



APEX MINING CO., INC.

16 May 2011

PHILIPPINE STOCK EXCHANGE, INC.

Disclosure Department
Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet Encarnacion**
Head, Disclosure Dept.

Dear Ms. Encarnacion:

We are submitting herewith SEC Form 17-Q for the quarter ended March 31, 2011.

Thank you.

Very truly yours,

ROSANNA A. PARICA

Corporate Information Officer

COVER SHEET

4 0 6 2 1
S.E.C. Registration Number

A P E X M I N I N G C O . I N C .

(Company's Full Name)

1 7 T H F L O R P R E S T I G E T O W E R
F . O R T I G A S J R R D O R T I G A S P A S I G C I T Y

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

ROSANNA A. PARICA
Contact Person

706-2805
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC Form 17-Q
FORM TYPE

0 6 3 0
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

of Stockholders

Total Amount of Borrowings

Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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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**

For the quarterly period ended: **March 31, 2011**

Commission Identification Number: **40621** 3. BIR Tax Identification No. **000-284-138**

Exact Name of Registrant as specified in its charter: **APEX MINING CO., INC.**

Province, country or other jurisdiction of incorporation or organization : **PHILIPPINES**

Industry Classification Code : (SEC Use Only)

Address of registrant's principal office: **U1704 17th Flr, Prestige Tower Cond., F. Ortigas Jr. Road,
Ortigas Center, Pasig City**

Postal Code: **1605**

Telephone number, including area code: Tel # **706-2805** Fax # **706-2804**

Former name, former address and former fiscal year, if changed since last report. **NA**

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 if Common Stock Outstanding or amount of Debt Outstanding
CLASS A	800,116,953
CLASS B	515,532,610

Are any or all registrant's securities listed on the Phil. Stock Exchange?

Yes No Phil. Stock Exchange - listed 759,531,841 million shares (P1.00) par value

Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 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 90 days

Yes No

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached Unaudited Financial Statements for the period ended March 31, 2011.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GEOLOGY AND EXPLORATION

Exploration activities were conducted within the current mining operations areas where drilling is focused northwest at the Bonanza area and also at the western part of the Apex tenement focusing at looking at copper porphyry targets and are basically conducting soil sampling and detailed geologic mapping.

A total of three (3) underground exploration drill rigs and two (2) new surface exploration drill rigs, operated throughout the quarter. A total of 23 drill-holes were drilled for 3,155.20 meters. Most of the holes were drilled to test the Bonanza vein system in Maligaya, but a few holes also intersected the Masara, Bibak Sandy, Wagas and Maria Inez veins. The most significant intercepts for the quarter were from BNZ-012 with 15.04g/t Au over 1.45m, BNZ-013 with 4.03 g/t Au over 1.37m. Both intercepts were interpreted to be Bonanza vein located at 340 RL and at 515 RL, respectively.

Outside the mine area but within the Apex tenement, detailed geologic mapping focused on Parcels III and IV of MPSA-234-2007-XI. A total of 29,590 meters in horizontal distance were mapped. The surface exploration activities to the west extended over the Mapula-Kanarubi area where sluicing activities by the small scale miners were observed.

Soil sampling activities continued with 65 soil samples collected indicating a peak value of 0.802g/t Au and an average value of 0.186 g/t Au. The copper values peaked at 0.343% Cu and yielded an average of 0.028% Cu.

In the Bonanza North area, 243 channel rock samples were collected. An exposure of the Bonanza vein, in Bunlang creek yielded 2.607g/t Au and 1.64%Cu over 3m. The peak value from the 277 channel samples collected in Parcel IV was 5.642 g/t Au.

To assist data control, a new Geo-Assay Program was implemented to further improve the sample dispatching and assay result reporting. A new system of data collation, recording, and verification was also established to ensure more efficient data handling. Checking of development drive data continued. By the end of the quarter, 85% of 2010 data and 20% of the 2011 data had been verified.

MINING OPERATIONS

I. Development

A total of 1,752 meters of actual horizontal, inclined, ramp and vertical development were achieved in the 1st quarter of 201 compared to the budget of 2,033 meters. Seventy-five percent (75%) of the total development advance of 1,308 meters were in waste headings and 25% or 444meters were advanced in ore drives.

Primary Development

The main development during the 1st quarter of 2011 continued in the main declines to access the lower extensions of the Bonanza vein in Ramp #1 below the L515 level. Crosscuts in L500 already intersected the Bonanza vein after completing the excavation of sumps, riser mains and installation of pumps. Simultaneously, the decline to Level 485 was advanced.

The furnishing and installation of escape ladder ways for the L530 Arkbro raise to surface was completed on the later part of the first quarter. On the other hand, other infrastructure development in Ramp 2 including the development of the main decline from L530 to L515 was in progress.

Similarly in the Malumon area, main development of the decline was completed to reach the 785 level and horizontal development drives for Main Sandy and sandy split veins are in progress. The development of the main decline continued and in progress down to level 770.

Ore development

During the quarter, the ore drives at L530 Bonanza Extension were stopped due to the consistent low Gold assays of the vein. Re-drilling the further western extension of the vein is on-going. The Exploration group of the Geology department continued confirmatory drilling to check and guide the mine planning section on the development prioritization.

Low advance in ore development was primarily affected by loose and wet ground conditions at L515 ODE Bonanza, L815 ODE Sandy main vein and separate blasting in narrow vein ore drives. Unscheduled Power outages and standby generator sets malfunction have also contributed to the mine development advances attained for the quarter versus budget.

II. Ore Production

Ore production during the first quarter of 2011 reached 62,435 metric-tonnes with an average run-of-mine grade of 5.1 gpt Au. This translates to an average of 20,811 metric-tonnes per month or an average of 693 metric-tonnes per day.

Eighty-one (81%) of the first quarter production were mined from the combined long-hole stopes and conventional handheld stoping from both Maligaya and Sandy area and the remaining nineteen (19%) came from incidental ore production from the ore drives.

Stope ore production were sourced from the long hole stopes at the Bonanza and Masara vein systems and the conventional shrinkage stopes at the Bibak vein system. The relatively soft and loose sandy vein was developed by draw crosscuts at regular intervals that contributed in the ore sources for the quarter. Long hole drilling was also initiated in the Sandy vein split veins as well as the Main Sandy vein system to improve the productivity from these areas.

Below is the comparative table showing the distribution of the development meters advanced and ore produced for the 1st quarter 2011 against the budget.

