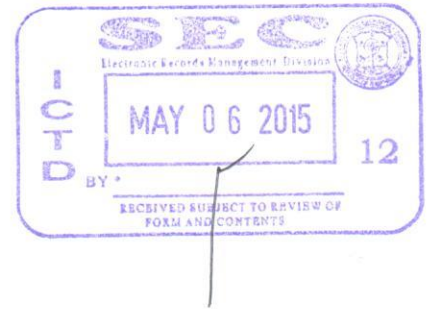


SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS



(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

(C) Signature and Filing of the Report

- A. Three (3) complete sets of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is Filed for the Year - 2014
2. Exact Name of Registrant as Specified in its Charter - APEX MINING CO., INC.
3. 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
Address of Principal Office
4. SEC Identification Number - 40621
5. [REDACTED] (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number - 000 284 168
7. Tel Nos. +632 7062805
Issuer's Telephone number, including area code
8. U1704 17F Prestige Tower Cond., F. Ortigas Jr. Road, Ortigas Center, Pasig City
Former name or former address, if changed from the last report

1605
Postal Code

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A. BOARD MATTERS

1) Board of Directors

| | |
|---|---|
| Number of Directors per Articles of Incorporation | 7 |
|---|---|

| | |
|---|---|
| Actual number of Directors for the year | 7 |
|---|---|

(a) Composition of the Board

Complete the table with information on the Board of Directors:

| Director's Name | Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)] | If nominee, identify the principal | Nominator in the last election (if ID, state the relationship with the nominator) | Date first elected | Date last elected (if ID, state the number of years served as ID) ¹ | Elected when (Annual /Special Meeting) | No. of years served as director |
|------------------------|---|------------------------------------|---|--|--|--|---------------------------------|
| Ramon Y. Sy | ED | | Nomination and Compensation Committee | October 21, 2013 BOD Mtg | June 16, 2014 | Annual Meeting | 1 yr. 2 mos. |
| Walter W. Brown | ED | | Nomination Committee | October 21, 2013 BOD Mtg. | June 16, 2014 | Annual Meeting | 1 yr. 2 mos. |
| Modesto B. Bermudez | ED | | None | June 16, 2014 Annual Stockholders' Mtg | June 16, 2014 | Annual Meeting | 6 mos. |
| Graciano P. Yumul, Jr. | ED | | None | July 20, 2012 BOD Mtg | June 16, 2014 | Annual Meeting | 2 yr. 5 mos |
| Noel V. Tanglao | ED | | Audit and Compensation Committee | July 12, 2013 BOD Mtg | June 16, 2014 | Annual Meeting | 1 yr. 6 mos. |
| Dennis A. Uy | ID | | Compensation and Audit Committee | March 19, 2013 BOD Mtg. | June 16, 2014 ID for 1 yr. 9 mos. | Annual Meeting | 1 yr. 9 mos. |
| Joselito H. Sibayan | ID | | Nomination and Audit Committee | June 16, 2014 Stockholders' Mtg | June 16, 2014 ID for 6 mos. | Annual Meeting | 6 mos. |

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The following are the policies adopted by the board as stated in the Corporation's Corporate Governance Manual (CG Manual), relative to the treatment of shareholders, respect for the rights of minority shareholders and other stakeholders, disclosure duties and board responsibilities:

Article 6 A) The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

- (i) Right to vote on all matters that require their consent or approval;
- (ii) Pre-emptive right to all stock issuances of the corporation;
- (iii) Right to inspect corporate books and records;
- (iv) Right to information;
- (v) Right to dividends;
- and
- (vi) Appraisal right.

B) It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

- (c) How often does the Board review and approve the vision and mission?
The board conducts a yearly review and approval of the Corporation's vision and mission.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

| Director's Name | Corporate Name of the Group Company | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|-----------------|--------------------------------------|--|
| Ramon Y. Sy | Monte Oro Resources and Energy, Inc. | Executive |
| Walter W. Brown | Monte Oro Resources and Energy, Inc. | Non-Executive |

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

| Director's Name | Name of Listed Company | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|-----------------|------------------------|--|
| Walter W. Brown | A. Brown Company Inc. | Executive |
| | | |
| | | |

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

| Director's Name | Name of the Significant Shareholder | Description of the relationship |
|-----------------|-------------------------------------|---------------------------------|
| NA | | |
| NA | | |
| NA | | |
| NA | | |

- (iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

Although the Corporation's CG Manual provides that the Board may consider the adoption of guidelines on the number of directorships its members can hold in stock and non-stock corporations, no limit has been set. The Board believes the capacity of its directors to diligently and efficiently perform their duties and responsibilities to the boards have not been compromised.

