



# MEMORANDUM No.2010-0082

## The Philippine Stock Exchange, Inc.

|                           |                               |                             |
|---------------------------|-------------------------------|-----------------------------|
| _____ Disclosures         | _____ Stockholders' Meeting   | Others: <u>Stock Rights</u> |
| _____ Dividend Notice     | _____ SEC / Gov't Issuance    | <u>Offering</u>             |
| _____ Stock Rights Notice | _____ Transfer Agent's Notice | _____                       |

To : **THE INVESTING PUBLIC**

Subject : **MANILA MINING CORPORATION**  
**Procedures and Implementing Guidelines for the**  
**1:8 Stock Rights Offering**

Date : **February 23, 2010**

With reference to Memorandum No. 0071-2010 dated February 18, 2010, regarding the 1:8 Stock Rights Offering of **MANILA MINING CORPORATION**, please see attached Procedures and Implementing Guidelines.

For your information and guidance.

*(Original Signed)*  
**MARSHA M. RESURRECCION**  
*Head, Listings Department*

Noted by:

*(Original Signed)*  
**ROEL A. REFRAN**  
*VP – General Counsel and*  
*Concurrent Head, Issuer Regulation Division*

|                              |                            |                            |                                 |                                |                            |
|------------------------------|----------------------------|----------------------------|---------------------------------|--------------------------------|----------------------------|
|                              |                            | jbz                        |                                 |                                |                            |
| Finance / Corporate Services | Market Regulatory Division | Issuer Regulation Division | Information Technology Division | Capital Markets Dev't Division | CEO / OGC                  |
| Tel. No.688-7560/7440/7460   | Tel. No. 688-7559          | Tel. No. 688-7501/7510     | Tel. No. 688-7405/819-4400      | Tel. No. 688-7590              | Tel. No. 688-7400/819-4408 |

## MANILA MINING CORPORATION

### PROCEDURES AND IMPLEMENTING GUIDELINES FOR THE 1:8 STOCK RIGHTS OFFERING

Manila Mining Corporation (“Company”) is conducting a 1:8 stock rights offering (“SRO”) amounting to 22,375,540,151 common shares, consisting of 13,429,141,954 “A” and 8,946,398,197 “B” shares, at P0.015 per share from the Company’s unissued capital stock to shareholders of record as of March 10, 2009 (“Record Date”).

- A. Notification of Shareholders: All stockholders as of the Record Date shall be notified in writing of the SRO, which notice shall include the following details:
- a. No. of shares held as of Record Date;
  - b. No. of shares entitled to under the SRO;
  - c. Due dates for payment;
  - d. Where to pay/ mailing address of MMC;
  - e. Procedure for applying for additional shares; and
  - f. Issuance of stock certificates.

The notice shall be accompanied by a Subscription Agreement. Shareholders whose shares have been lodged with Depository Participants (DP) shall be advised of the SRO by their respective DP. All DPs shall be provided with a copy of the SRO Prospectus together with the notice. Entitled Shareholders who request for a copy of the Prospectus shall be provided with one. In any event, the SRO Prospectus shall be posted on the Company’s website, [www.manilamining.com](http://www.manilamining.com), and the website of the PSE, [www.pse.com.ph](http://www.pse.com.ph) (under Company Filings of the Company), where it may be downloaded.

- B. Submission of Subscription Agreement: To be valid, the Subscription Agreement must be submitted to the Company during the Offer Period and the subscription, including additional subscription, paid for in accordance with the Payment Terms hereunder. The Offer Period shall commence at 9:00 o’clock AM of April 7, 2010 and end at 5:00 o’clock PM of April 14, 2010.
- C. Payment Terms: Shares subscribed shall be payable as follows:
1. 50% downpayment within the Offer Period, upon submission of the Subscription Agreement; Full payment is acceptable and will be duly receipted but such full payment does not guarantee the Company’s approval of the entire Additional Subscription as the number of shares available for distribution in the Second Round will be determined only after the Offer Period.
  2. the balance not later than May 12, 2010, without need of a call, notice or demand; post-dated checks for this balance may also be delivered to the Company together with the Subscription Agreement and initial 50% payment;