COMPARATIVE TABLE

PARAMETERS	ACTUAL	BUDGET
Development, m		
On Vein Drives	444m	688m
Waste development	1,308m	1,365m
TOTAL	1,752m	2,033m
Ore Production, t		
Stope Ore	50,466 tons @ 5.1gpt Au	49,695 tons @ 4.5gpt Au
Development Ore	11,969 tons @ 3.7gpt Au	9,445 tons @ 5.5gpt Au
TOTAL	62,435tons @ 5.1gpt Au	59,140tons @ 4.7gpt Au
Delivered to Mill Stockpile Yard	53,164tons @ 5.2gpt Au	

MILL REVIEW

Period	Tonnes	Tonnes	Grade, g/t		% Recovery		Metal Produced (oz)	
	Milled	per Day	Au	Ag	Au	Ag	Au	Ag
Jan-11	18,353	592	4.00	23.47	83.66%	56.02%	1,961	7,537
Feb-11	16,637	594	4.97	33.11	84.30%	64.14%	2,125	10,064
Mar-11	15,343	495	4.13	33.24	82.44%	70.11%	1,862	13,059
1Q 2011	50,333	560	4.36	29.63	83.50%	63.00%	5,947	30,660
4Q 2010	56,249	625	4.93	32.79	84.55%	59.95%	7,470	35,188
1Q 2010	42,076	468	4.69	30.41	83.32%	61.61%	5,355	25,905

Table 1. 1Q 2011 Mill Production Data vs. 1Q and 4Q 2010

For the 1st Quarter of 2011, the average throughput went down to an average of 560 metric-tonnes per day (mtpd) due to the various mill equipment maintenance activities: 1-day for jaw crusher relining; 2-days for cone crusher relining, 2-days for rod mill relining; 3-days for ball mill relining and the replacement of wire screen cloths for the vibrating screen and the replacement of conveyor belts of the conveyors. The oxygen generator and spargers were commissioned on February 11, 2011. Dissolved oxygen levels in the leach tanks have significantly picked up but the positive effects on the recoveries and reduction of cyanide consumption are yet to be seen in the following months.

Top Five (5) Key Performance Indicators

1. Tonnes Milled and Ore Grade – tonnage, ore grade and metal recovery determine production and sales volume. The higher the tonnage, the grade of ore and recovery, the more metals are produced and sold.

For the quarter ending March 31, 2011, the mill plant processed a total of 50,333 tonnes with mill heads of 4.36 g/t Au and 29.63 g/t Ag, with average calculated metal recoveries of 83.50% and 63.00% for gold and silver, respectively.

2. EBITDA – Earnings before Interest, Taxes, Depreciation and Amortization – calculated as net income before interest, income tax expenses, amortization and depreciation: provides investors with a tool for determining the ability of the Corporation to generate cash from operations to cover financial charges and income taxes; it is also a measure to evaluate the Corporation's ability to service its debts.
3. EPS – Earnings per Share – net income attribute to each share of common stock
4. Debt-to-Equity-Ratio – an indication of how leveraged the Corporation is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total debt by stockholders equity.
5. Current Ratio – measurement of liquidity, calculated by dividing total current assets by the total current liabilities. It is an indicator of the Corporation's short term debt paying ability. The higher the ratio, the more liquid the Corporation.

HUMAN RESOURCE / ADMINISTRATION

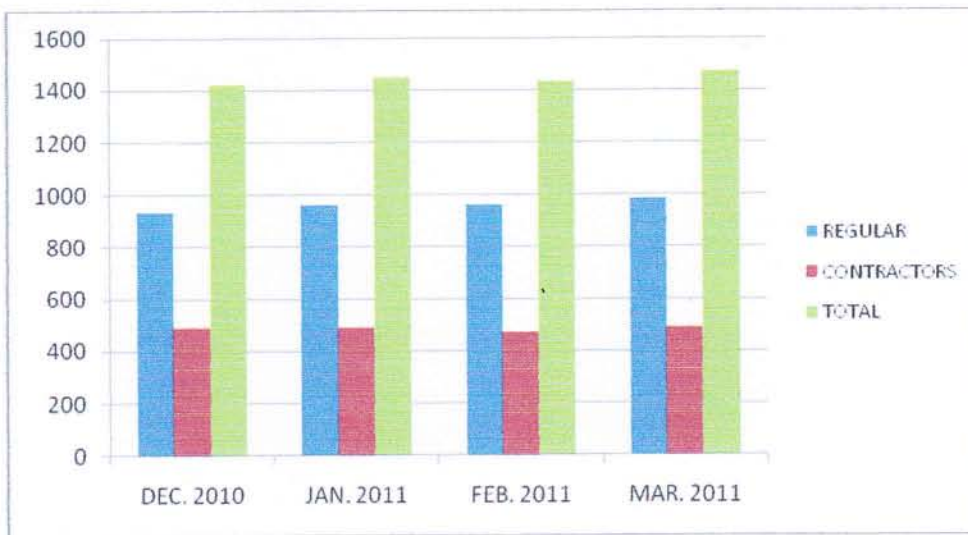
The 1st quarter of the year saw great improvements in the operations and more manpower requirements as APEX continued its project on exploration. The following activities and accomplishments proved that the Company, through its Human Resource Department, actively implements services and benefits for its most important resources – its employees.

MANPOWER AND RECRUITMENT

Total manpower saw quite an increase in January as compared to yearend of 2010, particularly on company employees. It slightly decreased in February due to a reduction in contractors' personnel. But it again significantly increased for both company and contractors during the month of March. (Please refer to table and graph below.) Such increase in company personnel is primarily accounted for with the filling in of vacancies in the Exploration Group, Mine Operations and Mine Mechanical. Management intends to fill-in the necessary manpower complements to improve its operations within the succeeding months.

