

# Manila Mining Corporation

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Makati, Metro Manila, Philippines  
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15 July 2015

Disclosure Department  
Listings and Disclosure Group  
Philippine Stock Exchange, Inc.  
PSE Center, Ayala Avenue  
Makati City

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

Re: Use of 1:3.56 SRO Proceeds

**Gentlemen:**

In compliance with the terms of the listing of Manila Mining's 1:3.56 Stock Rights Offering (SRO), we are pleased to submit herewith our report on the utilization of the SRO proceeds for the 2<sup>nd</sup> quarter ending 30 June 2015 as certified by our external auditor SGV & Co.

Very truly yours,

ODETTE A. JAVIER  
Asst. Corporate Secretary

## REPORT OF FACTUAL FINDINGS

The Stockholders and the Board of Directors  
Manila Mining Corporation  
20th Floor, Lepanto Building  
Paseo de Roxas, Makati City

We have performed the procedures agreed with you and enumerated in Appendix I with respect to the updated report on the application of proceeds from the Stock Rights Offering (the Offering) of Manila Mining Corporation (the Company) as summarized in the table included in the Company's Quarterly Progress Report of the Proceeds from the Stock Rights Offering for the Second Quarter Period Covered April 1, 2015 to June 30 2015 (see Appendix II). The procedures were performed solely to comply with the Philippine Stock Exchange (PSE) requirement for the Company to submit an external auditor's certification on the accuracy of the information being represented by the Company relating to the application of proceeds whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, "*Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*" applicable to Agreed-Upon Procedures engagements.

Because the procedures enumerated in Appendix I do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), we do not express any assurance on the use of proceeds from the Offering based on the said standards.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the updated report on the Company's use of proceeds from the Offering and items specified above and do not extend to any financial statements of Manila Mining Corporation, taken as a whole.

SYCIP GORRES VELAYO & CO.



Jaime F. del Rosario  
Partner  
CPA Certificate No. 56915  
SEC Accreditation No. 0076-AR-3 (Group A),  
March 21, 2013, valid until March 20, 2016  
Tax Identification No. 102-096-009  
BIR Accreditation No. 08-001998-72-2015,  
March 24, 2015 valid until March 23, 2018  
PTR No. 4751273, January 5, 2015, Makati City

July 14, 2015

**MANILA MINING CORPORATION**  
Agreed-Upon Procedures Performed and Associated Findings  
Quarterly Progress Report  
On the Applications of Proceeds from Stock Rights Offering  
For the Period Covered April 1, 2015 to June 30, 2015

**1. Procedures Performed:**

Obtained from the Company its report on the application of the proceeds to the PSE, which contains an updated report on the use of proceeds from the Offering showing the following information:

- a) Unutilized proceeds as at April 1, 2015
- b) Listing, registration and other fees
- c) Description of expenditures
- d) Amount of disbursement in Philippine peso
- e) Net balance of proceeds from the Offering as at June 30, 2015

**Findings:**

We noted that the ending net balance of the proceeds from the Offering as at June 30, 2015 indicated in the Company's updated report on the application of proceeds to be submitted to PSE dated July 14, 2015, is properly supported by certificates of time deposit and passbooks.

**2. Procedures Performed:**

Checked the mathematical accuracy of the table containing the updated report on the application of proceeds from the Offering, as summarized in the Company's letter to PSE.

**Finding:**

No exceptions were noted.

**3. Procedures Performed:**

Verified the movement of the proceeds from the Offering by tracing each amount disbursed by the Company to the related supporting documents such as passbook, invoices and official receipts from supplier, payment advice and bank statements of the Company.

**Findings:**

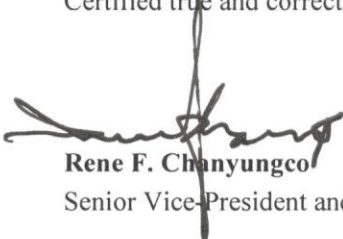
No exceptions were noted.

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**MANILA MINING CORPORATION**  
 Quarterly Progress Report of the Proceeds from the Stock Rights Offering  
 For the Second Quarter Period Covered April 1, 2015 to June 30, 2015

PURPOSE	April 1, 2015	UTILIZATION	UNUTILIZED
	Amount (in millions)	April to June	Amount (in millions)
TRADE & OTHER PAYABLES	P13.76	P-	P13.76
DRILLING PROGRAMS	15.60	1.10	14.50
CONTRACTORS	0.07	-	0.07
PAYABLE TO GOVERNMENT	0.07	-	0.07
COST OF OFFERING	0.06	-	0.06
CARE AND MAINTENANCE	25.57	8.16	17.41
TOTAL	P55.13	P9.26	P45.87

Certified true and correct by:



**Rene F. Chanyungco**

Senior Vice-President and Treasurer