter last year was P.720 million, mainly due from interests earned from bank deposits and money market placements. Expenses, consisting of depreciation and administration costs, totaled P3.820 million, compared with P3.782 million last year. Net loss for the period amounted to P3.174 million, compared with net loss of P3.061 million last year.

Cash and Cash Equivalents amounted to P33.115 million, 77.48% lower than the end-2012 level due to continuing exploration activities. Receivables increased by 1426.22% to P23.010 million from P1.507 million last year mainly due to advance payments made to contractors. Materials and supplies increased by 30.71% to P33.647 million from P25.741 million due to acquisition of materials for exploration and assaying activities. Prepayments increased by 5% to P82.644 million from P78.743 on the account of the recognition of input VAT in relation to exploration activities.

Account payables and accruals decreased by 7.10% to P213.171 million from P229.457 million as a result of payments made to contractors. Non-trade payables increased by 86.74% to P1.064 million from P.570 million mainly due to intercompany charges from affiliates.

**Manila Mining Company**  
Impact of Current Global Financial Condition

**Credit Risk**

Not applicable

**Market Risk**

The value of financial instruments may change as a result of changes in interest rates, foreign currency exchange rates and equity prices. The Company has 'Available For Sale Financial Assets' in the amount of P73.37 million which is subject to fluctuations in market prices.

**Foreign Exchange Risk**

Not applicable

**Interest Rate Risk**

Not applicable as the Company has no interest-bearing payables.

**Liquidity Risk**

Not applicable

**Fair Values**

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

*Cash, Receivables, Trade Payables and Accrued Expenses*

The carrying amounts of cash, receivables, trade payables and accrued expenses are all subject to normal trade credit terms and are short term in nature, approximate their fair values.

*AFS Investments*

Fair values of investments are estimated by reference to their quoted market values made during the balance sheet date as of the end of last year. Unquoted equity securities are carried at cost net of impairment in value, since fair value of these AFS securities cannot be reliably determined as these securities are not listed and have no available bid price. The Company has no investments in foreign securities.

*Loans Payable and Borrowings*

Not applicable

MANILA MINING CORPORATION AND SUBSIDIARY  
 FINANCIAL RATIOS  
 PURSUANT TO SRC RULE 68, AS AMENDED  
 (With Comparative Annual Figures for 2012)

|                                       | 1ST QUARTER<br>March 2013 | YEAR END<br>December 2012 |
|---------------------------------------|---------------------------|---------------------------|
| <b>Profitability Ratios:</b>          |                           |                           |
| Return on assets                      | -0.11%                    | -0.32%                    |
| Return on equity                      | -0.13%                    | -0.36%                    |
| Net Profit Margin                     | n/a                       | n/a                       |
| <b>Solvency and liquidity ratios:</b> |                           |                           |
| Current Ratio                         | 0.08:1                    | 1.10:1                    |
| Debt to equity                        | 0.12:1                    | 0.12:1                    |
| Quick Ratio                           | 0.15:1                    | 0.63:1                    |
| <b>Financial Leverage ratio:</b>      |                           |                           |
| Asset to equity                       | 1.12:1                    | 1.13:1                    |
| Debt to Asset ratio                   | 0.11:1                    | 0.11:1                    |
| Interest rate coverage ratio          | n/a                       | n/a                       |