A. BY EMPLOYMENT CATEGORY

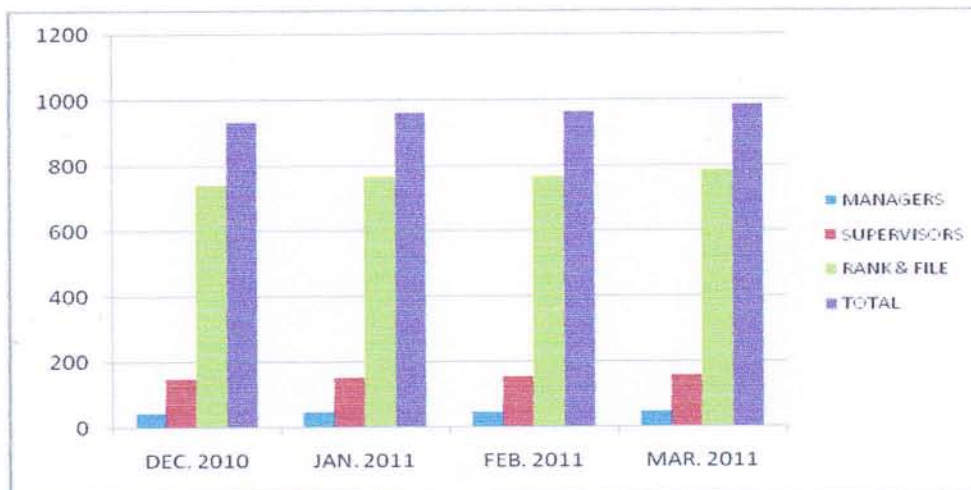
	DEC. 2010	JAN. 2011	FEB. 2011	MAR. 2011
REGULAR	934	961	963	985
CONTRACTORS	488	489	470	488
TOTAL	1422	1450	1433	1473



As to the breakdown of Company employees, it is the Supervisory and Rank & File groups which displayed a rapid increase while managerial employees maintained at 45 employees or less than 5% of total manpower headcount. (Please see graph for reference.)

B. BY JOB CATEGORY (regular employees)

	DEC. 2010	JAN. 2011	FEB. 2011	MAR. 2011
MANAGERS	44	45	45	45
SUPERVISORS	148	149	153	156
RANK & FILE	742	767	765	784
TOTAL	934	961	963	985



EMPLOYEE WELFARE :

With management's thrust to uphold the value of teamwork, promote industrial peace and harmony, the company continued to implement initiatives on employee relations, grievance procedures, and employee counseling/coaching.

The selection of Model Supervisor and Model Employee of the Month was established to acknowledge good performance, work responsibility, loyalty, and compliance to company rules & regulations, among other factors. Consequently, three rank & file employees and three supervisors have been awarded with plaques of recognition and cash incentives for being Model Supervisors and Employees for January to March 2011.

The selected employee representatives from the various work areas regularly conducted their monthly meetings with management representatives to discuss safety issues and concerns. The Employees Representatives serve as the voice of the rank & file employees.

Monthly Supervisors' Forum was conducted where supervisors are honed into internalizing their role as "supervisors" to be able to carry out their duties and responsibilities by providing them short lectures and inputs pertaining to their functions as Supervisors and some fun shops that enhances the value of teamwork and work commitment. At least 85%-88% attendance is recorded every supervisors forum. The remaining 15% is either on furlough or on vacation leave.

Establishing year-round activities, the 1st Semester Sports festival dubbed as "Larong Pinoy" was opened in February together with bingo socials and Valentine's Day celebration. The year round activities aim to promote the essence of teamwork and camaraderie, while integrating some fun into the workplace.

EMPLOYEE BENEFITS:

From January to March 2011, all employees enjoyed cash bonuses ranging from 9%-21% (at an average of 16%) of their basic monthly pays.

The Company acquired corporate memorial plans for the employees, as an added benefit on top of their life insurances.

It likewise facilitated the availment of the Social Security System's (SSS) Penalty Condonation Program by around 125 employees with outstanding loans from SSS, all of which were granted while with their former employers. The Company initially absorbed their existing loans to avail of the penalty condonation and prevent interests from further accumulation, which shall later be deducted from the salaries of concerned employees.

The Scholarship Program for mining-related course was developed as part of the Social Development and Management Program (SDMP) initiative including employees' dependents, subject to the selection process established for the program.

WAGE & COMPENSATION and OTHER HR SERVICES:

With the end in view of giving competitive rates to existing and upcoming employees, the HR Department has started evaluating the Company's current salary structure and is drafting recommendation on its necessary revisions, taking into account results of a salary and benefit survey among mining companies in which Apex participated in. It is the Company's intention to be one of the best employers in the mining industry, giving competitive rates and unequaled employee benefits. Series of meetings have already been conducted with Management for this purpose.

HR is continually updating and reviewing all policies, HR included, ensuring that existing policies are still applicable and timely cascaded to all employees. For the 1st quarter, policies written/revised include the Revised Furlough Policy, Model Employee/Supervisor of the Month, SDMP Scholarship Program, Memorial Plan, and Mortuary Fund Policy. All of these were informed/cascaded to all employees through the supervisors' forum, daily PEP talks and departmental safety meetings.

The first quarter of 2011 has proven to be a good start. And everyone looks forward to continued cash bonus throughout the year on account of good production, as well as improvement of existing benefits and introduction of additional ones, but most importantly, to a continued care and support of higher management ushering the Company into what it envisioned it to become – a ONE TEAM, playing ONE GAME.

ENVIRONMENTAL MANAGEMENT

Apex Mining Co., Inc. fully supported the government program on reforestation. For the 1st quarter of CY-2011 the Central Nursery of the company has produced 92,998 seedlings of various tree plantation species, fruit trees, bamboo, mangrove seedlings etc. and planted about 1.83 hectares in open and denuded areas with corresponding 3,020 seedlings planted within the mine site. As part of the reforestation activity, the company conducted care and maintenance of old plantation with an area of 9.17 hectares. The company fully supported the World Water Day celebration spearheaded by DENR by doing tree planting along the adopted Buena Tigbaw Creek.

The company provided 9,242 seedlings assistance as part of the upland development program of the DENR, LGU and to the adjacent Barangays and committed to provide 150,000 seedling for CY-2011 in support to the National Greening Program (NGP) of the President. The company continuously maintained the rehabilitation of the two (2) Adopted Mangrove Projects at Barangay Bucana, Maco and Barangay Bongabong, Pantukan, Compostela Valley in support to the environmental protection at the coastal area.

Facilities for environmental mitigating measures such as tailing ponds and silt ponds are being closely monitored regularly as well as with spillways and canals within the mine site. Rehabilitation measures and repairs are being done to maintain the tailings ponds' stability, tailings pipeline and the spillways' capability. Clearing is done whenever necessary to prevent clogging of drainages in the site and siltation of water channels. Regular repair and maintenance of access roads within the mine industrial areas is also being done.

