



**MANILA MINING CORPORATION**

**1:5 STOCK RIGHTS OFFERING  
OFFER TERMS SHEET**

ISSUER:	Manila Mining Corporation
RATIO:	one (1) Entitlement Right for every five (5) common shares held
ELIGIBLE SHAREHOLDER	a shareholder of at least five (5) shares of stock of the Company as of the Record Date
OFFER SHARES:	Common Shares of the Company with par value of P0.01 per share totaling 51,917,357,740 common shares consisting of 31,159,217,274 class "A" shares and 20,758,140,466 class "B" shares. The Offer Shares shall be considered issued upon approval of MMC's application for increase of authorized capital stock with the SEC, and shall rank equally in all respects with the existing shares after a valid Subscription Agreement is perfected between MMC and the Eligible Shareholder as evidenced by the confirmatory signature of MMC's representative on the Subscription Agreement and issuance of an official receipt covering the payment of at least 25% of the Subscription Price.
OFFER PRICE:	P0.01 per Entitlement Right
PAR VALUE:	P0.01 per share
RECORD DATE:	April 29, 2022
EX-DATE:	April 26, 2022
OFFER PERIOD:	May 16-20, 2022
PAYMENT TERMS:	25% due within the Offer Period; another 25% due 60 days from the end of the Offer Period or on July 19, 2022; and the balance of 50% is due 90 days from the end of the Offer Period or on August 18, 2022. Full Payment is acceptable and will be duly received but such full payment does not guarantee the Company's approval of the Additional Subscription, as the Available Shares, to be determined only after the Offer Period, will be distributed to the Applicants in proportion to their original shareholdings as of the Record Date. Shares not paid on due date shall be declared delinquent and dealt with in accordance with the Revised Corporation Code.

Payment may be in cash or check delivered to the Office of the Chief Accountant of MMC together with the Subscription Agreement and the documents indicated below; or may be deposited, physically or thru online transfer, into the designated bank account of MMC as specified in the Notice of SRO; PDCs for the 25% and 50% balances are acceptable. For prompt listing of the shares, all subscriptions should be paid on the due date.

**ADDITIONAL DOCUMENTS  
NEEDED:**

If the Subscriber is a partnership, corporation or trust account, the Subscription Agreement must be accompanied by a Secretary's Certificate embodying the resolution authorizing the subscription to the Rights offer and designating the authorized signatory for the transaction;

Individual subscribers must submit a copy of a valid ID together with the Subscription Agreement.

**SECOND ROUND:**

To be considered for the Second Round, Additional Entitlement Rights must be indicated in the Subscription Agreement and submitted within the Offer Period with the corresponding 25% payment. In the event that the SRO is not fully taken up on the First Round, shareholders who have applied for Additional Entitlement Rights ("Applicant") will automatically qualify for the Second Round of the rights offering; the Available Shares shall be distributed to the Applicants in proportion to their original shareholdings as of the Record Date. To ensure that all validly mailed-in subscriptions are taken into account, the Second Round shall not commence until five (5) days from the end of the Offer Period.

**THIRD ROUND COMMITMENT:**

Should there be unsubscribed Entitlement Rights after the Second Round, then all these Entitlement Rights shall be taken up by the principal stockholder, F. Yap Securities, Inc., as it has committed to do.

**FOURTH ROUND:**

If there should be unsubscribed Entitlement Rights left after the third round, Mr. Felipe U. Yap will take up all such Entitlement Rights.

**REFUND:**

The initial subscription payment of each Applicant shall be applied first to the approved Additional Entitlement Rights; then to the payment of the balance of the entire subscription. Any further balance shall be refunded via check not later than five (5) banking days after the end of the Offer Period. Such refund check shall be mailed to the Applicant's address as indicated in the Subscription Agreement.

UNDERWRITER: PENTA CAPITAL & INVESTMENT CORPORATION will underwrite, on a firm commitment basis, all such Entitlement Rights as will not be taken up by F. Yap Securities, Inc. and Mr. Felipe U. Yap.

Notwithstanding any agreement between the Underwriter and its designated purchaser, the Underwriter shall remain responsible for the fulfillment of its firm underwriting commitment. If the Underwriter's designated purchaser shall fail to purchase and pay for any Offer Shares remaining after the Third and Fourth Rounds of the Offer, the Underwriter shall be obligated to take up and pay for said Offer Shares to ensure that the Offer Shares will be fully subscribed.

The Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Company's or Underwriter's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Company, the Underwriter, or any other entity/ person to take up any shares remaining after the Offer Period.

In undertaking the Underwriter's firm commitment to purchase, the Underwriter hereby manifests its conformity to comply with and be bound by all applicable listing and disclosure rules, requirements and policies of the Exchange.

ESCROW AGENT: BDO Unibank, Inc.