- D. Additional Subscriptions. To be considered under the Second Round, Additional Subscriptions must be indicated in the Subscription Agreement and submitted within the Offer Period with the corresponding 50% payment. Full payment of Additional Subscriptions is acceptable and will be duly receipted but such full payment does not guarantee the Company's approval of the entire Additional Subscription as the number of shares available for distribution in the Second Round will be determined only after the Offer Period. In the event that the SRO is not fully taken up on the "First Round", shareholders who have applied for additional shares above their entitlements will automatically qualify for the Second Round of the rights offering; the available shares shall be distributed to 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.
- E. Procedure for Payment of Subscriptions:
1. **Checks should be paid to MANILA MINING CORPORATION, received together with the duly accomplished Subscription Agreement at the MMC offices at the 20<sup>th</sup> Floor, Lepanto Building, 8747 Paseo de Roxas, Makati City, not later than 5:00 o'clock PM on April 14, 2010.** Subscription Agreements and check payments may also be mailed to the Company's said address, and shall be validated if post-marked not later than April 14, 2010.
  2. For Lodged Shares:
    - Shareholders who wish to subscribe should advise their DP of the intention to subscribe, indicating therein whether they wish to pay in full or only for the required 50% of the subscription price. DPs shall follow the usual procedure for rights offering where take up of rights is done through the PDTC system.
    - PDTC shall accomplish the Subscription Agreement reflecting all the rights shares taken up by the DPs as well as the Additional Shares applied for and submit the same with the check payment to the Company. The next trading day after the Offer Period, or April 15, 2010, PDTC shall provide the Company with a list of availing DPs for purposes of computing their additional subscription allocations under the Second Round.
    - Upon verification and acceptance of the fully-paid subscriptions of the DPs, the Company will cause the Transfer Agent to issue a Registry Confirmation Advice and the PDTC to confirm and credit the shares to the securities accounts of the DPs concerned.
  3. For Certificated Shares-
    - Certificated shareholders shall accomplish the Subscription Agreement and submit the same, with the corresponding payment and indicating therein whether they are paying only 50% or the entire subscription price, directly to the Company. They should designate a DP, whom

they should name in the Subscription Agreement; the designated DP's depository account shall be credited for the subscriber's entitlements upon full payment.

- In case no DP is designated by the shareholder, the Company will designate F. Yap Securities, Inc. as the DP. If directly named by the shareholder, the designated DP must signify its acceptance of the designation and conformity to the Subscription Agreement by having its authorized signatory affix his signature on the Subscription Agreement. If not so named, the Company shall take care of obtaining the required signature.
  - Upon verification and acceptance of the fully-paid subscriptions, the Company will cause the Transfer Agent to issue a Registry Confirmation Advice and the PDTC to confirm and credit the shares to the securities accounts of the DPs concerned.
4. 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;
  5. Individual subscribers must submit a copy of a valid ID together with the Subscription Agreement.
  6. The Company shall generate a sales report summarizing the list of subscribers who have paid the entire subscription amount and including the corresponding number of shares subscribed and amount paid.
- F. Registration and Lodgment of Shares: Rights Shares are required to be lodged with the Philippine Depository and Trust Corporation. The subscribers must indicate on the Subscription Agreement the name of the DP whom they are designating for this Rights Offer. Should the subscriber fail to nominate any broker or DP, then the Company shall designate F. Yap Securities, Inc. on his behalf.
- G. Issuance of Stock Certificates: The Subscriber may request for their shares in certificated form after full payment and lodgment of the Rights Shares in accordance with existing procedure. Any expense incurred in connection with such issuance shall be borne by the subscriber.
- H. The Company shall report to the Transfer Agent, the Bank of the Philippine Islands, all fully paid subscriptions so that the appropriate Registry Confirmation Advice may be issued to the PDTC for the account of the DP concerned.
- I. Refund of Excess Payments: Within five (5) banking days from the end of the Offer Period, the Company will allocate additional shares to those who have submitted valid applications (subscription and payment received within the Offer Period) in accordance with Step D above. Should the additional shares granted be less than that paid for by the shareholder, the excess payment shall be applied to the 50% balance on the entire subscription of the

shareholder concerned; after such application, excess payments, should there be any, shall be refunded to the shareholders concerned.

- J. The Company shall advise the PSE of fully- paid subscriptions at least once a week, so that the corresponding shares may be made available for trading.

For additional information, please contact the Office of the Asst. Corporate Secretary at 818-6617; 815-9447 loc. 262 or 329.