

# Manila Mining Corporation

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19 September 2007

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

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

Re : **Kalayaan Initial Drilling Yields Positive Results**

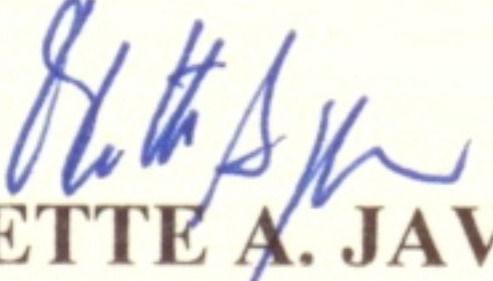
Gentlemen:

Manila Mining Corporation (MMC) is pleased to announce the results of the initial drilling conducted by Anglo American Exploration (Philippines) Inc. (AAEPI) at the Kalayaan Copper-Gold Resources Inc (KCGRI) Project, targeting the northern extension of the Bayugo Copper-Gold Porphyry Deposit into the Kalayaan Project Tenement.

The report suggests the probable development of a contiguous mineralized quartz stockwork zone within the Bayugo Copper-Gold Porphyry Deposit extending northwards to KSD-3, the fourth hole drilled within the Kalayaan Project. KSD-3 has a current depth of 890 meters. Partial assay results showed a 94-meter intercept (at 367- 461 m) with grades of 1.08% copper and 1.62 grams/tonne gold. Attached is a copy of the report submitted by KCGRI to MMC together with the Geologic Map and Drill Hole Location giving details of the progress and results of the five drill holes so far drilled on Kalayaan.

The Kalayaan Project is a joint venture between MMC and Anglo American Philippines (Kalayaan) Holdings B.V. (formerly named Anglo American Investments bv).

Very truly yours,

  
**ODETTE A. JAVIER**  
Asst. Corporate Secretary

# KALAYAAN COPPER-GOLD RESOURCES, INC.

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Telephone No. 815-9447 Fax No. 810-5583

19 September 2007

## KALAYAAN COPPER-GOLD RESOURCES, INC. ANNOUNCES RESULTS OF DRILLING HOLES AT THE KALAYAAN PROPERTY

Kalayaan Copper-Gold Resources, Inc., a joint venture between Manila Mining Corporation and Anglo American Philippines (Kalayaan) Holdings B.V. is pleased to report that three drill-holes, KSD-1, KSD-1A and KSD-2 have been completed while holes KSD-3 and KSD-4 are currently in progress and holes KSD-5 and KSD-6 are being prepared. Four drill rigs are currently operating at the Kalayaan Project.

Partial assay results of holes KSD-1A, KSD-2, and KSD-3 are presented in the following table. All quoted depths are measured in metres (m) downhole, and all assay results have had a cut off of 0.1% copper applied.

Hole No.	Final Depth	Intercept	Length of Intercept	Grades	
				Copper (%)	Gold (g/t)
KSD-1A	898m	362-635m	272m	0.23	0.05
		362-404m	42m	0.74	0.03
KSD-2	1100m	441-761m	320m	0.02	0.02
KSD-3	890m*	367-461m	94m	1.08	1.62

\*Hole in progress

Hole KSD-3 intersected coarse grained diorite porphyry characterized by intense quartz-hematite veining associated with strong azurite, malachite, cuprite and native copper mineralisation. The assay results from hole KSD-3 are currently being reviewed in conjunction with the results of an earlier hole, JSD-23 (260m ~ 0.90% Cu + 1.10g/t Au from 363m depth) drilled by Anglo American Exploration (Philippines) Inc. approximately 130m to the south on an adjacent tenement held by Silangan Mindanao Mining Company Inc.. The geological interpretation suggests the probable development of a contiguous mineralised quartz stockwork zone within the Bayugo Porphyry deposit extending northwards from JSD-23 to KSD-3.

Detailed geologic information on holes KSD-1, KSD-1A and KSD-2 to KSD-5 follows:

### **KSD-1**

The hole was drilled northwards at  $-70^{\circ}$  to test the extension of the Bayugo Porphyry northwards from the adjacent Silangan Mindanao Mining Company Inc tenements. The hole was abandoned in unaltered cover at its final depth of 330m.

### **KSD-1A**

The hole was located adjacent to KSD-1 and drilled northwards at  $-70^{\circ}$  to test the extension of the Bayugo Porphyry northwards from the adjacent Silangan Mindanao Mining Company Inc tenements. The hole intersected unaltered cover from collar to a depth of 362m.

From 362m to the final depth of 898m weakly to moderately argillic altered, mineralised diorite porphyry, diorite breccia, limestone and basalt was intersected. The base of oxidation was noted at 460m depth and exotic copper mineralisation comprises pitch limonite, limonite, hematite, cuprite, chalcocite, azurite, malachite and native copper. Hypogene sulphide mineralisation consists of weak chalcopyrite, bornite and pyrite occurring as minor disseminations.

