



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

PRU
COPY

Company Reg. No. 40938

CERTIFICATE OF DECREASE OF CAPITAL STOCK

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the certificate of decrease of capital stock of the

UNITED PARAGON MINING CORPORATION

copy annexed, from P1,903,500,000.00 divided into 1,850,000,000 common shares with the par value of P1.00 each; 13,500,000 Class A preferred shares with the par value of P1.00 each; 400,000 Class B preferred shares with the par value of P100.00 each, to P1,441,750,000.00 divided into 141,500,000 common shares with the par value of P0.01 each; 13,500,000 Class A preferred shares with the par value of P0.50 each; 400,000 Class B preferred shares with the par value of P50.00 each, approved by majority of the Board of Directors on April 12, 2004 and April 20, 2006 and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock at a meeting held on July 30, 2004 and July 28, 2006 certified to by the Chairman and the Secretary of the stockholders' meeting and a majority of the Board of Directors of the corporation, was approved by the Commission on the date indicated hereunder in accordance with the provision of Section 38 of the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980, and copies thereof are filed with the Commission.

1

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 24th day of July, Two Thousand Eight.


BENITO A. CATARAN

Director

Company Registration and Monitoring Department

CERTIFICATE MACHINE COPY

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PAGE 1 OF 8 PAGES

COVER SHEET

- 4 0 9 3 8 -
 SEC Registration Number

U N I T E D P A R A G O N M I N I N G C O R P .

(Company's Full Name)

8 T H / F Q U A D A L P H A C E N T R U M ,
 1 2 5 P I O N E E R S T . M A N D A L U Y O N C I T Y

(Business Address: No., Street City / Town / Province)

Ms. Gloria A. Gerona
 Contact Person

636-5133/34
 Company Telephone Number

Decrease of Capital Stock and Amended AOI

1 2 3 1
 Month Day
 Fiscal Year

0 5
 Month Day
 Annual Meeting

FORM TYPE

Secondary License Type, If Applicable

 Dept Requiring this Doc

Amended Articles Number / Section

 Total No. of Stockholders

 Total Amount of Borrowings

* Domestic Foreign

To be accomplished by SEC Personnel concerned

 File Number

 Document ID

LCU 1-14-01

 Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

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 PAGE 2 OF _____ PAGES
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CERTIFICATE OF DECREASE OF CAPITAL STOCK

OF

UNITED PARAGON MINING CORPORATION.

We, the undersigned, majority of the members of the Board of Directors of UNITED PARAGON MINING CORPORATION, (the "Corporation"), the Chairman and the secretaries, respectively, of the annual stockholders' meetings of the Corporation held on July 30, 2004 and July 28, 2006

DO HEREBY CERTIFY:

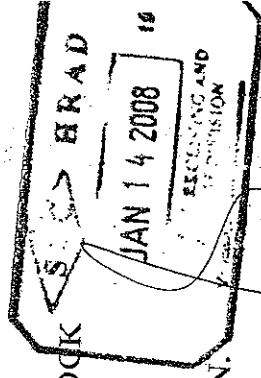
I

That the annual meetings of the stockholders of the Corporation were held on July 30, 2004 and July 28, 2006 to take up, among other things, the proposed decrease of the authorized capital stock of the corporation from ONE BILLION NINE HUNDRED THREE MILLION FIVE HUNDRED THOUSAND PESOS (P1,903,500,000.00) to ONE BILLION FOUR HUNDRED FORTY ONE MILLION SEVEN HUNDRED FIFTY THOUSAND PESOS (P1,441,750,000.00).

II

That notices of the proposed decrease of the capital stock, and the time and place of the stockholders' meetings at which the proposed decrease of capital stock was to be considered, was given to each stockholder of record as provided in the By-laws.

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PAGE 3 OF 8 PAGES
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III

That pursuant to said notices, there appeared at the said meetings in person and by proxy, stockholders holding at least two-thirds (2/3) of the outstanding capital stock of the corporation.

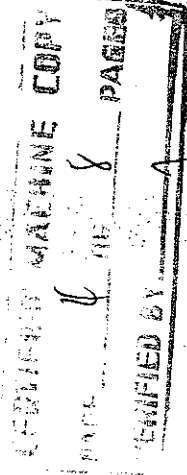
IV

That Mr. Alfredo C. Ramos acted as Chairman of the said meetings. Atty. Roberto V. San Jose acted as secretary of the meeting held on July 30, 2004 while Atty. Delfin P. Angcao acted as secretary of the meeting held on July 28, 2006.

V

That at the said meetings, upon motion duly made and seconded, resolutions were duly adopted by the affirmative vote of the stockholders present or represented by proxy, constituting more than two-thirds (2/3) of the entire capital stock outstanding to effect the following:

- (a) decrease of the Corporation's outstanding capital stock by fifty percent (50%) or by P460,477,615.50 for the purpose of reducing its current deficit;
- (b) decrease of the Corporation's authorized capital stock from P1,903,500,000.00 to P1,441,750,000.00;



- (c) decrease of the par value of the common shares of stock of the Corporation from P1.00 to P0.01¹ per share, Class "A" Preferred shares of stock from P1.00 to P0.50 per share, and the Class "B" Preferred shares of stock from P100.00 to P50.00 per share.
- (d) amendments to Article Seventh of the Amended Articles of Incorporation to reflect the aforementioned changes.

