

**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: **March 31, 2007**
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:

**Class "A"**

**107,433,136,003**

**Class "B"**

**71,571,185,202**

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

<b>Item 1. Financial Statements:</b>	<i>Income Statement</i>	- <b>Annex "A"</b>
	<i>Balance Sheet</i>	- <b>Annex "B"</b>
	<i>Statement of Cash Flow</i>	- <b>Annex "C"</b>
	<i>Stockholders' Equity</i>	- <b>Annex "D"</b>
	<i>Notes to Financial Statements</i>	- <b>Annex "E"</b>
	<i>Aging of Accounts Receivable-Trade</i>	- <b>Annex "F"</b>
<b>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</b>		- <b>Annex "G"</b>

### 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 : May 15, 2007

Signature : 

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

Date : May 15, 2007

## MANILA MINING CORPORATION

QUARTERLY INCOME STATEMENT  
 FOR THE FIRST QUARTER OF 2007  
 (WITH COMPARATIVE FIGURES FOR THE FIRST QUARTER OF 2006)

	M A R C H	
	<u>2007</u>	<u>2006</u>
<b>REVENUE</b>		
Copper	P	P
Gold		
Silver		
Interest and Other income	121,057	1,973
	<u>121,057</u>	<u>1,973</u>
<b>COST AND EXPENSES</b>		
Mining, milling, refining and other related charges and administrative expenses including depreciation, depletion and amortizations	4,375,225	22,176,917
	<u>4,375,225</u>	<u>22,176,917</u>
<b>NET INCOME BEFORE INCOME TAX</b>	<u>(4,254,168)</u>	<u>(22,174,943)</u>
<b>PROVISION FOR INCOME TAX</b>		
Current		
Deferred		
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<u>P (4,254,168) P</u>	<u>P (22,174,943)</u>
<b>EARNINGS (LOSS) PER SHARE</b>	<u>P 0.000024 P</u>	<u>P 0.000186</u>
	<small>(-4,254,168 / 179,004,321,205 sha)</small>	<small>(-22,174,943 / 119,336,214,137 sha)</small>
<b>Formula:</b>		
Net Loss	4,254,167.89	22,174,943
divided by Total shares subscribed, issued and outstanding	<u>179,004,321,205</u>	<u>119,336,214,137</u>
	<u>0.000024</u>	<u>0.000186</u>

## ANNEX "B"

MANILA MINING CORPORATION  
BALANCE SHEET  
March 31, 2007  
(With Comparative Figures for December 2006)

A S S E T S				LIABILITIES AND STOCKHOLDERS' EQUITY			
		March 2007	*December 2006			March 2007	*December 2006
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash	P	245,188,264	P 8,350,302	Accounts payable and accruals	P	258,000,095	P 278,593,422
Short-term investments		165,370,109	110,000,000	Contract Payable		337,359,706	-
Receivables				Dividends payable		573,097	573,097
Trade		-	-			<u>595,932,898</u>	<u>279,166,519</u>
Non-trade ( net )		5,824,290	6,021,808				
Inventories				<b>NON-CURRENT LIABILITIES</b>			
Bullion		-	-	Non-trade payables		300,940,697	315,966,685
Copper concentrate		-	-	Deferred Tax Liability		151,509,780	151,509,780
Gold in process - CIP		-	-	Pension Liability		4,161,588	4,161,588
Ore		-	-			<u>456,612,065</u>	<u>471,638,053</u>
Materials and supplies (net)		40,773,332	40,374,355				
Prepayments		43,393,560	41,098,751	<b>STOCKHOLDERS' EQUITY</b>			
		<u>500,549,553</u>	<u>205,845,217</u>	Capital Stock			
				Authorized - 180,000,000,000 shares divided into 108,000,000,000 shares of Class "A" and 72,000,000,000 shares of Class "B" at P0.01 par value each - P1,800,000,000			
<b>NON-CURRENT ASSETS</b>				Issued and outstanding-178,955,851,998shs (Feb. 2007 - 178,099,175,589shs)		1,789,558,520	1,780,991,756
Property, Plant and Equipment (net)		1,457,290,811	1,454,749,270	Subscribed capital stock - 48,469,207 shs (Feb. 2007 - 905,145,616shs), net of subscriptions receivable		298,979	8,946,746
Other Assets (net)		6,762,498	6,641,102	Share Premium		296,730,871	296,768,818
Deferred income Tax assets		45,132,246	45,132,246			<u>2,086,588,371</u>	<u>2,086,707,320</u>
Available For Sale Financial Assets		7,875,000	7,875,000	Retained earnings, beginning		(1,117,644,057)	(1,004,946,309)
		<u>1,517,060,555</u>	<u>1,514,397,618</u>	Add: Net income (loss) for the period		(4,254,168)	(112,697,748)
				Retained earnings, end		(1,121,898,225)	(1,117,644,057)
				Net stockholders' equity		964,690,146	969,063,263
				Fair Value Reserve		375,000	375,000
<b>TOTAL ASSETS</b>	P	<u><u>2,017,610,108</u></u>	<u><u>P 1,720,242,835</u></u>	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	P	<u><u>2,017,610,108</u></u>	<u><u>P 1,720,242,835</u></u>

