

SEC No. 4429

MANILA MINING CORPORATION

*20th Floor, Lepanto Building
8747 Paseo de Roxas
Makati City*

Tel. No. 815-9447
Fax No. 812-0451

**QUARTERLY REPORT
(SEC Form 17-Q)**

(For the Period Ended June 30, 2008)

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: **June 30, 2008**
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:

**20th 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


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

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 : August 12, 2008

Signature : 

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

Date : August 12, 2008

MANILA MINING CORPORATION
CONSOLIDATED QUARTERLY INCOME STATEMENT
SIX MONTHS ENDED JUNE 30, 2008
(WITH COMPARATIVE FIGURES FOR THE SIX MONTHS ENDED JUNE 30, 2007)

	<u>Second Quarter of 2008</u>	<u>Second Quarter of 2007</u>	<u>SIX MONTHS ENDED JUNE 30</u>	
			<u>2008</u>	<u>2007</u>
REVENUE				
Copper	P	P	P	P
Gold				
Silver				
Interest and Other income	171,019	936,423	416,319	1,061,769
	<u>171,019</u>	<u>936,423</u>	<u>416,319</u>	<u>1,061,769</u>
COST AND EXPENSES				
Mining, milling, refining and other related charges and administrative expenses including depreciation, depletion and amortizations	3,854,431	4,440,078	7,320,549	8,815,303
	<u>3,854,431</u>	<u>4,440,078</u>	<u>7,320,549</u>	<u>8,815,303</u>
NET INCOME (LOSS) BEFORE INCOMI	<u>(3,683,412)</u>	<u>(3,503,655)</u>	<u>(6,904,230)</u>	<u>(7,753,534)</u>
PROVISION FOR INCOME TAX				
Current				
Deferred				
NET INCOME (LOSS) FOR THE PERI	P <u><u>(3,683,412)</u></u>	P <u><u>(3,503,655)</u></u>	P <u><u>(6,904,230)</u></u>	P <u><u>(7,753,534)</u></u>
EARNINGS (LOSS) PER SHARE	P <u><u>(0.000021)</u></u>	P <u><u>(0.000020)</u></u>	P <u><u>(0.000039)</u></u>	P <u><u>(0.000043)</u></u>
	(-3,683,412 / 178,995,689,205 shs)	(-3,503,655 / 179,004,321,205 shs)	(-6,904,230 / 178,995,689,205 shs)	(-7,753,534 / 179,004,321,205 shs)
Formula:				
Net Loss	(3,683,412)	(3,503,655)	(6,904,230)	(7,753,534)
divided by Total shares subscribed, issued and outstanding	178,995,689,205	179,004,321,205	178,995,689,205	179,004,321,205
	<u><u>(0.000021)</u></u>	<u><u>(0.000020)</u></u>	<u><u>(0.000039)</u></u>	<u><u>(0.000043)</u></u>

MANILA MINING CORPORATION
CONSOLIDATED BALANCE SHEET
June 30, 2008
(With Comparative Figures for December 31, 2007)

A S S E T S		**June 2008	*December 2007	LIABILITIES AND STOCKHOLDERS' EQUITY		**June 2008	*DECEMBER 2007		
CURRENT ASSETS				CURRENT LIABILITIES					
Cash & Cash Equivalents	P	67,701,828	P	119,505,020	Accounts payable and Accruals	P	211,896,274	P	200,248,773
Receivables		-		-	Non-trade Payables		169,350,118		169,161,400
Non-trade (net)		709,109		403,753	Income tax payable		-		6,734,557
Inventories		-		-			<u>381,246,392</u>		<u>376,144,730</u>
Supplies (net)		40,402,001		40,312,494	NON-CURRENT LIABILITIES:				
Prepayments		25,520,562		50,350,591	Deferred Tax Liability		85,766,176		85,766,176
		<u>134,333,501</u>		<u>210,571,858</u>	Pension Liability		4,645,173		4,645,173
							<u>90,411,349</u>		<u>90,411,349</u>
NON-CURRENT ASSETS:				STOCKHOLDERS' EQUITY					
Property, Plant and Equipment (net)		1,653,997,631		1,559,166,652	Capital Stock				
Other Assets (net)		6,981,243		6,956,990	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				
Available For Sale Financial Assets		43,875,000		43,875,000	Issued and outstanding-178,956,383,833 shares (Dec. 2007- 178,965,015,822 shares)		1,789,563,838		1,789,650,158
		<u>1,704,853,874</u>		<u>1,609,998,642</u>	Subscribed capital stock - 28,834,470 shares (May 2008 - 28,834,470 shares), net of subscriptions receivable of P 104,710		288,344		288,344
TOTAL ASSETS	P	<u>1,839,187,374</u>	P	<u>1,820,570,500</u>	Deposit for future subscriptions		112,447,531		92,028,090
					Share Premium		296,663,316		296,576,996
							<u>2,198,963,030</u>		<u>2,178,543,588</u>
					Fair Value Reserve		16,135,000		16,135,000
					Retained earnings, beginning		(840,664,167)		
					Add: Net income (loss) for the period		(6,904,230)		
					Retained earnings, end		(847,568,397)		(840,664,167)
					Net stockholders' equity		1,367,529,633		1,354,014,421
					TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	<u>1,839,187,374</u>	P	<u>1,820,570,500</u>

* Audited
** Unaudited

MANILA MINING CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2008
(WITH COMPARATIVE FIGURES FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2007)