The Environmental Department of APEX conducted regular in-house environmental quality monitoring to attain the standards set by DENR such as, the air and water quality and hazardous waste and quarterly monitoring conducted by the Multi-partite Monitoring Team (MMT) to ensure a safe environment. The Company constructed new oil & water separator structure at L840 mechanical shop to prevent the flowing of oil directly to the river. Information, Education and Communication Campaign was conducted for the concerned communities to provide the people information about the company and its activities in the area with emphasis on environmental protection and enhancement program.

COMMUNITY RELATIONS

PROGRAMS/PROJECTS/ACTIVITIES

A. Health and Sanitation Program

Apex Mining Company has its own clinic which caters to the health needs not only of the employees but the communities in the impact and neighboring barangays as well. Free medical and dental consultations with the aid of Company Doctors and nurses/nurses, are always available for those in dire need of medical attention. Moreover, medicine assistance was charged to the budget of Social Development and Management Program (SDMP) of Apex. For the First Quarter of 2011, an amount of *Php 51,490.99* was paid and expensed out of the SDMP fund of Apex correspondingly servicing 523 patients. Also, under the health program is the blood-letting assistance. For the first quarter, financial assistance in Barangay Elizalde was given for the implementation of this program.

B. Sustainable Livelihood Programs and Activities

The Company is doing its best to help build better communities through its SDMP. And this is done by providing Sustainable Livelihood Programs and Activities to deserving community members. Several trainings were conducted such as the promotion of Rubber and Coffee production followed by the dispersal of rubber seedlings which amounted to *Php 307,000.00* for the first quarter. This gave farmers concrete projects to aim more for the betterment of their living conditions. In addition, women were also given importance so they become productive in many ways. Thus, a Community-Based Entrepreneurship Training for the Second Batch Bizcampers which cost *Php 115,000.00* was also realized. Moreover, a hog-raising training was also done for those women who are interested in raising hogs for their extra income.

The youth were not left-out because they were always included in the SDMP Projects. Twenty five (25) Out-of-School Youths were trained on Plumbing at the Masara Chapel last January to February. They were trained by a TESDA trainer and will eventually take an exam for a National Certificate II on Plumbing on May this year. The training cost was *Php 62,000.00*.

C. Social Development Programs and Responsive Education

The company never ceases to respond to the needs of the community members especially in terms of education. Education is always given priority. Thus, a scholarship grant was offered to the less fortunate children, who deserve to be given assistance in their studies. For the second semester S.Y. 2010-2011, the amount of *Php 30,000.00* was allotted for the Non-IP Scholars. Also, to help children really make it to go to school daily and get home safely, student vehicles were provided with fuel consumption amounting to *Php 30,000.00* monthly.

There was also a project for the Out-of-School Youth which was the Plumbing Training, costing *Php 89,000.00*, and was charged to SDMP 2010 backlog. Furthermore, important community requests for a vehicle, in times of emergency or not, were responded by the company and the fuel consumption for this assistance amounted to *Php 37,350.00* from January to March. Barangays, schools and religious activities were financially assisted as well such as Patronal Feasts of host and neighboring barangays, Commencement Exercises of schools, Moral Recovery Program of churches, etc. A total of *Php 65,500.00* was released for the mentioned activities. Other community needs such as funeral assistance particularly materials for the tomb, were also charged to SDMP which amounted to *Php 10,166.00*.

D. Infrastructures

For the month of January, two infrastructure projects were prioritized. First was the church grills for the Masara Chapel which amounted to *Php 140,000.00* and the other is the rehabilitation of the bridge at Purok 3 in Barangay Teresa, which was budgeted with *Php 60,000.00*. The second was done for easier access and safety of the constituents of Teresa, even more of the employees, and everyone passing by the said bridge.

And for the month of February, *Php 200,000.00* was spent for the construction of the Multi-Purpose Learning Center in Tagbaros. The center was built by the trainees on carpentry and masonry and facilitated by Apex, TESDA, LGU and CTEC. The building will soon be used for upcoming trainings for the community.

Lastly, for the month of March, Barangay Defense System (BDS) of Barangays Teresa and Mainit were also constructed which amounted to *Php 15,000.00* each.

E. Indigenous Peoples Programs & Projects

If there are programs for Non-IPs, there are also programs created for the Indigenous Peoples or IPs. Education at their level was driven with higher importance. IPs in the host and neighboring communities have a special scholarship given to Jerry Onlos, a medical student scholar. He was endorsed to the company by MADCI, with the approval of the board and IP leaders from the impact barangays. He was allotted *Php 15,000.00* every month for his studies. Aside from him, *Php 100,000.00* worth for the scholarship of IPs from host communities was released for the second semester of School Year 2010-2011.

Moreover, there were capability-building projects for them which amounted to *Php 52,250.00* from January to March.

F. Information Education Campaign

Campaigns for the betterment of the communities and environment were also conducted. Symposia on Environmental Protection and Solid Waste Management were conducted to schools to create a level of awareness and reiterate the importance of Mother Nature. Tree planting was also promoted. Moreover, an IEC on Risk Reduction Management was conducted. Likewise, projects under IEC, activities of the COREMIN2 or Coalition for Responsible Mining in Mindanao were supported. Thus, the total expenses charged to IEC for the first quarter, was *Php 139,250.00*.

For the First Quarter of this year, a total of **Php 1,657,406.99** was spent from the Company's SDMP fund.

SAFETY AND HEALTH

The first quarter of the year 2011 is a busy season for the safety department. Minor incidences occurred within the site and were immediately taken into action. The unsafe acts and unsafe conditions were corrected and given direct recommendations to prevent the occurrence. The recent landslide that occurred within the tenement destroyed the bridge that connects Barangays Mainit and Masara with Barangay Tagbaros. Temporary culvert bridge was constructed in cooperation with the Provincial Engineering Office. Minor slides inside the mine site were immediately addressed and measures were undertaken to prevent accidents and damage to property.

Incident rate, frequency and severity rate sustained a stable line with an average of 6 NLTAs, 1 LTA and 3 property damages for the first quarter of the year.

Milestones

1. Conducted the underground evacuation drill at L-590 Maligaya area using the Installed stench gas and underground telephone system.
2. Conducted Safety and Health Council meeting every second Friday of the month and then followed by departmental monthly meetings.
3. Conducted regular underground and surface safety inspections and attendance on mines and mill operational meetings.
4. Produced and installed safety signage for surface and underground
5. Submitted to the MGB Region XI, Davao City, the Apex Occupational Safety and Health (OSH) Program and Emergency Response and Preparedness Program (ERPP) for 2011.
6. Submitted risk assessment of installed underground diesel depot at L-547 Maligaya to the MGB regional office.
7. Submitted Fuel Depot plan and Refuge chamber plan and layout to MGB XI Davao City.
8. Conducted Surface Fire drill at the Administrative Offices & the Mill department.