| | Guidelines | Maximum Number of Directorships in other |
|--|------------|--|
| | | |

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

| | | companies |
|-------------------------------|----|-----------|
| Executive Director | NA | NA |
| Non-Executive Director | NA | NA |
| CEO | NA | NA |

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

| Name of Director | Number of Direct shares | Number of Indirect shares / Through (name of record owner) | % of Capital Stock |
|------------------------|-------------------------|--|--------------------|
| Ramon Y. Sy | 1 | 0 | 0.00% |
| Walter W. Brown | 298 | 0 | 0.00% |
| Modesto B. Bermudez | 1 | 0 | 0.00% |
| Graciano P. Yumul, Jr. | 1,000 | 0 | 0.00% |
| Noel V. Tanglao | 1 | 0 | 0.00% |
| Dennis A. Uy | 1 | 0 | 0.00% |
| Joselito H. Sibayan | 299 | 0 | 0.00% |
| TOTAL | 1,601 | 0 | 0.00% |

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

| | |
|-----------------|-----------------------|
| Ramon Y. Sy | Chairman of the Board |
| Walter W. Brown | President and CEO |

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

| | Chairman | Chief Executive Officer |
|------|--|--|
| Role | <p>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary</p> <p>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the President, Management and the directors</p> <p>Maintain qualitative and timely lines of communication and information between the Board and Management</p> <p>Assist in ensuring compliance with the Manual of Corporate Governance</p> | <p>In addition to the duties imposed on him by the board, he shall:</p> <p>In the absence of the Chairman of the Board, preside at all meetings of the Board of Directors;</p> <p>Act as temporary Chairman at and call to order all meetings of the Stockholders meeting of the Company</p> <p>He shall have general supervision of the business affairs and property of the company, and over its several officers and employees</p> |

| | | |
|------------------|--|--|
| Accountabilities | <p>Adherence to the principles, standards, and requirements of good corporate governance</p> <p>Strategic planner, pinpointing annual needs of the board and planning accordingly</p> <p>Takes responsibilities for the Board's composition and development</p> <p>Hires and oversees independent advisors as needed</p> <p>Ensures that the organization has an effective succession planning process</p> | <p>He shall see that all orders and resolutions of the Board of Directors are carried into effect</p> <p>Supports operations and administrations of the Board by advising and informing the Board of Directors</p> <p>Assists in the selection and evaluation of board members</p> <p>Ensures staff and board have sufficient and up-to-date information</p> |
| Deliverables | <p>Developing a long-term strategy and vision for the Company that leads to the creation of shareholder.</p> <p>Provide investors with value-relevant information.</p> <p>Stipulate annual objectives and priorities.</p> | <p>Hold regular progress review meetings to build accountability into their management routine.</p> <p>The CEO will maintain governance in the Company</p> <p>Improve operating performance Recruit and support new board members.</p> <p>The President shall submit to the Board of Directors as soon as may be after the close of each fiscal year, and to the stockholders of each annual meeting, a complete report of the operations of the Company for the preceding year, and the state of its affairs.</p> |

3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Board understands the need to ensure that the Board and executive management are always well provided, with the right people in terms of skills and experience to deliver the Company's strategy. Board composition is regularly reviewed to ensure the Board is refreshed progressively. Factors considered include length of tenure, background, experience, including industry knowledge, and diversity.

The Board and Nominations & Compensation Committee are responsible for both executive and non-executive Director Succession planning and recommend new appointments to the Board.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

The company does not have a board diversity policy. The board ensures it maintains high-caliber members of mostly broad range of senior individuals within the business to take on additional roles to gain valuable board experience.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

The board has more than one non-executive director with experience in the sector or industry the Company belongs to. Dr. Walter W. Brown, Dr. Graciano P. Yumul, Jr. are both geologists while Mr. Modesto B. Bermudez is a mining engineer.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

| | Executive | Non-Executive | Independent Director |
|------------------|---|--|----------------------|
| Role | The President shall be the chief executive officer of the Company | A director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress. | |
| Accountabilities | <ul style="list-style-type: none"> In the absence of the Chairman of the Board, preside at all meetings of the Board of Directors. Act as temporary Chairman at and call to order all meetings of the stockholders of the Company. He shall have general supervision of the business affairs and property of the Company, and over its several officers and employees. | <ul style="list-style-type: none"> Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities. Act judiciously. Exercise independent judgment. Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. Observe confidentiality. To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment. | |
| Deliverables | <ul style="list-style-type: none"> He shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall submit to the Board of Directors as soon as may be after the close of each fiscal year, and to the stockholders of each annual meeting, a complete report of the operations of the Company for the preceding year, and the state of its affairs. | <ul style="list-style-type: none"> Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management. Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance. Ensure the corporations faithful compliance with all applicable laws, regulations and best business practices Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporations CEO or chief financial officer shall exercise oversight responsibility over this program. Identify the sectors in the community in which the corporation operates or are directly affected by its | |

