

# COVER SHEET

4 4 2 9

S.E.C. Registration Number

M A N I L A M I N I N G C O R P O R A T I O N

(Company's Full Name)

2 0 T H F L O O R L E P A N T O B U I L D I N G  
8 7 4 7 P A S E O D E R O X A S  
M A K A T I C I T Y

(Business Address: No. Street City / Town / Province)

O D E T T E A . J A V I E R

Contact Person

8 1 5 - 9 4 4 7

Company Telephone Number

Not later than April 30

1 2      3 1

Month

Day

Fiscal Year

1 7 - Q

FORM TYPE

Month

Day

Annual Meeting

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Secondary License Type, If Applicable

Dept. Requiring this Doc.

\_\_\_\_\_

Amended Articles Number/Section

\_\_\_\_\_

Total no. of Stockholders

Total Amount of Borrowings

\_\_\_\_\_

Domestic

\_\_\_\_\_

Foreign

To be accomplished by SEC Personnel concerned

\_\_\_\_\_

File Number

\_\_\_\_\_

LCU

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Document I.D.

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Cashier

STAMPS

Remarks = please use black ink for scanning purposes

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: **September 30, 2011**
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:
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<b>Class "A"</b>	<b>121,246,277,583</b>
<b>Class "B"</b>	<b>80,773,583,773</b>

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

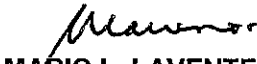
- Item 1. Financial Statements:** *Income Statement* - Annex "A"  
*Balance Sheet* - Annex "B"  
*Statement of Cash Flow* - Annex "C"  
*Stockholders' Equity* - Annex "D"  
*Notes to Financial Statements* - Annex "E"  
*Aging of Accounts Receivable-Trade* - Annex "F"
- Item 2. Management's Discussion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

### 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 :   
Title : **MARIO L. LAVENTE**  
Controller

Date : November 14, 2011

Signature :   
Title : **ODETTE A. JAVIER**  
Assistant Corporate Secretary

Date : November 14, 2011

MANILA MINING CORPORATION  
 CONSOLIDATED QUARTERLY INCOME STATEMENT  
 FOR THE THIRD QUARTER OF 2011  
 (WITH COMPARATIVE FIGURES FOR THE THIRD QUARTER OF 2010)

	Third Quarter of 2011	Third Quarter of 2010	NINE MONTHS ENDED SEPTEMBER 2011	NINE MONTHS ENDED SEPTEMBER 2010
<b>REVENUE</b>				
Copper	-	-	-	-
Gold	-	-	-	-
Silver	-	-	-	-
Interest and Other income	2,099,034	6,444	1,074,785,507	639,574
	<u>2,099,034</u>	<u>6,444</u>	<u>1,074,785,507</u>	<u>639,574</u>
<b>COST AND EXPENSES</b>				
Mining, milling, refining and other related charges and administrative expenses including depreciation, depletion and amortizations	2,253,563	1,025,216	113,625,134	5,969,079
	<u>2,253,563</u>	<u>1,025,216</u>	<u>113,625,134</u>	<u>5,969,079</u>
<b>NET INCOME BEFORE INCOME TAX</b>	<u>(154,529)</u>	<u>(1,018,771)</u>	<u>961,160,374</u>	<u>(5,329,505)</u>
<b>PROVISION FOR INCOME TAX</b>				
Current				
Deferred				
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<u>P (154,529)</u>	<u>P (1,018,771)</u>	<u>P 961,160,374</u>	<u>P (5,329,505)</u>
<b>EARNINGS (LOSS) PER SHARE</b>	<u>P (0.000001)</u>	<u>P (0.000005)</u>	<u>P 0.004766</u>	<u>P (0.000026)</u>
<b>Formula:</b>				
Net Loss	(154,529)	(1,018,771)	961,160,374	(5,329,505)
divided by Total shares subscribed, issued and outstanding	201,676,740,569	201,321,086,412	201,676,740,569	201,321,086,412
	<u>(0.000001)</u>	<u>(0.000005)</u>	<u>0.004766</u>	<u>(0.000026)</u>