Summary of Incidents: (Personal Injury and Property Damage)

Lost Time Accidents, Non-Lost Time Accidents and Property Damage Combined:

Cases	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
NLTA (FAC)	8	5	7									
LTA (non- fatal)	2	1	0									
Property Damage	2	1	0									

Safety Meetings Trainings conducted and Inductions (Newly hired visitors and contractors).

Trainings	Date	No. of Participants
BOSH-OSHNET REGIONAL OFFICE	January, 2011	2
OSHA	March, 2011	2
Safety Orientation	Quarterly	
Visitors/OJT	Jan. – Mar. 2010	304
Newly Hired/Casuals	Jan. – Mar. 2010	61

Health Awareness Programs

- Last dose of Anti Hepatitis B and Anti Cervical vaccination to Apex employees.
- Updated employee's medical records and classified them according to their illness based on the latest Annual Physical examination.
- Referred PTB diagnosed employees to tertiary hospital for radiologic examination and for enrolment of TB-DOTS for TBDC (TB Diagnostic Committee) = 25
- Launched the 6 months Weight Reduction Program Contest (February to August 2011)
- Attended Occupational Safety and Health Orientation (DOLE) at PCU, Tagum City
- Conducted Eye Examination (Vision 20-20 Program) to all Apex employees
- Conducted Health Awareness, Lecture and follow-up through cascading to Apex employees during the monthly safety meeting.

FINANCIALS

For the three-month period ended March 31, 2011, the Company's sales amounted to P388.4 million or an increase of P104.5 million from P283.9 million for the same period last year. Total costs and expenses incurred for the quarter ended March 31, 2011 and 2010 amounted to P483.5 million and P386.2 million, respectively. The increase was brought about by the increase in the following expenses:

- Materials and supplies by P54.2 million, due to increased production.
- Rent by P35.8 million, primarily pertain to the lease of milling facilities from Teresa, which is settled through 15% revenue share from the Company's sale of metals. The increase in rentals is due to the increase in sales.
- Depreciation, depletion and amortization by P6.2 million, due to the additions to property, plant and equipment for the year ended December 31, 2010 of P184.7 million.
- Other operating expenses include utilities (P24.3 million), other taxes and licenses (P11.1 million), contracted service and labor (P9.5 million), repairs and maintenance (P8.3 million), royalties (P4.3 million) and surface rights (P4.3 million).

Other income (expense) included foreign exchange gains amounting to P1.6 million principally arising from the translation of the foreign currency-denominated advances from Mindanao Gold Limited and other affiliate and shareholder at P43.39:\$1 as of March 31, 2011 from P47.00:\$1 as of March 31, 2010.

Net loss amounted to P50.4 million for the three-month period ended March 31, 2011 from P85.6 million for the same period last year, primarily due to depreciation, depletion and amortization expense.

Cash as of March 31, 2011 amounted to P18.8 million (December 31, 2010 and 2009: P17.8 million and P16.8 million, respectively).

Receivables arising from uncollected sales of metals as of March 31, 2011 amounted to P68.7 million (December 31, 2010 and 2009: P81.0 million P147.1 million, respectively). Whereas non trade receivable arising from advances to suppliers and employees as of March 31, 2011 amounted to P177.8 million (December 31, 2010 and 2009: P154.0 million and P32.3 million, respectively).

Inventories amounted to P344.8 million primarily consisting of gold in bullion and in circuit, parts and supplies (December 31, 2010 and 2009: P343.4 million and P194.5 million, respectively).

The increase in prepayments and other current assets in March 31, 2011 was mainly due to accumulation of input taxes for the year. Effective for the period April 26, 2010 until December 31, 2010, the Company had been a VAT zero-rated entity, as approved by the Bureau of Investments (BOI). The Company's re-application for the same zero-rated status for 2011 is pending with the BOI.

Deferred exploration and development costs increased to P261.4 million as of March 31, 2011 (December 31, 2010 and 2009: P161.9 million and P18.8 billion, respectively) due to the increased exploration activity on the three (3) newly-opened portals in 2010.

Property, plant and equipment increased to P2.16 billion in March 31, 2011 (December 31, 2010 and 2009: P2.12 billion and P1.99 billion, respectively). The increase in the first quarter of 2011 was mainly due to various acquisitions of mine and mill equipment and several constructions that are still in progress.

Current liabilities as of March 31, 2011 amounted to P1.29 billion (December 31, 2010 and 2009: P1.18 billion and P2.98 billion, respectively).

Accounts payable and accrued liabilities increased to P350.5 million (December 31, 2010 and 2009: P292.1 million and P128.1 million, respectively) was mainly from purchases of goods and services and employee benefit accruals during the quarter.

Advances from shareholders and affiliate amounted to P941.9 million as of March 31, 2011 (December 31, 2010 and 2009: P885.0 million and P2.86 billion, respectively). The significant decrease from 2009 to 2010 was attributable to the debt-to-equity conversion of certain advances in 2010.

As of March 31, 2011 and December 31, 2010, non-current liabilities amounted to P185.4 million compared to P95.7 million as of December 31, 2009.

Deferred income tax liabilities amounted to P85.5 million as of March 31, 2011 and December 31, 2010. This will be adjusted during the December 31, 2011 year-end audit. Balance as of December 31, 2009 amounted to P50.4 million.

Under PAS no. 19, Accounting for Employees Benefits, the Company's accrual at March 31, 2011 and December 31, 2010 was P19.6 million. December 31, 2009 accrual was P22.3 million.

The Securities and Exchange Commission ("SEC") approved on October 13, 2010 the increase in authorized capital stock of the Company from P800,000,000.00 consisting of 800,000,000 common shares, divided into 480,000,000 Class "A" shares and 320,000,000 Class "B" shares, with a par value of P1.00 each to P2,800,000,000.00 consisting of 2,800,000,000 common shares divided into 1,680,000,000 Class "A" shares and 1,120,000,000 Class "B" shares, with a par value of P1.00 each.