| | | |
|--|--|--|
| | | <p>operations, and formulate a clear policy of accurate, timely and effective communication with them.</p> <ul style="list-style-type: none"> • Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the ☐ Decision-making and reporting processes at all times. There should be a continuing review of the corporations internal control system in order to maintain its adequacy and effectiveness. ☐ Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability. • Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates. • Affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board. • Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities. • Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities. • Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Notice, quorum and voting requirements for the meeting, including attendance by teleconference facility, shall be subject to the requirements of the By-laws, the Corporation Code and applicable regulations of the Securities and Exchange Commission. Independent views during Board meetings should be encouraged and given due consideration. • Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations. • Appoint a Compliance Officer who shall have the rank of at least vice president, In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as compliance Officer |
|--|--|--|

Provide the company's definition of "independence" and describe the company's compliance to the definition.

Independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the

requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

- i. Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
- ii. Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- iii. Is not acting as a nominee or representative of a substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders;
- iv. Has not been employed in any executive capacity by that public company, any of its related companies or by any of its substantial shareholders within the last five (5) years;
- v. Is not retained as professional adviser by that public company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm;
- vi. Has not engaged and does not engage in any transaction with the corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.

The Corporation’s election of its Independent Directors is in accordance with SEC Memorandum Circular No. 16, Series of 2002.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Corporation’s term limit for Independent Directors is in accordance with SEC Memorandum Circular No.9 Series of 2011, which states in part that Independent Directors (ID) should not exceeded the five (5) year term limit. After a term of five years, an ID can serve for another five years after a “cooling off” period of two (2) years provided, that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as ID in the same company.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

| Name | Position | Date of Cessation | Reason |
|------|----------|-------------------|--------|
| None | | | |
| None | | | |

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

| Procedure | Process Adopted | Criteria |
|---------------------------------|---|---|
| a. Selection/Appointment | | |
| (i) Executive Directors | The Nominations Committee screens the Directors named for election. The Nominations Committee determines that the candidates possess all the qualifications and none the disqualifications as director or independent director. | The criteria for the election and appointment of for all directors in general are enumerated in Item 1.4 of the Company’s CG Manual |

| | | |
|------------------------------|--|---|
| | <p>The seven (7) directors shall be stockholders and shall be elected annually by the stockholders owning majority of the outstanding capital stock for a term of one (1) year and shall serve until the election and qualification of their successors.</p> <p>The election of the board of directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Corporation Code. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.</p> <p>Any vacancy in the board of directors other than removal or expiration of term may be filled by a majority vote of the remaining members at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.</p> | |
| (ii) Non-Executive Directors | The process adopted is the same as stated above. | The criteria for the election and appointment for all directors in general , are enumerated in item 1.4 of the Company's CG Manual. |
| (iii) Independent Directors | <p>The nomination and election of independent director shall be in accordance with Section 38, as amended of Republic Act 8799 or the Securities Regulation Code.</p> <p>The process adopted is the same a stated above.</p> | Corporation's election of its Independent Directors is in accordance with SEC Memorandum Circular No. 16, Series of 2002. |
| b. Re-appointment | | |
| (i) Executive Directors | The process adopted for reappointment is the same as above. | The Board observes the same criteria enumerated in item 1.4 of the Company's CG Manual provided that the candidate has not engaged in any activity under existing |