UNAUDITED

\* - AUDITED

**MANILA MINING CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2007**  
**(WITH COMPARATIVE FIGURES FOR THE THREE MONTHS ENDED MARCH 31, 2006)**

	<b>THREE MONTHS ENDED MARCH 31</b>	
	<b>2007</b>	<b>2006</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income/(loss) for the period	(4,254,168)	(22,174,943)
Add/(deduct) year-to-date adjustments		
	<u>(4,254,168)</u>	<u>(22,174,943)</u>
<b>Adjustment to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	2,490,946	8,222,368
Depletion & amortization of pre-stripping costs		5,377,481
	<u>(1,763,222)</u>	<u>(8,575,094)</u>
<b>Changes in assets and liabilities</b>		
(Increase) decrease in receivables	11,805	(90,878)
(Increase) decrease in inventories	(398,976)	
(Increase) decrease in prepayments/marketable securities	(2,294,808)	(90,632)
Increase (decrease) in accounts payable & accruals	(20,593,328)	8,780,664
Increase (decrease) in notes payable		
Net cash provided by operating activities	<u>(25,038,529)</u>	<u>24,059</u>
<b>CASH USED IN INVESTING ACTIVITIES:</b>		
(Increase) decrease of property, plant and eqpt	(5,032,488)	
(Increase) decrease in other assets	(121,396)	33,072
Net cash used in investing activities	<u>(5,153,883)</u>	<u>33,072</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase (decrease) in subscribed capital stock		
Increase (decrease) in share premium	66,764	
Increase (decrease) in borrowings ( contract payable )	337,359,706	
Payment to related parties	(15,025,988)	
Net cash provided by (used in) financing activities	<u>322,400,482</u>	
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	292,208,070	57,131
<b>CASH</b>		
Beginning of the period	<u>118,350,302</u>	<u>463,092</u>
End of the period	<u><b>410,558,372</b></u>	<u><b>520,224</b></u>

**MANILA MINING CORPORATION**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2007 AND 2006**

	<u>MARCH 31</u> <u>2007</u>	<u>MARCH 31</u> <u>2006</u>
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock		
Authorized - 120B shares @ P.01 par value each (P 1,200,000,000)		
Issued and outstanding	1,789,558,520	1,193,160,189
Subscribed capital stock (net of subscriptions receivable)	298,979	71,125
Share premium	296,730,871	4,230,174
Retained earnings		
Operations		
Beginning balance	(1,117,644,057)	(936,543,157)
Net income (loss) for the period	(4,254,168)	(22,174,943)
	(1,121,898,225)	(958,718,101)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>P <u>964,690,146</u></b>	<b>P <u>238,743,388</u></b>

## ANNEX "E"

### MANILA MINING CORPORATION NOTES TO FINANCIAL STATEMENTS

#### **Note 1 - Operations; registration with the Board of Investments (BOI)**

Manila Mining Corporation (the "Company") had a total of 543 regular employees both as of December 31, 2005 and September 30, 2006, but 511 have been on forced leave due to the temporary shutdown.

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

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

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) Interpretations.

The policies set out below have been consistently applied to all the months presented. The Company's financial statements were prepared in accordance with generally accepted accounting principles in the Philippines (GAAP) and in conformity with 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.

#### **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 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

**Note 3 – Cash**

Cash on hand and in banks carried in the balance sheet at face value.

**Note 4– Non trade receivable**

Non-trade Receivable consists of other receivables, including advances to claimowners and employees.

**Note 5– Materials and supplies**

This consists of mill materials, hardware, machinery and supplies.

**Note 6– Pre-payments and deposits**

This consists of deferred VAT and deposits in connection with drilling service contracts.

**Note 7 – Other Assets**

This consists of idle equipment and the Company's environmental monitoring fund.

**Note 8 – Accounts Payable and Accruals**

This consists of accounts with suppliers and advances from shareholders.

**Note 9 – Other matters**

MMC signed on March 26, 2007 a Farm-in Agreement with Anglo Investments BV, a wholly owned subsidiary of Anglo American plc., covering an area of about 286.6 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. Pursuant to this Agreement, Anglo remitted to MMC on the same day a deposit amounting to US7 million, constituting Anglo's initial entry cost into the Kalayaan Project, to be deemed as payment to MMC upon Anglo's commencement of the program in the Kalayaan Project.

