

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 INCREASE OF CAPITAL STOCK

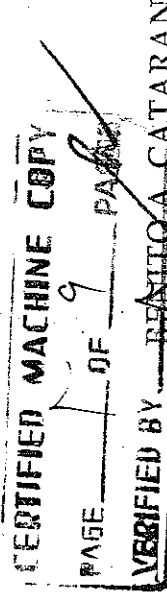
KNOW ALL PERSONS BY THESE PRESENTS:

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

UNITED PARAGON MINING CORPORATION

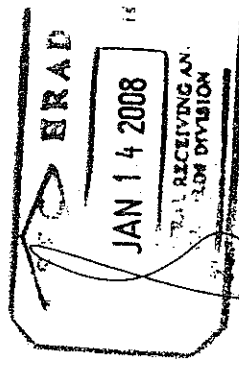
copy annexed, from P1,441,750,000.00 divided into 141,500,000,000 common shares with the par value of P0.01 each; 13,500,000 Class A preferred shares with the par value of P0.50 each; 400,000 Class B preferred shares with the par value of P50.00 each to P4,000,000,000.00 divided into 397,325,000,000 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 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 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.

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.



Company Registration and Monitoring Department

CERTIFICATE OF INCREASE 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 Secretary, respectively, of the annual stockholders' meeting of the Corporation held on July 30, 2004

DO HEREBY CERTIFY:

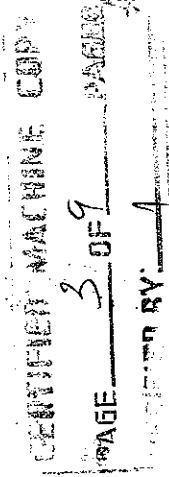
I

That the annual meeting of the stockholders of the Corporation was held at the 9th Floor, Quad Alpha Centrum Building, 125 Pioneer Street, Mandaluyong City on July 30, 2004 to take up, among other things, the proposed increase of the authorized capital stock of the corporation from ONE BILLION FOUR HUNDRED FORTY ONE MILLION SEVEN HUNDRED FIFTY THOUSAND PESOS (P1,441,750,000.00)¹ to FOUR BILLION PESOS (P4,000,000,000.00).

II

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

¹ As decreased from P1,903,500,000.00 to P1,441,750,000.00 as approved by the board of directors at its meetings held on April 12, 2004 and April 20, 2006, and by the stockholders at their meetings held July 30, 2004 and July 28, 2006.



III

That pursuant to said notice, there appeared at the said meeting 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 and Atty. Roberto V. San Jose acted as Chairman and Secretary, respectively, of the meeting.

V

That at the said meeting, 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) increase of the Corporation's authorized capital stock from P1,441,750,000.00 (as decreased; see footnote 1) to P4,000,000,000.00;
- (b) issuance of common shares out of the said capital increase by way of conversion of existing liabilities of the Corporation to its creditors/related companies; and

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(c) amendment to Article Seventh of the Amended Articles of Incorporation to reflect the aforementioned capital increase.

VI

That all the requirements of Section 38 of the Corporation Code of the Philippines have been complied with.

VII

That the aggregate amount of the increase in the authorized capital stock of said corporation is TWO BILLION FIVE HUNDRED FIFTY EIGHT MILLION TWO HUNDRED FIFTY THOUSAND PESOS (P2,558,250,000.00), Philippine currency, thereby increasing the authorized capital stock of the said corporation from ONE BILLION FOUR HUNDRED FORTY ONE MILLION SEVEN HUNDRED FIFTY THOUSAND PESOS (P1,441,750,000.00) (as decreased), consisting of (i) 141,500,000 common shares of the par value of P0.01 per share; (ii) 13,500,000 Preferred Class "A" shares of the par value of P0.50 per share; and (iii) 400,000 Preferred Class "B" shares of the par value of P50.00 per share, to FOUR BILLION PESOS (P4,000,000,000.00), consisting of (i) 397,325,000 common shares of the par value of P0.01 per share; (ii) 13,500,000 Preferred Class "A" shares of the par value of P0.50 per share; and (iii) 400,000 Preferred Class "B" shares of the par value of P50.00 per share.

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VIII

That of the said increase in authorized capital stock, at least 25% has been subscribed and fully paid by way of conversion or assignment of existing receivables from the Corporation by its creditors/related companies as shown in Annex "A" hereof.

IX

That the actual indebtedness of the Corporation at the time of the stockholders' meeting 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 meeting.

XI

That present or represented at the meeting 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 increase of capital stock and the corresponding amendment to the Articles of Incorporation.

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That the increase of the authorized capital stock was likewise approved by the vote of a majority of all the directors at their meeting held on April 12, 2004.

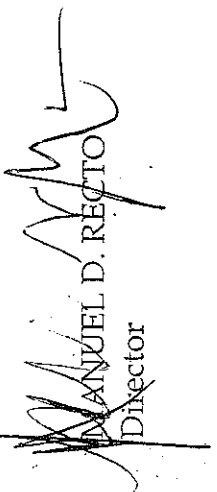
IN WITNESS WHEREOF, the undersigned directors of UNITED PARAGON MINING CORPORATION have signed this Certificate of Increase of Capital Stock, and the undersigned Chairman and Secretary of the aforesaid stockholders' meeting have countersigned the same this ___ day of December 2007 at _____.

ATTEST:

RICARDO MIGUEL S. RAMOS
Director



EDUARDO B. CASTILLO
Director

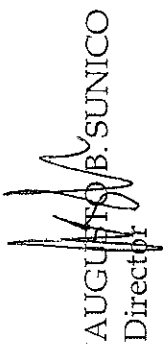


MANUEL D. RECTO
Director

CARLOS G. DOMINGUEZ
Director



ADRIAN PAULINO S. RAMOS
Director



AUGUSTO B. SUNICO
Director

COUNTERSIGNED BY:



ALFREDO C. RAMOS
Chairman of the Meeting/Director



ROBERTO V. SAN JOSE
Secretary of the Meeting

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Annex "A"
Certificate of Increase of Capital Stock
United Paragon Mining Corporation

Name of Subscriber	Nationality and TIN	Subscribed and Fully Paid Common Shares	
		No. of Shares (Par value: P0.01 per share)	Amount
Abacus Book and Card Corporation	Filipino; 000-299-299-000	9,868,250,792	P 98,682,507.92
Alakor Corporation	Filipino; 000-175-116	50,605,138,981	506,051,389.81
Anglo Philippine Holdings Corporation	Filipino; 000-175-630	66,954,873,395	669,548,733.95
Atlas Publishing Group of Companies, Inc.	Filipino; 000-202-236-000	674,142,466	6,741,424.66
National Book Store, Inc.	Filipino; 000-325-972-000	76,874,286,342	768,742,863.42
The Philodrill Corporation	Filipino; 000-315-612-000	6,460,389,754	64,603,897.54
Vulcan Industrial & Mining Corporation	Filipino; 000-062-736	6,390,022,500	63,900,225.00
Edmundo M. Tolentino	Filipino; 180-336-080	114,931,300	1,149,313.00
Total		217,942,035,530	P 2,179,420,355.30

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