| | | |
|--------------------------------------|---|--|
| | | rules which disqualifies a him from being re- appointed as ED in the company. |
| (ii) Non-Executive Directors | The process adopted for reappointment is the same as above. | |
| (iii) Independent Directors | Re- appointment of ID is in accordance with SEC Memorandum Circular No.9 Series of 2011. The process adopted for reappointment is the same as above. | The Corporation's re- election of its Independent Directors is in accordance with SEC Memorandum Circular No. 16, Series of 2002 provided that the candidate has not engaged in any 14 activity under existing rules which disqualifies a him from being reappointed as ID in the company. |
| c. Permanent Disqualification | | |
| (i) Executive Directors | Any vacancy in the board of directors due to permanent disqualification may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term. | Grounds for permanent disqualification for all directors in general are enumerated in item 1.5.1 of the Company's CG Manual. |
| (ii) Non-Executive Directors | The process adopted is the same as above. | Grounds for permanent disqualification for all directors in general are enumerated in item 1.5.1 of the Company's CG Manual. |
| (iii) Independent Directors | The process adopted is the same as above. | Grounds for permanent disqualification for all directors in general are enumerated in item 1.5.1 of the Company's CG Manual. |
| d. Temporary Disqualification | | |
| (i) Executive Directors | Any vacancy in the board of directors due to temporary disqualification may be filled by a majority vote of the remaining members at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term. | Grounds for temporary disqualification for all directors in general are enumerated in item 1.5.2 of the Company's CG Manual. |
| (ii) Non-Executive Directors | The process adopted is the same as above. | Grounds for temporary disqualification for all directors in general are enumerated in item 1.5.2 of the Company's CG Manual. |
| (iii) Independent Directors | The process adopted is the same as above. | SEC Memorandum Circular No.9 Series of 2011 states that after serving for a total |

| | | |
|------------------------------|---|---|
| | | <p>of 10 years, the ID can no longer be elected as such in the same company any time in the future.</p> <p>The other grounds for permanent disqualification for all directors in general are enumerated in item 1.5.2 of the Company's CG Manual.</p> |
| e. Removal | | |
| (i) Executive Directors | <p>Section 2 of the Amended By-laws of the Company provides: Officers shall be elected by each new Board at the first meeting after its election. Every officer other than the chairman and the president of the board who may be removed or suspended for reasonable or just cause, shall be subject to removal at any time by the Board of Directors, but all officers, unless removed, shall hold office until their successors are appointed. If any vacancy shall occur among the officers of the Company, such vacancy shall be filled by the Board of Directors.</p> | |
| (ii) Non-Executive Directors | The process adopted is the same as above. | |
| (iii) Independent Directors | The process adopted is the same as above. | |
| f. Re-instatement | | |
| (i) Executive Directors | The process adopted is the same as above. | |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |
| g. Suspension | | |
| (i) Executive Directors | The process adopted is the same as above. | |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |

Voting Result of the last Annual General Meeting

| Name of Director | Votes Received |
|------------------------|----------------|
| Ramon Y. Sy | 81.04% |
| Walter W. Brown | 81.04% |
| Modesto B. Bermudez | 81.04% |
| Graciano P. Yumul, Jr. | 81.04% |
| Noel V. Tanglao | 81.04% |
| Dennis A. Uy | 81.04% |
| Joselito H. Sibayan | 81.04% |

6) Orientation and Education Program

(a) Disclose details of the company’s orientation program for new directors, if any

The Company does not have an orientation program for new directors. The Chairman and board have a responsibility to ensure that first-time directors are given proper support in learning their role so that they can get up to speed as quickly as possible.

(b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

All Directors and Officers of the Company have taken the required Corporate Governance Seminar.

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

| Name of Director/Officer | Date of Training | Program | Name of Training Institution |
|--------------------------|------------------|---------|------------------------------|
| None | None | None | None |
| None | None | None | None |
| None | None | None | None |

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company’s policies on the following business conduct or ethics affecting directors, senior management and employees:

| Business Conduct & Ethics | Directors | Senior Management | Employees |
|---|-----------|-------------------|--|
| (a) Conflict of Interest | | | <p>All employees are expected to act in the best interests of the Company, AMCI.</p> <p>A "conflict of interest" occurs when an individual's private interest improperly interferes, or appears to interfere, with the interests of AMCI. Acts constituting conflict of interest may cause an employee to make decisions based on personal gain rather than in the best interests of the Company.</p> <p>Thus, employees must avoid conflict of interest. One must not use his or her position at AMCI in obtaining improper personal benefit.</p> |
| (b) Conduct of Business and Fair Dealings | | | <p>All employees must at all times act with the highest degree of integrity. All must</p> |

