



Manila Mining Corporation

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Disclosure Department, Listings and Disclosure Group
Philippine Stock Exchange, Inc., 4th Floor, PSE Centre
Exchange Road, Ortigas Center, Pasig City

Attention: **Atty. Pete M. Malabanan**
Head, Disclosure Department

Re : **Manila Mining and Anglo Investments Sign Kalayaan Farm-In Agreement**

Gentlemen:

Manila Mining Corporation (MMC) is pleased to announce that it has signed today a Farm-In Agreement with Anglo Investments BV, a wholly owned subsidiary of Anglo American plc., one of the world's leading mining companies and a significant copper and gold producer, covering an area of about 284.76 hectares (out of a total of 2,462.9 hectares of MMC's renewed Exploration Permit No. XIII-014 dated January 26, 2007) known as the Kalayaan Project.

The Kalayaan Project is targeting copper-gold mineralisation and is located in Surigao del Norte, Philippines. This area is particularly prospective for copper-gold porphyry deposits as evidenced by known occurrences in the immediate area.

The Anglo-MMC Farm-In Agreement calls for Anglo to fund, at its sole cost over a period of two to three years, the project's pre-feasibility phase at an estimated minimum cost of US\$20 Million in order to earn an initial 40% interest in the Kalayaan Project. Part of the US\$20 Million expenditure is by way of a US\$7 Million deposit to be remitted by Anglo to MMC today. The US\$7 Million deposit will constitute Anglo's initial entry cost into the project and the payment to MMC will take effect upon Anglo's commencement of the program in the Kalayaan area.

The Anglo-MMC Farm-In Agreement incorporates the formation of a joint venture company called Kalayaan Copper-Gold Resources, Inc. ("KCGR") into which the Kalayaan Project and exploration property will be assigned. MMC retains the mineral rights to the balance of the 2,178 hectares under its renewed Exploration Permit No. XIII-014.

Depending upon the outcomes of the exploration program and the Anglo pre-feasibility study, Anglo and MMC could consider undertaking a final feasibility phase of the Kalayaan Project. Anglo would fund this additional work, at its sole cost, estimated at US\$15 to 20 Million, to earn a further 20% interest in the Kalayaan Project.

Very truly yours,


ETHEL WOLDO E. FERNANDEZ
Director/Corporate Secretary