### **KSD-2**

The hole was located approximately 150m west of KSD-1 and drilled northwards at  $-70^{\circ}$  to test the extension of the Bayugo Porphyry northwards from the adjacent Silangan Mindanao Mining Company Inc tenements. The hole intersected unaltered cover from collar to a depth of 441m.

From 441m to the final depth of 1100m weakly argillic altered, mineralised diorite porphyry, diorite breccia, limestone and basalt was intersected. The base of oxidation was noted at 462m depth and weak hypogene sulphide mineralisation consists of chalcopyrite and pyrite occurring as minor disseminations.

### **KSD-3**

The hole was located approximately 10m north of KSD-1 and drilled eastwards at  $-70^{\circ}$  to test the extension of the Bayugo Porphyry northwards from the adjacent Silangan Mindanao Mining Company Inc tenements. The hole intersected unaltered cover from collar to a depth of 367m.

From 367m to the current depth of 890m moderately to strongly potassic altered and variably argillic overprinted, mineralised diorite porphyry, diorite breccia and basalt was intersected. Intense quartz stockworks are developed from 367m to a depth of 444m within a progenitor, diorite porphyry. Supergene mineralisation comprises pitch limonite, cuprite, chalcocite, azurite, malachite and native copper. Hypogene sulphide mineralisation consists of chalcopyrite, bornite and pyrite occurring as minor disseminations. Drilling is in progress.

### **KSD-4**

The hole was located approximately 10m north of KSD-2 and drilled eastwards at  $-70^{\circ}$  to test the extension of the Bayugo Porphyry northwards from the adjacent Silangan Mindanao Mining Company Inc tenements. The hole intersected unaltered cover from collar to a depth of 406m.

From 406m to the current depth of 715m moderately to strongly potassic altered and variably argillic overprinted, mineralised diorite porphyry and diorite breccia was intersected. The base of oxidation has not yet been intersected and supergene mineralisation comprises pitch limonite, cuprite, chalcocite, azurite, malachite and native copper. Hypogene sulphide mineralisation consists of chalcopyrite, bornite and pyrite occurring as minor disseminations. Drilling is in progress.

#### **KSD-5**

The hole is being located approximately 300m east of KSD-1 and will be drilled northwards at -70° to test the extension of the Bayugo Porphyry northwards from the adjacent Silangan Mindanao Mining Company Inc tenements.

All assays were conducted on intervals of split core, on average 3m in length, by Intertek Testing Services at their laboratory in Jakarta, under the supervision of Anglo American. Quality control was monitored by incorporation of assay standards and duplicates.

The assay data provided above was communicated to the Company by Anglo American Exploration (Philippines), Inc. which, under the terms of the joint venture, is responsible for conducting exploration on the Kalayaan Property. Manila Mining Corporation has not independently verified this information.