Of the increase in capital stock of P2,000,000,000.00, consisting of 2,000,000,000 common shares divided into 1,200,000,000 Class "A" shares and 800,000,000 Class "B" shares, the amount of P560,935,860.00 consisting of 560,935,860 common shares was fully subscribed and paid for as follows:

- the assignment by Mapula Creek Gold Corporation in favor of the Corporation of its receivables due from the Corporation in the amount of P1,262,199,999.50, in exchange for 341,135,135 Class "A" shares with a par value of P1.00 per share, at an issue value of P3.70 per share or an aggregate issue value of P1,262,199,999.50.
- the assignment by Mindanao Gold Limited in favor of the Corporation of its receivables due from the Corporation in the amount of P813,262,683.75, in exchange for 219,800,725 Class "B" shares with a par value of P1.00 per share at an issue value of P3.70 per share or an aggregate issue value of P813,262,683.75.

Deficit at March 31, 2011 amounted to P1.99 billion (December 31, 2010 and 2009: P1.93 billion and P1.82 billion, respectively).

Net cash provided by operating activities for the quarter amounted to P35.5 million compared to same quarter last year of P(5.8) million. The increase during the quarter is primarily due to the increase in accounts payable and accrued expenses resulting from increased credit purchases. Average payable turnover for the quarter is 4.88 or 75 days. The increase was negated by the significant increase in advances to suppliers for future purchases.

Net cash used by investing activities for the quarter, comprising of additions to property, plant and equipment, non-current assets and exploration expenditures, was P91.4 million as compared to the net amount provided by investing activities during the same quarter last year of P15.1 million.

Net cash provided by financing activities for the quarter amounted to P56.9 million. Advances were made by related parties to the Company in the form of capital and operating expenditures. Net cash provided by financing activity during the same quarter last year amounted to P32.2 million.

Material Changes for the quarters ending March 31, 2011 and December 31, 2010

**Apex Mining Co., Inc.
Comparative Balance Sheets
March 31, 2011 and December 31, 2010
(Amounts in Philippine Pesos)**

	As at 31-Mar-11	As at 31-Dec-10	Change		Narratives
			Amount	%	
Current Assets					
Cash	18,828,674	17,859,662	969,012	5.43%	Sales collection for the quarter
Receivables	244,207,306	232,769,295	11,438,010	4.91%	Various COD purchase transaction for the quarter
Inventories	344,706,866	343,397,511	1,309,356	0.38%	Increase in goods received during the quarter
Prepayments and Other Current Assets	134,780,405	134,458,267	322,138	0.24%	Loaders' spare parts for amortization to 3 months
Total current assets	742,523,251	728,484,734	14,038,516		
Property and Equipment - Net					
Property and Equipment - Net	420,578,135	418,365,808	2,212,327		
Land & Land Improvements	35,515,000	35,515,000	0	0.00%	
Roads and Bridges	92,687,895	92,687,895	0	0.00%	
Dams and Diversions	306,982,635	306,982,635	0	0.00%	
Exploration & Drilling Equipmt.	133,932	133,932	0	0.00%	
Mine Machineries & Equipmt.	406,039,878	400,111,228	5,928,650	1.48%	Acquisitions of Pump Booster, High Pressure Cleaner , Long Hole Drill Set and Shotcrete Machine
Mill Machineries & Equipmt.	576,735,258	573,920,413	2,814,845	0.49%	Mill Conveyor, Conversion of Detox to CIL Tanks , Detox-CIL-Platform Carbon Ret and Cupellation
Assay & Met Lab. Equipmt.	545,878	545,878	0	0.00%	
Power Gen. & ElectlEquipmt	91,335,263	87,725,764	3,609,499	4.11%	Acquisition of Power Transformer , Atomic Spectrometer and Electric Motors
Pumps & Motors	26,852,973	20,908,861	5,944,112	28.43%	Acquisition of Grindex Pumps , Aircool compressor and Air Hoist
Heavy Mobile Equipment	407,248,603	405,064,481	2,184,122	0.54%	Added costs for Engine, F6L914W Deutz- Ld23 ; Engine, F6L914W Deutz -Ld29 ;Engine, F6L914W Deutz -Ld13 and other accessories
Transportation Equipment	3,316,111	3,189,511	126,600	3.97%	Acquisition of 1 unit Honda XR200
Communication Equipment	2,293,964	2,293,964	0	0.00%	
Computing Equipment	4,049,884	4,049,884	0	0.00%	
Office Furniture & Equipment	204,601	204,601	0	0.00%	
Staffhouse Furn. & Fixtures	390,000	390,000	0	0.00%	
Buildings and Structures	139,511,086	137,973,771	1,537,315	1.11%	Construction of Chemical Store at Mill Plant in progress
Small Tools & Equipment	5	5	0	0.00%	
ARO - Property,Plant&Equipmt.	1,109,848	1,109,848	0	0.00%	
PPE in Progress	65,959,263	45,274,918	20,684,345	45.69%	Various CIP-Tailings dam & pipeline, Teresa Bridge, Conv. Rockbolter, Mill Security Wall, LD Rehab, Fireproof Storage in Davao, Goldroom Improvements
PPE at Cost	2,160,912,076	2,118,082,588	42,829,488	2.02%	
Accumulated Depreciation	1,740,333,941	1,699,716,780	40,617,161	2.39%	Depreciation for the quarter
Deferred Mine Explo & Dev't Costs	261,413,578	161,880,451	99,533,127	61.49%	Area L101 - L300 exploration & dev't costs for the quarter
Mine & Mine Properties	957,365,958	1,007,351,523	(49,985,564)	-4.96%	depletion charges for the quarter