**Note 10 - Earnings (loss) per share**

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

	1 <sup>st</sup> qtr 2007	1 <sup>st</sup> qtr 2006
Numerator:		
Net (loss) income for The quarter	P (4,254,168)	P (22,174,943)
Denominator:		
Weighted average Total shares subscribed, issued and outstanding	179,004,321,205	119,336,214,137

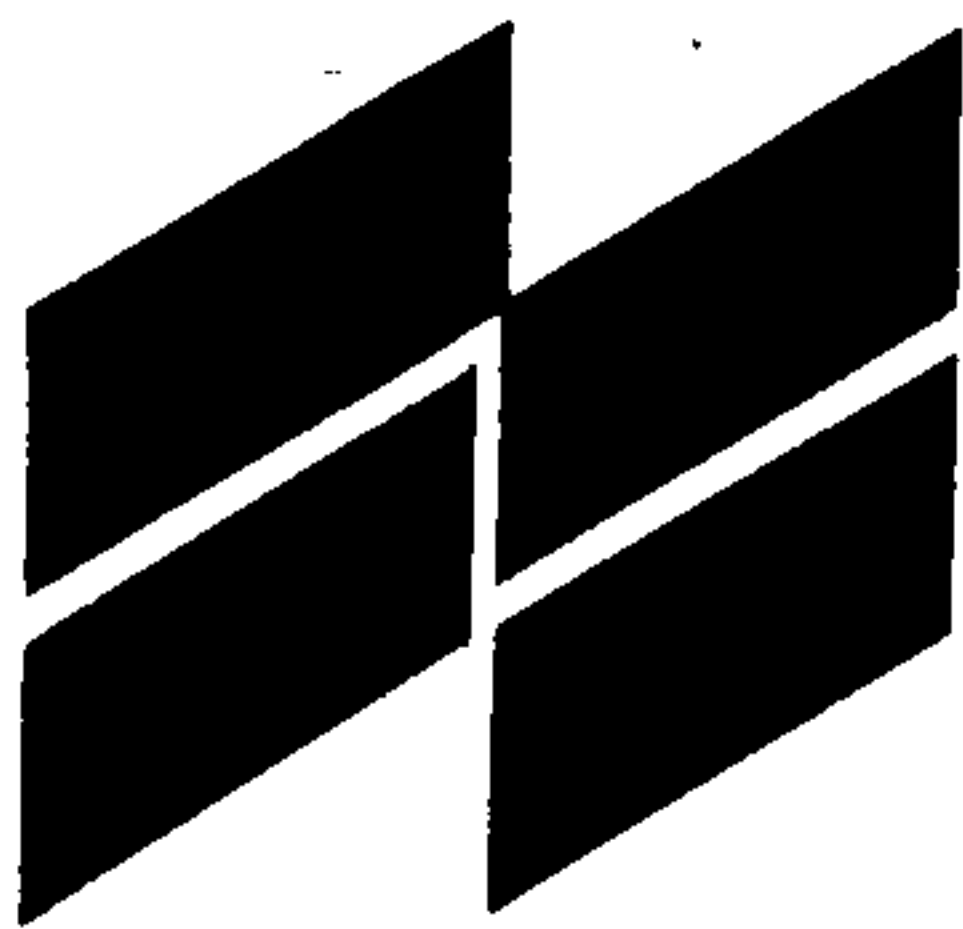
**MANILA MINING CORPORATION**

**AGING OF ACCOUNTS RECEIVABLE TRADE**

**As of March 31, 2007**

**NONE**

**p -00-**



# Manila Mining Corporation

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ANNEX "G"

## Management's Discussion and Analysis of Financial Condition and Results of Operations

As of 31 March 2007

The company's operations continued to be suspended in the first quarter of the year. An interest income of P121,057.29 was earned from money market placements of the proceeds of the 1:2 stock rights offer in 2006 (SRO); interest income in the first quarter of 2006 amounted to P1,973. Total expenses for the first quarter of 2007 amounting to P4,375,225 constitutes the net operating loss for the same period, compared with a net operating loss of P22,176,917 in 2006. The 80% decrease in expenses was due mainly to the significant decrease in depreciation expense, from P8,222,368 in 2006 to P2,490,946. Tailings dam amortization in 2006 amounted to P5,377,481; none was recorded this year.

Administrative expenses increased to P1,299,913, consisting mainly of professional fees to external auditors and lawyers and the annual listing fee paid to the Philippine Stock Exchange.

There were 33 active employees during the quarter compared with 31 active employees of the comparative quarter last year.

MMC signed on March 26, 2007 a Farm-In Agreement with Anglo Investments BV, a wholly owned subsidiary of Anglo American plc., covering an area of about 286.6 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. Pursuant to this Agreement, Anglo remitted to MMC on the same day a deposit amounting to US\$7 million, constituting Anglo's initial entry cost into the Kalayaan Project, to be deemed as payment to MMC upon Anglo's commencement of the program in the Kalayaan Project.

The substantial increase in the cash account, P245.19 million in 2007 compared with P8.4 million in 2006 was due to the US\$ 7.0 million remittance from Anglo as discussed above. A part of the same amount from Anglo are in the short term investments of P165.37 million together with the remaining proceeds of the SRO. Receivables increased by 24% to P5.8 million vs. last year due to advance payments to claim owners. Prepayments rose by 5.6% to P43.4 million mainly due to reclassification of accounts.

Accounts Payable & Accruals decreased to P258.0 million due to settlement of accounts. The Contract Payable account represents the US\$7.0 million from Anglo. Non-trade payables decreased to P300.9 million due also to settlement of accounts.

The sharp drop in subscriptions receivable represents payments received from shareholders in connection with the SRO.