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

| | | | |
|---|--|--|---|
| | | | act fairly in dealing with AMCI's contractors, suppliers, employees. No one may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. |
| (c) Receipt of gifts from third parties | | | AMCI employees must not seek or solicit any gifts or other benefits for personal or individual use from the Company's actual or potential business partners or suppliers. Employees or a member of their immediate family must not accept gifts or entertainment of a value that may appear to or tend to influence business decisions or compromise independent judgment. Gifts of cash or cash value vouchers shall not be accepted from AMCI's business associates under any circumstances. |
| (d) Compliance with Laws & Regulations | | | <p>AMCI is committed to comply and adhere with all government laws, rules, and regulations. As such all employees are expected to do the same. Employees are mandated to educate themselves of the statutes of the land, be it local, or national, and to seek the assistance of the in-house legal department when necessary or appropriate.</p> <p>It is AMCI's policy that it shall not pay, offer to pay or promise to give anything of value, directly or indirectly, to any party, government or otherwise, for the purpose of obtaining or retaining or securing any improper advantage in connection with AMCI's business. As such, AMCI employees must follow.</p> |
| (e) Respect for Trade Secrets/Use of Non-public Information | | | Employees should maintain all confidential information in strict confidence, unless |

| | | | |
|--|--|--|--|
| | | | <p>authorized by AMCI. Confidential information includes, among other things, any non-public information relating to AMCI, its business, financial performance, prospects, and any other non-public information provided by a third party intended to be used solely for business purpose. The employee's obligation to safeguard confidential information continues even after retirement or other end of employment.</p> |
| (f) Use of Company Funds, Assets and Information | | | <p>All employees must do their best to protect AMCI's assets from loss, damage, theft, misuse, and waste, including efficient use of one's time at work, equipment, vehicles, computers and software, trading and bank accounts, company information and most of all, AMCI's reputation and name.</p> <p>AMCI-provided facilities such as telephone, email, internet and other electronic provisions are for business purposes. Personal communication should be kept to a minimum. Employees should exercise extraordinary care and prudence in the incurring of operational expenses, and must ensure that such expenses are kept to their most reasonable levels.</p> |
| (g) Employment & Labor Laws & Policies | | | <p>The code of employee discipline is not the sole reference used for the administration of employee discipline. The Philippine Labor Code, applicable policies e.g. Code of Conduct, Company Memorandum Circulars and regulatory provisions shall also be used to provide support and direction for cases not covered in the policy.</p> <p>AMCI expects all employees</p> |

| | | | |
|-------------------------|--|--|---|
| | | | of the company to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, regulations and company policies. Integrity must never be compromised; either for personal benefit or for AMCI purported benefit. In accepting a position with the Company, an employee becomes accountable for compliance with the Code of Conduct and with Company Memorandum Circulars. |
| (h) Disciplinary action | | | Apex Mining Co. Inc. will pursue its goals through safe work practices; conduct its activities honestly and ethically and treat people with respect and dignity. To provide guidelines to attain this goal, a Code of Conduct is created. The principal purpose of the Code of Conduct is to provide employees with a working guide to understand the day-to-day management of Human Resources policies and practices. It is also designed to give employees a general summary describing the Company's Code of Conduct. The Company however reserves the right to change, modify, delete, deviate from, or add policies and procedures. |
| (i) Whistle Blower | | | None |
| (j) Conflict Resolution | | | Grievance Handling Policy, July 1, 2006 |

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? YES

Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Company implements and monitors compliance with the Code of Conduct through memo issuances, notices to explain, grievance procedure and in-house company hearings.

3) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

| Related Party Transactions | Policies and Procedures |
|--|-------------------------|
| (1) Parent Company | NA |
| (2) Joint Ventures | NA |
| (3) Subsidiaries | NA |
| (4) Entities Under Common Control | NA |
| (5) Substantial Stockholders | NA |
| (6) Officers including spouse/children/siblings/parents | NA |
| (7) Directors including spouse/children/siblings/parents | NA |
| (8) Interlocking director relationship of Board of Directors | NA |

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

The Company is not aware of any conflict of interest exists to which directors/officers/5% shareholders maybe involved.

| | Details of Conflict of Interest (Actual or Probable) |
|----------------------------------|--|
| Name of Director/s | NA |
| Name of Officer/s | NA |
| Name of Significant Shareholders | NA |

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

| | Directors/Officers/Significant Shareholders |
|---------|---|
| Company | The Company's Manual of Corporate Governance provides: (Under Duties and Functions of the Board) Item 1.6.2. |
| Group | <ul style="list-style-type: none"> The Board shall establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities. |

4) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

| Names of Related Significant Shareholders | Type of Relationship | Brief Description of the Relationship |
|---|----------------------|---------------------------------------|
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |
| | | |

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

| Names of Related Significant Shareholders | Type of Relationship | Brief Description |
|---|----------------------|-------------------|
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

| Name of Shareholders | % of Capital Stock affected (Parties) | Brief Description of the Transaction |
|----------------------|---------------------------------------|--------------------------------------|
| NA | NA | NA |
| NA | NA | NA |

5) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

| Alternative Dispute Resolution System | |
|---|---|
| Corporation & Stockholders | The Company's Manual of Corporate Governance provides: (Under Duties and Functions of the Board) Item 1.6.2, •The Board shall establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities. |
| Corporation & Third Parties | |
| Corporation & Regulatory Authorities | |

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

2) Attendance of Directors

| Board | Name | Date of Election | No. of Meetings Held during the year | No. of Meetings Attended | % |
|----------|-----------------|------------------|--------------------------------------|--------------------------|-----|
| Chairman | Ramon Y. Sy | June 2014 | 10 | 10 | 100 |
| Member | Walter W. Brown | June 2014 | 10 | 9 | 90 |

| | | | | | |
|-------------|------------------------|-----------|----|----|-----|
| Member | Modesto B. Bermudez | June 2014 | 10 | 6 | 60 |
| Member | Graciano P. Yumul, Jr. | June 2014 | 10 | 8 | 80 |
| Member | Noel V. Tanglao | June 2014 | 10 | 10 | 100 |
| Independent | Dennis A. Uy | June 2014 | 10 | 7 | 70 |
| Independent | Joselito H. Sibayan | June 2014 | 10 | 6 | 60 |

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? *None*

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

The company's Articles of Incorporation sets the number of board members to seven (7). A quorum constitutes majority of the board.

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

Normally, materials for board of directors' meeting should be sent out a week in advanced or a minimum of 2 days to give the board enough time to review matters to be discussed.

(b) Do board members have independent access to Management and the Corporate Secretary?

The Company's CG Manual provides that members of the Board be given independent access to Management and the Corporate Secretary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

SECTION 9 of the Articles of Incorporation states:

The Secretary shall issue notices of all meetings, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such report and perform such other duties as are incident to this office or are properly required of him by the Board of Directors.

ARTICLE 3.L of the CG Manual states:

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation. He should –

- (i) Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;*
- (ii) Be loyal to the mission, vision and objectives of the corporation;*
- (iii) Work fairly and objectively with the Board, Management and Stockholders and other stakeholders;*
- (iv) Have appropriate administrative and interpersonal skills;*
- (v) If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;*
- (vi) Have a working knowledge of the operations of the corporation;*
- (vii) Inform the members of the Board, in accordance with the bylaws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;*
- (viii) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;*
- (ix) Ensure that all Board procedures, rules and regulations are strictly followed by the members; and*
- (x) If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer*

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

as provided for in this Code.

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

The Secretary is formerly an accountant of the Company. She has attended various seminars and trainings on secretarial practices while the Asst. Secretary is a lawyer by profession and is a partner of PICAZO BUYCO TAN LAW FIRM.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes No

| Committee | Details of the procedures |
|------------------|--|
| Executive | Notice of the meeting and related Agenda and meeting materials (if any), are sent at least two days before the scheduled meeting date. |
| Audit | |
| Nomination | |
| Remuneration | |
| Others (specify) | |

- 6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

| Procedures | Details |
|---------------------|----------------------------|
| Financial | Sycip Gorres Velayo & Co. |
| Legal | Picazo Buyco Tan Law |
| Stockholder matters | Banco de Oro Unibank, Inc. |

- 7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

| Existing Policies | Changes | Reason |
|---------------------------|--|--|
| Principal address | Amended Articles of Incorporation to reflect the change in principal address from Metro Manila to 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City | Approved by the Stockholders owning at least two-thirds(2/3) of the outstanding capital stock at their meeting held on June 16, 2014 and by the Board of Directors at their meeting held on April 11, 2014 |
| Increase in Capital Stock | <ul style="list-style-type: none"> Amended Articles of Incorporation to reflect increase in capital stock from Two Billion Eight Hundred Million to Twelve Billion Eight Hundred Million Pre-emptive rights of all holders of shares is denied | Approved by the Stockholders owning at least two-thirds(2/3) of the outstanding capital stock at their meeting held on June 16, 2014 and by the Board of Directors at their meeting held on May 2, 2014 |

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Sec. 30. Of the Corporate Code of the Philippines provides:

Compensation of directors. - In the absence of any provision in the by-laws fixing their compensation, the directors shall not receive any compensation, as such directors, except for reasonable per diems: Provided, however, that any such compensation other than per diems may be granted to directors by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special stockholders' meeting. In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year.

The Company's GG Manual Provides:

The levels of remuneration of the corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance. Corporations may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director should participate in deciding on his remuneration.

The corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

To protect the funds of a corporation, the Commission may, in exceptional cases, e.g., when a corporation is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.