	SECOND QUARTER		SIX MONTHS ENDED JUNE 30	
	2008	2007	2008	2007
Net income/(loss) for the period	(3,683,412)	(3,503,655)	(6,904,230)	(7,753,534)
Add/(deduct) year-to-date adjustments	(3,683,412)	(3,503,655)	(6,904,230)	(7,753,534)
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation	2,132,133	2,490,946	4,663,955	4,981,893
Depletion & amortization of pre-stripping costs	(1,551,279)	(1,012,709)	(2,240,275)	(2,771,642)
Changes in assets and liabilities				
(Increase) decrease in receivables	(120,490)	(1,082,697)	(305,357)	(1,070,892)
(Increase) decrease in inventories	1,328,902	(2,504,912)	(89,507)	(2,903,888)
(Increase) decrease in prepayments/marketable securities	(2,903,645)	(8,620,078)	24,830,030	(10,914,886)
Increase (decrease) in accounts payable & accruals	26,027,037	(55,723,505)	4,912,943	(76,316,833)
Increase (decrease) in notes payable				
Net cash provided by operating activities	<u>22,780,525</u>	<u>(68,943,901)</u>	<u>27,107,835</u>	<u>(93,978,141)</u>
CASH USED IN INVESTING ACTIVITIES:				
(Increase) decrease of property, plant and eqpt	(74,529,552)	(13,041,176)	(99,494,935)	(18,073,664)
(Increase) decrease in other assets	(1,170)	(8,142)	(24,253)	(151,328)
Net cash used in investing activities	<u>(74,530,722)</u>	<u>(13,049,319)</u>	<u>(99,519,187)</u>	<u>(18,224,992)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase (decrease) in share premium				66,764
Increase (decrease) in borrowings (contract payable)		196,904		337,556,610
Payment to related parties	188,718	(2,670,649)	188,718	(17,696,636)
Increase (decrease) in deferred tax liability				
Provision for mine rehabilitation & decommissioning	20,419,442		20,419,442	
Net cash provided by (used in) financing activities	<u>20,608,160</u>	<u>(2,473,745)</u>	<u>20,608,160</u>	<u>319,926,738</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(31,142,038)	(84,466,965)	(51,803,193)	207,723,604
CASH				
Beginning of the period	<u>98,843,865</u>	<u>413,040,871</u>	<u>119,505,020</u>	<u>120,850,302</u>
End of the period	<u>67,701,827</u>	<u>328,573,906</u>	<u>67,701,827</u>	<u>328,573,906</u>

MANILA MINING CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE PERIOD ENDED JUNE 30, 2008 AND JUNE 30, 2007

	<u>JUNE 30</u> <u>2008</u>	<u>JUNE 30</u> <u>2007</u>
STOCKHOLDERS' EQUITY		
Capital Stock		
Authorized - 180B shares @ P.01 par value each (P 1,800,000,000)		
Issued and outstanding	* 1,789,563,838	1,789,558,520
Subscribed capital stock (net of subscriptions receivable)	288,344	298,979
Capital in Excess of par value	296,663,316	296,730,871
Retained earnings		
Operations		
Beginning balance	(840,664,167)	(1,117,644,057)
Net income (loss) for the period	(6,904,230)	(7,753,534)
	<u>(847,568,397)</u>	<u>(1,125,397,591)</u>
TOTAL STOCKHOLDERS' EQUITY	P <u>1,238,947,101</u>	P <u>961,190,779</u>

* - Adjusted to correct error in previous report.

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 552 regular employees both as of December 31, 2007 and June 30, 2008, but 521 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 cancelled.

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 - 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 amortization and impairment in value, if any. This includes exploration cost.

Note 6 - Other Assets

This account consists mainly of Deposit receivable / Advances to suppliers and Idle equipment.

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 - Deposit for Future Subscriptions

This represents the cost of exploration of the Kalayaan Project which is being undertaken by the joint venture partner, Anglo American, on behalf of Kalayaan Gold-Copper Resources, Inc., an MMC subsidiary.

Note 11 - Earnings (loss) per share

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

	2 nd qtr 2008	2 nd qtr 2007
Numerator:		
Net (loss) income for The quarter	P (3,683,412)	P (3,508,046)
Denominator:		
Weighted average Total shares subscribed, issued and outstanding	178,995,689,205	179,004,321,205

MANILA MINING CORPORATION

AGING OF ACCOUNTS RECEIVABLE TRADE

As of June 30, 2008

NONE

p -000-

**Management's Discussion and Analysis of Financial Condition
and Results of Operations
As of 30 June 2008**

The Company continued the Exploration Program that was commenced in the first quarter last year. There were no mining operations.

A modest income of P416,319 was made in the first half of 2008, representing interest earned on savings deposits. Interest income in the same period last year amounted to P1,057,379. Total expenses during the period, consisting mainly of depreciation and administrative expenses, totaled P7,320,549, compared with P8,815,303 in the first half of 2007, for a net loss this year of P 6,904,230 this year compared with P7,753,534 last year.

In the second quarter, interest income amounted to P171,019, compared with P936,423 last year.

The depreciation expense dropped by 6% vs. first half 2007 figures because some equipment had been fully depreciated as of last year. For the same reason, depreciation expense for the second quarter was 14% below that of the same period last year. The administrative expenses this year of P2.6 million include audit and retainer fees, the PSE listing fee and salaries of employees.

There were 33 active employees as at the end of the semester, unchanged from last year.

Cash & Cash equivalents decreased by P51.8 million due to payments made to suppliers. Receivables increased by 75% from P403 thousand to P709 thousand due mainly to advances to officers & employees. Prepayments decreased by P24.8 million or about 49% due to the reclassification of Miscellaneous Deposit-drilling contract to payable account. Property, Plant and Equipment increased by P94.8 million on account of exploration costs.

Deposit for future subscriptions increased by 22% or about P20.4 million representing the exploration costs of the Kalayaan Project.

Retained earnings further decreased by P6.9 million due to the net loss during the first half of 2008.