RECEIVING AGENT: Office of the Chief Accountant, MMC, 20<sup>th</sup> Floor, Lepanto Bldg. 8747 Paseo de Roxas, Makati; payments may be deposited into MMC's bank account, and the subscription agreement and other documents may simply be emailed to [oaj@manilamining.com](mailto:oaj@manilamining.com) cc [johc.subido@manilamining.com](mailto:johc.subido@manilamining.com); the bank account details will be provided in the Notice of SRO to be sent to each stockholder.

LEGAL COUNSEL: ATTY. MA. BELINA B. MARIANO

INDEPENDENT AUDITORS: Sycip, Gorres, Velayo & Co.

STOCK TRANSFER AGENT: STOCK TRANSFER SERVICE, INC.

USE OF PROCEEDS: To fund the 2022 Exploration Program, administrative costs, and settle trade payables and accruals

ISSUANCE TAX/  
DOCUMENTARY STAMP TAX All documentary stamp taxes applicable to the issuance of the Offer Shares shall be for the account of MMC.

LISTING DATE:	June 20, 2022 or not later than ten calendar days from SEC approval of the Company's application for increase of ACS.
TRADING DATE:	The shares will be tradable after full payment by the shareholder concerned of the subscribed shares and MMC's compliance with post-listing requirements of the PSE.
REGISTRATION AND LODGMENT OF SHARES WITH PDTC	All fully-paid Offer Shares shall be lodged with the PDTC not earlier than the Listing Date; no stock certificates shall be issued corresponding to fully- paid subscriptions. Instead a Registry Confirmation Advice will be issued by the Transfer Agent to the Depository Participants or brokers designated by the subscriber; if the Subscriber does not indicate any broker's name, then the Company will designate F. Yap Securities, Inc. on the Subscriber's behalf.
OWNERSHIP RESTRICTION	Common "A" Shares, constituting 60% of the capital stock of the Company, are available only to Filipino Shareholders. This is a built-in mechanism to ensure that at any one time, foreign ownership in the Company does not exceed 40% of the outstanding capital.
ACCEPTANCE / REJECTION OF SUBSCRIPTIONS	<p>The Company has full discretion to accept or reject all or a portion of any subscription under the terms and conditions of the Offer. The actual number of Entitlement Rights to which any Eligible Shareholder may be entitled is subject to the confirmation of the Company. Subscriptions where checks are dishonored upon first presentment or which do not comply with the terms of the Offer shall be rejected. Moreover, payment received upon submission of a subscription does not constitute approval or acceptance by the Company of the same.</p> <p>A Subscription, when accepted, shall constitute a binding and effective agreement between the Eligible Shareholder and the Company for the subscription to the Entitlement Rights notwithstanding any provision to the contrary as may be found in the Prospectus and other offer-related documents.</p>

## Withdrawal of the Offer

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the ex-Rights Date and prior to Listing, if there is a supervening force majeure or fortuitous event, such as:

- a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, economic or stock market conditions which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Prospectus, or would have a material adverse effect on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Prospectus, or the Philippine economy or on the securities or other financial or currency markets of the Philippines, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Company's or Underwriter's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Company, the Underwriter, or any other entity/ person to take up any shares remaining after the Offer Period;
- b. An order canceling, suspending, or terminating the Offer, sale, distribution or listing of the Offer Shares is issued by a competent Philippine government agency having jurisdiction on the matter;
- c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration or the SEC Permit to Sell;
- d. Trading in the PSE is cancelled or suspended for at least ten (10) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by the PSE;
- e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Company to engage in the business it is

presently engaged in; or (b) the capacity and due authorization of the Company to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by the Underwriter of its underwriting obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;

g. The Company decides to or is compelled to stop its operations which is not remedied within five (5) Business Days;

h. The Company shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or assignment with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Company shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Company shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Company; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the Company; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the

Underwriter in connection with or with respect to the issuance or sale by the Company of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;

k. Any event occurs which makes it impossible for the Underwriter to perform its underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Underwriter, or directing the Underwriter to cease, from performing its underwriting obligations;

l. Any representation, warranty or statement of the Company in the Prospectus shall prove to be untrue or misleading in any material respect or the Company shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Underwriter on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability;

m. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability impacts the ability of the Company and the Underwriter to fully comply with the listing requirements of PSE; and

n. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Company's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

The Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Company's or Underwriter's inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Company, the Underwriter, or any other entity/ person to take up any shares remaining after the Offer Period.

Notwithstanding the foregoing, the Company and the Underwriter recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization and further to its mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the Company and/or the Underwriter if subsequently even after the conduct of the offer and the listing of the Offer Shares, the PSE makes a determination that the cancellation or suspension of the underwriting commitment was not warranted based on the facts gathered by PSE after proper evaluation.

Notwithstanding the acceptance of any Subscription, the actual issuance of the Offer Shares to an Eligible Shareholder shall take place only upon the listing of the Offer Shares on the PSE. The PSE issued its Notice of Approval on April 5, 2022, subject to compliance by the Company with certain conditions. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

CERTIFIED CORRECT:



ODETTE A. JAVIER  
Asst. Corporate Secretary  
April 28, 2022