K) Board

| Process | CEO | Top 4 Highest Paid Management Officers |
|---|---|--|
| (1) Fixed remuneration | The compensation of the 4 highest paid management officers is disclosed in the Company's annual report. There is no contract covering their managerial and consultancy services with the Company and they hold office by virtue of their election to office. The Company has no agreements with its executive officers regarding compensatory plan or arrangement exceeding P80,000 resulting from resignation, retirement, termination of employment, or change-in-control of the Company. | |
| (2) Variable remuneration | NA | |
| (3) Per diem allowance | The amount of other compensation includes per diems of directors at the rate of P80,000 per director per meeting. | |
| (4) Bonus | NA | |
| (5) Stock Options and other financial instruments | NA | |
| (6) Others (specify) | NA | NA |

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the

compensation of Executive and Non-Executive Directors is calculated.

| | Remuneration Policy | Structure of Compensation Packages | How Compensation is Calculated |
|-------------------------|---------------------|------------------------------------|--------------------------------|
| Executive Directors | NA | NA | NA |
| Non-Executive Directors | NA | NA | NA |

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

| Remuneration Scheme | Date of Stockholders' Approval |
|--|--------------------------------|
| The Company does not have a remuneration scheme. | NA |
| | NA |
| | NA |

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

| Remuneration Item | Executive Directors | Non-Executive Directors (other than independent directors) | Independent Directors |
|--|---------------------|--|-----------------------|
| (a) Fixed Remuneration | NA | NA | NA |
| (b) Variable Remuneration | NA | NA | NA |
| (c) Per diem Allowance | P1.06 million | NA | P1.06 million |
| (d) Bonuses | NA | NA | NA |
| (e) Stock Options and/or other financial instruments | NA | NA | NA |
| (f) Others (Specify) | NA | NA | NA |
| Total | | | |

| Other Benefits | Executive Directors | Non-Executive Director (other than independent directors) | Independent Directors |
|---|------------------------------|---|-----------------------|
| 1) Advances | NA | NA | NA |
| 2) Credit granted | NA | NA | NA |
| 3) Pension Plan/s Contributions | NA | NA | NA |
| (d) Pension Plans, Obligations incurred | NA | NA | NA |
| (e) Life Insurance Premium | NA | NA | NA |
| (f) Hospitalization Plan | Company Hospitalization Plan | NA | NA |
| (g) Car Plan | NA | NA | NA |

| | | | |
|----------------------|----|----|----|
| (h) Others (Specify) | NA | NA | NA |
| Total | | | |

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

| Director's Name | Number of Direct Option/Rights/Warrants | Number of Indirect Option/Rights/Warrants | Number of Equivalent Shares | Total % from Capital Stock |
|-----------------|---|---|-----------------------------|----------------------------|
| NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA |

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

| Incentive Program | Amendments | Date of Stockholders' Approval |
|-------------------|------------|--------------------------------|
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

| Name of Officer/Position | Total Remuneration |
|--------------------------|--------------------|
| NA | NA |
| NA | |
| NA | |
| NA | |
| NA | |

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the

power/authority delegated to it by the Board:

| Committee | No. of Members | | | Committee Charter | Functions | Key Responsibilities | Power |
|-----------|-------------------------|------------------------------|---------------------------|-------------------------------------|--|----------------------|-------|
| | Executive Director (ED) | Non-executive Director (NED) | Independent Director (ID) | | | | |
| Executive | NA | NA | NA | NA | NA | NA | NA |
| Audit | 1 | | 2 | Committee Charter to be formalized. | <p>Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <ul style="list-style-type: none"> • Provide oversight over management’s activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities • Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; • Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it; • Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; • Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; • Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and | | |

| | | | | | | |
|------------|---|--|---|------------------------------------|--|--|
| | | | | | <p>information technology security;</p> <ul style="list-style-type: none"> •Review the reports submitted by the internal and external auditors; •Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters: <ul style="list-style-type: none"> a)Any change/s in accounting policies and practices b)Major judgmental areas c)Significant adjustments resulting from the audit d)Going concern assumptions e)Compliance with accounting standards f) Compliance with tax, legal and regulatory requirements. •Coordinate, monitor and facilitate compliance with laws, rules and regulations; •Evaluate and determine the nonaudit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non- audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report; •Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. <p>The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.</p> | |
| Nomination | 2 | | 1 | Committee Charter to be formalized | <p>A Nomination Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;</p> | |

| | | | | | | | |
|------------------|----|----|----|------------------------------------|---|----|----|
| Remuneration | 2 | | 1 | Committee Charter to be formalized | A Compensation or Remuneration Committee, which maybe composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates. | | |
| Others (specify) | NA | NA | NA | NA | NA | NA | NA |