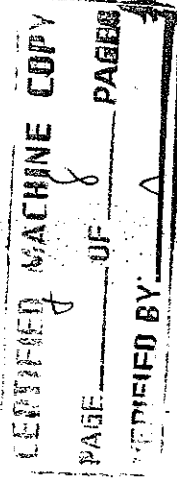
VI

That as above set forth, all the requirements of Section 38 of the Corporation Code of the Philippines have been complied with.

VII

That the aggregate amount of the decrease in the authorized capital stock of said corporation is FOUR HUNDRED SIXTY ONE MILLION SEVEN HUNDRED FIFTY THOUSAND PESOS (P461,750,000.00), Philippine currency, thereby decreasing the present authorized capital stock of the said corporation from ONE BILLION NINE HUNDRED THREE MILLION FIVE HUNDRED THOUSAND PESOS (P1,903,500,000.00) to ONE BILLION FOUR HUNDRED FORTY ONE MILLION SEVEN HUNDRED FIFTY THOUSAND PESOS (P1,441,750,000.00).

¹ On July 30, 2004, the stockholders approved the decrease of the par value of the common shares from P1.00 per share to P0.50 per share to implement the 50% reduction of the corporation's outstanding capital stock. Thereafter, on July 28, 2006, the stockholders approved to further decrease the par value of the common shares from P0.50 per share to P0.01 per share, with a proportionate increase in the number of common shares such that there was no change in their aggregate par value, as decreased.



That in connection with the said decrease of authorized capital stock, the present subscribed and paid-up capital stock totalling to P920,955,231.00 will be correspondingly decreased by 50% or by P460,477,615.50, such that after the decrease, the outstanding capital stock would be P460,477,615.50.

The amount of P460,477,615.50 representing the reduction in the Corporation's subscribed and paid-up capital stock as aforesaid shall be used to offset against or to reduce the Corporation's deficit to the extent of the said amount.

A summary of the Corporation's capital structure before and after the capital decrease is shown below:

	<u>Present</u>	<u>Decrease</u>	<u>As Decreased</u>
Authorized Capital Stock:			
Common	P1,850,000,000.00	P 435,000,000.00	P 1,415,000,000.00
Preferred "A"	13,500,000.00	6,750,000.00	6,750,000.00
Preferred "B"	40,000,000.00	20,000,000.00	20,000,000.00
Total	<u>P1,903,500,000.00</u>	<u>P 461,750,000.00</u>	<u>P1,441,750,000.00</u>
Subscribed and Paid-up:			
Common	P 867,455,231.00	433,727,615.50	433,727,615.50
Preferred "A"	13,500,000.00	6,750,000.00	6,750,000.00
Preferred "B"	40,000,000.00	20,000,000.00	20,000,000.00
Total	<u>P 920,955,231.00</u>	<u>P 460,477,615.50</u>	<u>P 460,477,615.50</u>

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PAGE 6 OF 8 PAGES

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IX

That the actual indebtedness of the Corporation at the time of the stockholders' meetings was approximately P 1.8 Billion.

X

That no bonded indebtedness, on the part of the Corporation has been created, incurred or increased at the time of the said meetings.

XI

That present or represented at the meetings were stockholders owning or representing at least two-thirds (2/3) of the entire outstanding capital stock of the Corporation who unanimously voted in favor of the decrease of capital stock and the corresponding amendments to the Articles of Incorporation.

XII

That the decrease of the authorized capital stock was likewise approved by the vote of a majority of all the directors at their meetings held on April 12, 2004 and April 20, 2006.

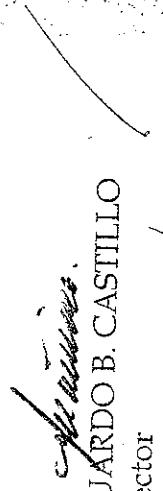
IN WITNESS WHEREOF, the undersigned directors of UNITED PARAGON MINING CORPORATION have signed this Certificate of Decrease of Capital Stock, and the undersigned Chairman and secretaries of the aforesaid

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PAGE 8 OF 8 PAGES
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stockholders' meetings have countersigned the same this 20th day of December 2007 at Makati City

ATTEST:

RICARDO MIGUEL S. RAMOS
Director



EDUARDO B. CASTILLO
Director

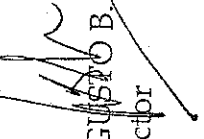


MANUEL D. RECTO
Director

CARLOS G. DOMINGUEZ
Director



ADRIAN PAULINO S. RAMOS
Director



AUGUSTO B. SUNICO
Director

COUNTERSIGNED BY:



ALFREDO C. RAMOS
Chairman of the Meetings/Director



ROBERTO V. SAN JOSE
Secretary of the Meeting (2004)



DELFIN PANGCAO
Secretary of the Meeting (2006)

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PAGE 8 OF 8 PAGES

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