A S S E T S				LIABILITIES AND STOCKHOLDERS' EQUITY					
		**September 2011	*December 2010			**September 2011	*December 2010		
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>					
Cash & cash equivalents	P	662,531,573	P	7,145,383	Accounts payable and accruals	P	159,332,907	P	178,888,314
Short-term investments					Dividends payable		573,097		573,097
Receivables					Non-trade payables		470,027		1,180,648
Trade		-			Notes Payable				
Non-trade ( net )		913,024	485,687						
Subscription Receivables		-					160,376,030		180,642,059
Inventories									
Bullion		-			<b>NON-CURRENT LIABILITIES</b>				
Copper concentrate		-			Notes Payable				
Gold in process - CIP		-			Deferred Tax Liability	69,619,952		69,619,952	
Ore		-			Pension Liability	7,679,701		7,679,701	
Materials and supplies (net)		30,468,670	28,165,393		Provision for mine rehabilitation & decommissioning				
Prepayments		49,786,507	34,177,214						
		<u>743,699,774</u>	<u>69,973,677</u>				<u>77,299,653</u>		<u>77,299,653</u>
<b>NON-CURRENT ASSETS</b>				<b>STOCKHOLDERS' EQUITY</b>					
Property, Plant and Equipment (net)		1,898,454,440	1,684,709,544	Capital Stock					
Other Assets (net)		7,474,323	6,889,896	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		67,541,992	7,500,000	Issued and outstanding-201,676,740,569 shares					
Investment in Subs. & Affiliate		-	-	December 2010-201,321,086,412		2,016,892,405		2,013,210,864	
		<u>1,973,470,755</u>	<u>1,699,099,440</u>	Subscribed capital stock - 343,120,787 shares					
				December 2010-58,774,944					
				subscriptions receivable of P6,091,405		202,303		218,276	
				Share Premium		499,311,227		495,773,727	
				Deposit for future subscriptions		0		0	
						<u>2,516,405,935</u>		<u>2,509,202,867</u>	
				Fair Value Reserve		-		-	
				Retained earnings, beginning		(998,071,463)		(989,591,498)	
				Add: Net income (loss) for the period		961,160,374		(8,479,965)	
				Retained earnings, end		<u>(36,911,089)</u>		<u>(998,071,463)</u>	
				Net stockholders' equity		<u>2,479,494,846</u>		<u>1,511,131,404</u>	
<b>TOTAL ASSETS</b>	<b>P</b>	<b><u>2,717,170,530</u></b>	<b>P</b>	<b><u>1,769,073,117</u></b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>P</b>	<b><u>2,717,170,530</u></b>	<b>P</b>	<b><u>1,769,073,117</u></b>

\*\* - UNAUDITED

\* - AUDITED

**MANILA MINING CORPORATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(WITH COMPARATIVE FIGURES FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2010)**

	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income/(loss) for the period	(154,529)	(1,018,771)	961,160,373.64	(5,329,505)
Add/(deduct) year-to-date adjustments	-	-	-	-
	<u>(154,529)</u>	<u>(1,018,771)</u>	<u>961,160,374</u>	<u>(5,329,505)</u>
<b>Adjustment to reconcile net income to net cash provided by operating activities:</b>				
Depreciation	1,052,560	1,025,930	3,157,680	3,077,791
Impairment loss	-	-	-	-
	<u>898,031</u>	<u>7,159</u>	<u>964,318,054</u>	<u>(2,251,714)</u>
<b>Changes in assets and liabilities</b>				
(Increase) decrease in receivables	(3,623,567)	(26,710,215)	(6,149,269)	(29,915,051)
(Increase) decrease in inventories	514,509	(56,948)	(2,303,277)	(43,705)
(Increase) decrease in prepayments	(9,482,903)	(938,761)	(15,609,294)	(1,612,403)
Increase (decrease) in accounts payable & accruals	(25,089,200)	(51,453,300)	(19,555,407)	(131,438,397)
Increase (decrease) in notes payable/dividends payable	-	-	-	-
Net cash provided by operating activities	<u>(36,783,130)</u>	<u>(79,152,064)</u>	<u>920,700,807</u>	<u>(165,261,270)</u>
<b>CASH USED IN INVESTING ACTIVITIES:</b>				
(Increase) decrease of property, plant and eqpt	(116,086,491)	(18,129,475)	(216,902,577)	(30,627,174)
(Increase) decrease in investments available for sale	(22,681,241)	-	(59,916,992)	-
(Increase) decrease in other assets	(71,091)	(15,989)	(584,427)	(34,320)
Net cash used in investing activities	<u>(138,838,822)</u>	<u>(18,145,464)</u>	<u>(277,403,996)</u>	<u>(30,661,494)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Increase (decrease) in subscribed capital stock	5106500	-	9262500	223755401.4
Increase (decrease) in Share Premium	1,293,500.00	(387,469.43)	3,537,500.00	107,240,348.06
Increase (decrease) in Deposit for Future Subscription	-	0.05	-	0.05
Increase (decrease) in Fair Value Reserve	-	-	-	-
Receipts from ( payment to ) related parties	(1,475,273)	(0)	(710,621)	(129,828,818)
Increase (decrease) in deferred tax liability	-	-	-	-
Provision for mine rehabilitation & decommissioning	-	-	-	-
Net cash provided by (used in) financing activities	<u>4,924,727</u>	<u>(387,469)</u>	<u>12,089,379</u>	<u>201,166,932</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	<b>(170,697,226)</b>	<b>(97,684,998)</b>	<b>655,386,190</b>	<b>5,244,188</b>
<b>CASH</b>				
Beginning of the period	<u>833,228,799</u>	<u>104,362,577</u>	<u>7,145,383</u>	<u>1,433,411</u>
End of the period	<u><u>662,531,573</u></u>	<u><u>6,677,579</u></u>	<u><u>662,531,573</u></u>	<u><u>6,677,579</u></u>