Other Assets	19,273,149	20,273,259	(1,000,111)	-4.93%	
Deposits - Non Current	11,878,971	11,878,971	0	0.00%	
Others	7,394,178	8,394,288	(1,000,111)	-11.91%	Intangibles amortization for the quarter
Total Assets	2,401,154,071	2,336,355,776	64,798,295		
Current Liabilities	1,292,363,005	1,177,111,415	115,251,590		
Accounts Payable & Accrued Liabilities	350,492,256	292,109,620	58,382,636	19.99%	Increased purchases of goods and services and accruals on SL for the quarter
Due to Mapula	17,325,907	19,169,590	(1,843,683)	-9.62%	Payroll, benefits and statutory remittances for the quarter
Due to Teresa	205,067,913	137,552,524	67,515,389	49.08%	lease of milling facilities from Teresa, which is settled through 15% revenue share from Apex's sale of metals for the quarter
Due to Mindanao Gold	719,476,929	728,279,681	(8,802,752)	-1.21%	Effect of foreign exchange difference on revaluation
Non-Current Liabilities	185,413,344	185,413,344	0		
Deferred Tax Liability	85,487,863	85,487,863	0	0.00%	
Asset Retirement Obligation	80,296,912	80,296,912	0	0.00%	
Accrued Retirement Payable	19,628,569	19,628,569	0	0.00%	
Total Liabilities	1,477,776,349	1,362,524,759	115,251,590		
Total Capital Stock	2,912,979,165	2,912,979,165	(0)		
Capital Stock	1,317,618,030	1,317,618,030	0	0.00%	
Capital in excess of par value &	1,503,380,955	1,503,380,955	0	0.00%	
Revaluation increment	91,980,179	91,980,179	(0)	0.00%	
Retained Earnings(Deficit)	(1,989,601,443)	(1,939,148,148)	(50,453,295)	2.60%	
At beginning of the year	(1,939,148,148)	(1,897,823,440)	41,324,708	-2.18%	
For the quarter	(50,453,295)	(41,324,708)	(91,778,003)	222.09%	Net loss for the quarter
Total capital deficiency	923,377,722	973,831,017	(50,453,295)		
Total Liabilities and Equity	2,401,154,071	2,336,355,776	64,798,294		

The Company has no off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created during the first quarter of 2009.

The Company does not know any trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

The Company has no significant seasonality or cyclicity in its business operations that would have a material effect on the financial condition or results of operations.

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

There are no issuances, repurchases, and repayments of debt and equity securities this interim period.

Segment reporting is not applicable to the Company.

There are no material events subsequent to the end of the interim period that have not been reflected in the unaudited financial statements for the interim period.

There's no effect in changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discounting operations.

There are no changes in contingent liabilities or contingent assets since the last annual balance sheet.

There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

There are no material commitments, events or uncertainties that will have a material impact on the Company's liquidity.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

ART II - OTHER INFORMATION


There are no other information for this interim period not previously reported in a report on SEC Form 17-C.

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.

APEX MINING CO., INC.

Registrant



PEREGRINO S. RESABAL
President



RODOLFO G. BRAVO
VP-Finance/Treasurer

Date: May 9, 2011

Apex Mining Co., Inc.
Comparative Balance Sheets
As at March 31, 2011
(all in Philippine Pesos)

	as at 31-Mar-11	as at 31-Dec-10
Current Assets		
Cash	18,828,674	17,859,662
Receivables	244,207,306	232,769,295
Inventories	344,706,866	343,397,511
Prepayments and Other Current Assets	134,780,405	134,458,267
Total current assets	742,523,251	728,484,734
Property and Equipment - Net		
Land & Land Improvements	35,515,000	35,515,000
Roads and Bridges	92,687,895	92,687,895
Dams and Diversions	306,982,635	306,982,635
Exploration & Drilling Equip.	133,932	133,932
Mine Machineries & Equip.	406,039,878	400,111,228
Mill Machineries & Equip.	576,735,258	573,920,413
Assay & Met Lab. Equip.	545,878	545,878
Power Gen. & Elect'Equip	91,335,263	87,725,764
Pumps & Motors	26,852,973	20,908,861
Heavy Mobile Equipment	407,248,603	405,064,481
Transportation Equipment	3,316,111	3,189,511
Communication Equipment	2,293,964	2,293,964
Computing Equipment	4,049,884	4,049,884
Office Furniture & Equipment	204,601	204,601
Staffhouse Furn. & Fixtures	390,000	390,000
Buildings and Structures	139,511,086	137,973,771
Small Tools & Equipment	5	5
ARO - Property, Plant & Equip.	1,109,848	1,109,848
PPE in Progress	65,959,263	45,274,918.13
PPE at Cost	2,160,912,076	2,118,082,588
Accumulated Depreciation	1,740,333,941	1,699,716,780
Deferred Mine Explo & Dev't Costs	261,413,578	161,880,451
Mine & Mine Properties	957,365,958	1,007,351,523
Other Assets		
Assets Held for Sale		
Deposits - Non Current	11,878,971	11,878,971
Idle Assets, net		
Others	7,394,178	8,394,288
Total Assets	2,401,154,071	2,336,355,776
Current Liabilities		
Accounts Payable & Accrued Liabilities	350,492,256	292,109,620
Due (to) Mapula	17,325,907	19,169,590
Due from (to) Teresa	205,067,913	137,552,524
Due from (to) Mindanao Gold	719,476,929	728,279,681
Non-Current Liabilities	185,413,344	185,413,344
Deferred Tax Liability	85,487,863	85,487,863
Asset Retirement Obligation	80,296,912	80,296,912
Accrued Retirement Payable	19,628,569	19,628,569

Total Liabilities	1,477,776,349	1,362,524,759
Total Capital Stock	2,912,979,165	2,912,979,165
Capital Stock	1,317,618,030	1,317,618,030
Capital in excess of par value &	1,503,380,955	1,503,380,955
Revaluation increment	91,980,179	91,980,179
Retained Earnings(Deficit)	(1,989,601,443)	(1,939,148,148)
At beginning of the qtr	(1,939,148,148)	(1,897,823,440)
For the quarter	(50,453,295)	(41,324,708)
Total capital deficiency	923,377,722	973,831,017
Total Liabilities and Equity	2,401,154,071	2,336,355,776

0

0

Apex Mining Company, Inc.
Statement of Income and Deficit
For the Quarter ended 31 March 2011
(all in Phillipine Pesos)

	as at	
	31-Mar-11	31-Mar-10
Revenue		
Sale of Gold	388,425,020	283,904,575
Sale of Silver	43,433,758	20,581,347
Total	431,858,778	304,485,922
Costs and Expenses		
Depreciation, Depletion and Ammortization	91,395,753	85,194,630
Materials & Supplies	159,568,558	105,417,658
Salaries, allowances and employee benefits	53,806,413	52,299,639
Rent	91,322,795	55,501,227
Loss(Gain)Write-OffFixed Asset	207,083	
Other Operating Expnses	87,230,150	87,741,612
	483,530,752	386,154,766
Total	(51,671,974)	(81,668,844)
Other Income (Expense)		
Foreign Exchange gain (loss)	1,590,855	(4,484,946)
Interest & other income (expense)	(361,874)	532,975
Write Off of Inventories	(8,550)	
Total	1,220,431	(3,951,971)
Income (Loss) before Income Tax		
Provision for Income tax	(1,752)	
	(1,752)	-
NET INCOME (LOSS) FOR THE PERIOD	(50,453,295)	(85,620,815)
Other Operating Expenses		
Utilities	24,337,430	23,322,332
Professional Fees	8,292,950	21,474,894
Repairs & Maintenance	2,392,479	5,120,369
Other Taxes and Licenses	11,077,465	8,623,604
Excise Tax	8,600,426	6,056,205
Marketing	2,755,366	2,052,105
Freight and Handling	1,123,025	2,254,418
Representation and Entertainment	2,745,881	1,231,989
Transportation and Accommodation	1,579,067	738,977
Donations and Honorarium	595,920	768,355
Directors Fee	134,833	358,889
Dues and Subscription	153,062	56,316
Others		
Purchase Variance	(493,096)	
Warehouse Invty Short/Over	37,702	