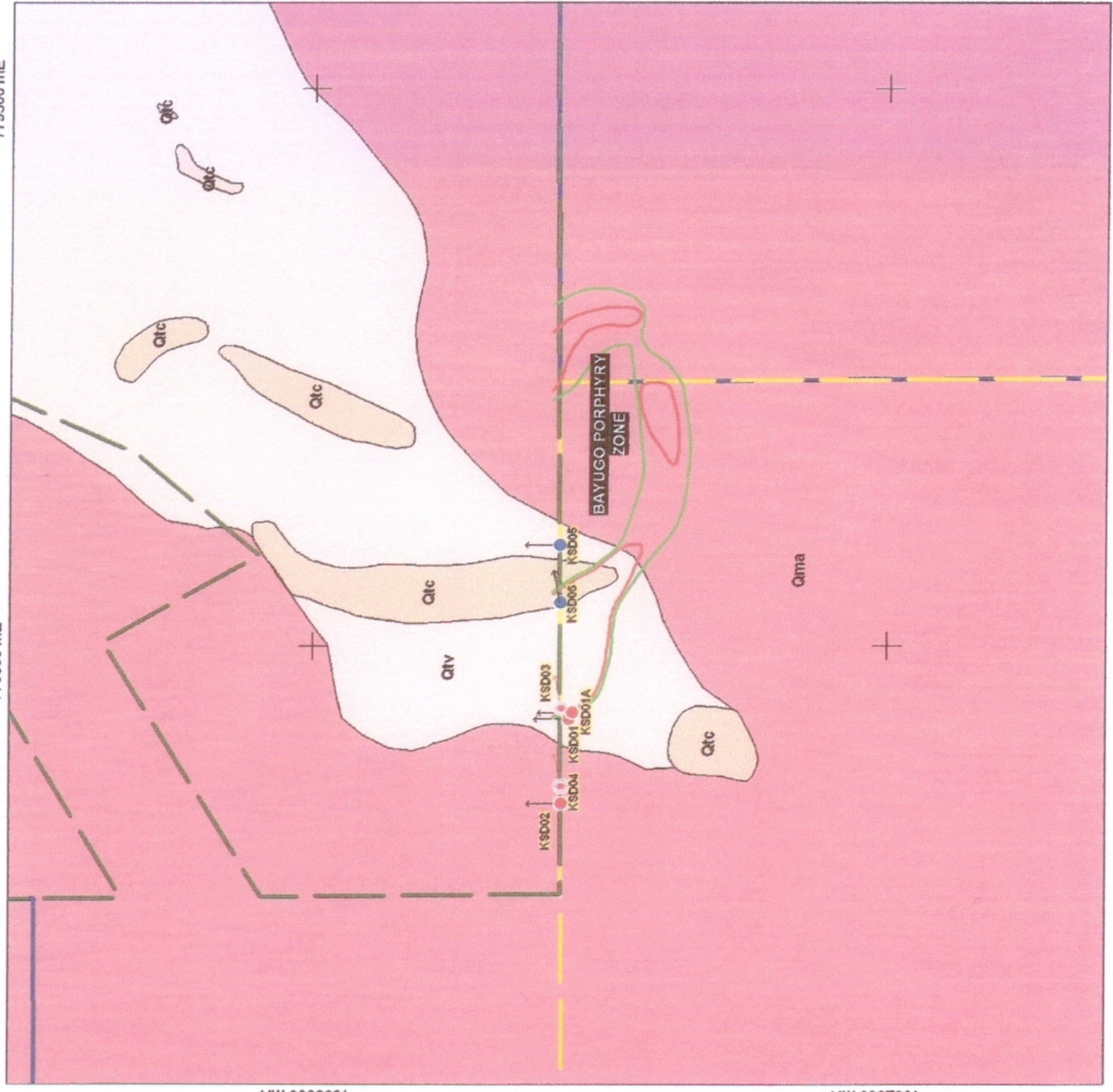
Copper equivalents on the attached Drill Hole Location Map have been calculated on the following basis:  
% Copper equivalent = Copper % + (Gold grams/tonne x 0.62) with copper at \$1.00 per pound and gold at \$425 per ounce.

778500 mE

779500 mE

1063500 mN

1062500 mN



### LEGEND

#### SEDIMENTARY AND VOLCANIC ROCKS

- Maniayao Andesite
- Tugunan Volcaniclastics
- Tugunan Clastics

#### DIAMOND DRILLING, CY 2007

- Proposed
- Completed
- Active

#### Prelim. CuEq Outline In Bayugo Zone

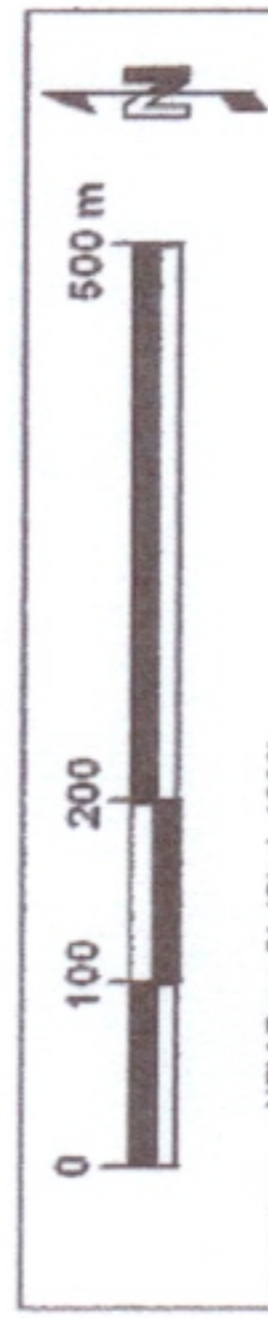
- 1.0% CuEq
- 0.5% CuEq

#### KCGRI-TENEMENT

- EP XIII-014

#### SMMCI-TENEMENTS

- MPSA 149-99-XIII
- EP 000013-XIII



Projection: UTM Zone 51 (Clark 1866)



Anglo American Exploration (Philippines), Inc.  
A Member of the Anglo American Plc Group

**PROJECT:**  
KCGRI Project  
Surigao Del Norte, Philippines

## KALAYAN GEOLOGIC MAP AND DRILL HOLE LOCATION

CAD by:	GEO, RPS	Prepared by:	IF, GT, JB, EO, JC	Photo No.
Checked by:	MIC	Approved by:	PJW	
Revised:	September 2007	File:	Sgoboyng_DCH-Location_pgw.yor	

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