MANILA MINING CORPORATION  
 CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2011

	SEPTEMBER 30	
	2011	2010
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock		
Authorized - 260B shares @ P.01 par value each (P 2,600,000,000)		
Issued and outstanding	2,016,892,405	2,013,092,066
Subscribed capital stock (net of subscriptions receivable)	202,303	335,189
Share premium	499,311,227	496,042,014
Deposit for future subscriptions	0	0
Fair Value Reserve		
Deficit		
Operations		
Beginning balance	(998,071,463)	(989,591,498)
Net income (loss) for the period	961,160,374	(5,329,505)
	(36,911,089)	(994,921,003)

**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 59 regular employees as of 30 September 2011.

Due to the temporary cessation of operations since July 2001, the BOI certificates of registration of the Company have been cancelled.

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

**Basis of Preparation**

The consolidated financial statements have been prepared under the historical cost basis, except for AFS investments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso, the Parent Company's functional and presentation currency. All amounts are rounded to the nearest peso except as otherwise indicated.



### **Statement of Compliance**

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (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.

### **Basis of Consolidation**

The financial statements of the subsidiary are prepared for the same reporting year as the parent company using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full.

The subsidiary is fully consolidated from the date of acquisition, being the date on which the parent company obtains control, and continues to be consolidated until the date that such control ceases.

### **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year.

### **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 parent 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, the company has decided not to early adopt either PFRS 9 (2009) or PFRS 9 (2010) FOR ITS 2011 annual financial reporting.

It shall conduct in early 2012 another impact evaluation using the outstanding balances of financial statement as of December 31, 2011.

### **Note 3– Receivables**

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

### **Note 4– Pre-payments and Deposits**

This account represents Prepaid royalties & Miscellaneous deposit in relation to drilling contract.

### **Note 5– 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 6 – Other Assets**

This account consists mainly of idle equipment and environmental funds in compliance with mining laws.

### **Note 7 – Accounts Payable and Accrual**

This represents payables to suppliers and advances from shareholders.

### **Note 8 – Non-trade Payables**

This account represents payables to affiliates.

### **Note 9 – 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 10 - Earnings (loss) per share**

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

	3rd qtr 2011	3rd qtr 2010
<b>Numerator:</b>		
Net (loss) income for The quarter	P (154,529)	P (1,018,771.26)
<b>Denominator:</b>		
Weighted average Total shares subscribed, issued and outstanding	201,676,740,569	201,321,086,412

MANILA MINING CORPORATION

AGING OF ACCOUNTS RECEIVABLE TRADE

As of September 30, 2011

NONE

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## ANNEX "G"

### Management's Discussion and Analysis of Financial Condition and Results of Operations As of 30 September 2011

For the nine months ended September 30, 2011, Interest and other income amounted to P1.07 billion vs. P0.63 million last year representing the proceeds, and interest income thereof, of the sale by the company to Philex Mining Corporation of 5% of its shareholdings in Kalayaan Copper- Gold Resources, Inc. Administration and depreciation expenses increased to P116.13 million (from P5.97 million last year), consisting principally of the capital gains tax paid on the said sale of shares. Net income for the nine months ended September 30, 2011 was P958.02 million compared with a net loss of P5.329 million last year.

For the third quarter, Interest income from bank deposits and money market placements totaled P2.1 million compared with P6,444 last year. Expenses increased to P2.25 million from P1.03 million last year due to administrative expenses, for a Net Loss of P154,529 vs. P1.02 million in 2010.

Cash and cash equivalents increased to P651.24 million as against P7.15 million as of end-2010 on account of the sale of the Kalayaan shares. Receivables increased to P0.91 million compared with P0.49 million due to advances made to further sustain exploration activities. Materials and Supplies, used mainly for exploration work, increased to P30.47 million from P28.17 million. Prepayments increased to P49.79 million from P34.18 million due to recognition of Input VAT. Property Plant and Equipment increased to P1.9 billion from P1.68 billion due to the continuing exploration activities. Other Assets increased to P7.40 million due to additional environmental funds set up by the company. Investment in Available for Sale Securities increased to P67.54 million from P7.5 million on account of the purchase of PSE-listed stocks. Accounts Payable and Accruals decreased to P148.67 million from P178.89 million due to settlement of outstanding accounts. Non-trade Payables decreased to P0.47 million from P1.18 million on account of payments made to a supplier.

Deficit was reduced to P36.91 million from P998.07 million due to the Other Income reported above.

#### OUTLOOK FOR THE REST OF THE YEAR

MMC completed 43 drill holes with a total meterage of 9,768.40 in the third quarter. These include fill-in holes to add open-pit mineable mineral resource; deep holes (at least 1 km. deep) to probe for porphyry copper deposit, Met-Test holes and sanitation holes. About 8 kilometers more of exploration, sanitation and geo-technical drilling are targeted by year-end.

**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 P67.54 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, as the Company is not operating.

**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