Company/Employees' Activities	2,074,513	1,037,774
Seminar, Training & Conference	1,532,277	1,487,146
Contract Service and Labor	9,643,559	7,593,101
Advertising and Promotion	173,069	14,400
Communications	886,251	1,569,843
Insurance expense	530,364	240,340
Bank Charges & Penalties	48,886	68,377
Royalties	4,321,080	3,224,267
Miscellaneous expenses	361,700	411,902
Damaged Crops	7,355	36,010
Surface Rights	4,318,587	
Total	87,230,150	87,741,612

APEX MINING CO., INC.
 UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Three Months Ended March 31 2010	
	2011	2010
CAPITAL STOCK - P1 PAR VALUE	1,317,618,030	756,682,170
ADDITIONAL PAID-IN CAPITAL	1,503,380,955	4,224,410
REVALUATION INCREMENT	91,980,180	103,287,388
DEFICIT		
Beginning of period	(1,939,148,148)	(1,829,812,618)
Net loss for the period	(50,453,295)	(85,620,815)
End of period	(1,989,601,443)	(1,915,433,433)
TOTAL EQUITY	923,377,723	(1,051,239,465)

APEX MINING CO., INC.
 UNAUDITED STATEMENT OF CASH FLOW

	Three Months Ended March 31	
	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	(50,453,295)	(85,620,815)
Depreciation & Amortization	40,617,161	46,042,528
Operating loss before changes in working capital	(9,836,134)	(39,578,287)
Increase in receivables and advances	(11,438,010)	104,151,811
Increase in Inventory	(1,309,356)	(14,948,465)
Increase (decrease) in accounts payable and accrued expenses	58,382,636	(32,452,943)
Increase in prepayments	(322,138)	(23,004,333)
Net cash used in operating activities	35,476,998	(5,832,216)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(42,829,488)	(11,289,641)
Increase in deferred mine exploration costs	(49,547,563)	(4,431,355)
Decrease in other noncurrent assets	1,000,111	30,789,220
Net cash used in investing activities	(91,376,940)	15,068,225
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in amounts of advances from affiliates	56,868,953	32,206,427
Increase (decrease) in advances from stockholders	0	0
Net cash provided by financing activities	56,868,953	32,206,427
NET INCREASE IN CASH	969,012	41,442,436
CASH AT BEGINNING OF PERIOD	17,859,662	16,836,351
CASH AT END OF PERIOD	18,828,674	58,278,786

APEX MINING CO., INC.
Aging of Accounts Receivable
As of March 31, 2011

1) Aging of Accounts Receivable

Type of Accounts Receivable	Total	1 Month	2-3 Mos	4-6 Mos	7 Mos to 1 Year	1-3 Years	3-5 Years	5 Years Above	Past due accounts & items in litigation
a) Trade Receivables	68,744,385.66	68,744,385.66							
Less: Allow. For Doubtful Acct.									
Net Trade Receivable	68,744,386	68,744,386	0	0	0	0	0	0	0
b) Non-Trade Receivables									
1) Advances - Temp. Accom.	177,792,790	18,355,495	15,823,561	15,267,222	128,346,512				
Less: Allow. For Doubtful Acct.	(2,329,870)								
Net Non-Trade Receivables	175,462,920	18,355,495	15,823,561	15,267,222	128,346,512	0	0	0	0
Net Receivables (a + b)	<u>244,207,306</u>								

2) Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
a.) Accounts Receivable	receivable from customers/government	
b) Accounts Receivable-Others	cash advance to suppliers, officers and employees/SSS Claims	

3) Normal Operating Cycle:

1 year

APEX MINING CO., INC.

NOTES TO UNAUDITED FINANCIAL STATEMENTS

March 31, 2011

1. Significant accounting policies

The accompanying unaudited financial statements as of March 31, 2011 have been prepared in accordance with Philippine Financial Reporting Standards under the historical cost convention, consistent with the accounting policies adopted in the Company's audited financial statements for the year ended December 31, 2010, the accompanying notes to which may also apply and can be referred to for further information on these financial statements.

2. Current Assets

1.1 Cash

Cash as at March 31, 2011 consist of cash on hand and in banks of P18,828,674.

1.2. Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment. As of March 31, 2011, the account includes trade receivable, advances to suppliers and contractors, advances to officers and employees and other receivables amounting to P244,207,306.

1.3. Inventories

Inventories consist of gold in bullion and in circuit, parts and supplies being used in operations and on-going development of the mine. As of March 31, 2011, cost of the inventories amounted to P344,706,866.

1.4 Prepayments and other current assets

Prepayments and other current assets as of March 31, 2011 consist of input tax receivable and prepaid health and property insurance amounting to P134,780,405.

3. Property, Plant and Equipment

The company's property, plant and equipment are presented at revalued amounts, except for the construction in progress which is carried at cost.

4. Other Non-Current Assets

Other non-current assets as at March 31, 2011 includes Mine & Mine Properties of P957,365,958, Deferred Mine Exploration and Development Costs amounting to P261,413,578 and Other assets totaling to P19,273,149.

5. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. These are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

6. Advances from Shareholders and Affiliate

Shareholders and affiliate provide continuous advances to finance the Company's rehabilitation and refurbishing of the mine project and commercial activities. These advances are non-interest bearing and considered payable on demand.

Advances from shareholders and affiliate as at March 31, 2011 and December 31, 2010 are as follows:

	Relationship	March 31, 2011	December 31, 2010
Mindanao Gold	Shareholder	P 719,476,929	P 728,279,681
Mapula	Shareholder	17,325,907	19,169,589
Teresa	Affiliate	205,067,913	137,552,525
Total		P 941,870,749	P885,001,795