2) Committee Members

(a) Executive Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|--|---------------------|----------------------|--------------------------|----|------------------------------------|
| Chairman | Ramon Y. Sy | NA | 2 | 2 | | 3 mos. |
| Member (ED) | Walter W. Brown, Ramon Y. Sy, Modesto B. Bermudez, Graciano P. Yumul, Jr., Noel V. Tanglao | NA | 2 | 2 | | 3 mos. |
| Member (NED) | NA | NA | NA | NA | NA | NA |
| Member (ID) | NA | NA | NA | NA | NA | NA |
| Member | NA | NA | NA | NA | NA | NA |

(b) Audit Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|---------------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Dennis A. Uy (ID) | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member (ED) | Noel V. Tanglao | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member (NED) | NA | | | | | |
| Member (ID) | Joselito H. Sibayan | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member | NA | NA | NA | NA | | NA |

Disclose the profile or qualifications of the Audit Committee members.

Describe the Audit Committee's responsibility relative to the external auditor.

The Company's CG Manual provides:

(i) The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director. The committee shall have the following functions:

- a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- b) Provide oversight over Management’s activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- c) Perform oversight functions over the corporation’s internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;
- e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- g) Monitor and evaluate the adequacy and effectiveness of the corporation’s internal control system, including financial reporting control and information technology security;
- h) Review the reports submitted by the internal and external auditors;
- i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
- Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements.
- j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation’s overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation’s annual report;
- l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

(c) Nomination Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|---------------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Ramon Y. Sy | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member (ED) | Walter W. Brown | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member (NED) | NA | NA | NA | NA | | NA |
| Member (ID) | Joselito H. Sibayan | June 16, 2014 | 1 | | | 6 mos. |
| Member | NA | | | | | |

(d) Remuneration Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|-----------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Ramon Y. Sy | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member (ED) | Noel V. Tanglao | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member (NED) | NA | | | | | |
| Member (ID) | Dennis A. Uy | June 16, 2014 | 1 | 1 | | 6 mos. |
| Member | NA | | | | | |

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | NA | NA | NA | NA | | NA |
| Member (ED) | NA | NA | NA | NA | | NA |
| Member (NED) | NA | NA | NA | NA | | NA |
| Member (ID) | NA | NA | NA | NA | | NA |
| Member | NA | NA | NA | NA | | NA |

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

| Name of Committee | Name | Reason |
|-------------------|------|--------|
| Executive | NA | NA |
| Audit | NA | NA |
| Nomination | NA | NA |
| Remuneration | NA | NA |
| Others (specify) | NA | NA |

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

| Name of Committee | Work Done | Issues Addressed |
|-------------------|--|--|
| Executive | NA | NA |
| Audit | Reviewed and evaluated the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring the appointment by the Board | Reviewed and discussed quarterly unaudited financial statements, audited annual financial statements including Management's Discussion and analysis of financial condition and results of operations, .Approved the overall scope and audit plans of the external audits, effectiveness of the external audit function and recommended for approval the re appointment of the current external |

| | | |
|------------------|---|--|
| | | auditors. |
| Nomination | Reviewed and evaluated the Reviewed the qualifications of the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring the appointment by the Board. | Reviewed the qualifications of all nominees to the Board of directors pursuant to the requirements of the Securities and Exchange Commission relative to qualifications and disqualifications of both regular and independent director nominees. |
| Remuneration | Currently discussing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration of corporate officers and directors. | Shall provide provide oversight over remuneration of senior management and other key personnel. No other resolution relating to director's remuneration has been adopted by the Board of Directors as the schedule of the amount of per diem for attendance in meetings of the Board of Directors/Committees has remained unchanged. |
| Others (specify) | NA | NA |

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

| Name of Committee | Planned Programs | Issues to be Addressed |
|-------------------|--|--|
| Executive | NA | NA |
| Audit | Programs to be discussed and formalized. | |
| Nomination | Programs to be discussed and formalized. | Discuss the proper evaluation of the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors; |
| Remuneration | Programs to be discussed and formalized. | Formulate policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates. |
| Others (specify) | NA | NA |

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
- (c) Period covered by the review;
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (e) Where no review was conducted during the year, an explanation why not.

2) Risk Policy

(a) Company

Give a general description of the company’s risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

| Risk Exposure | Risk Management Policy | Objective |
|-----------------|--|---|
| Liquidity | Proper utilization of available bank lines and related party borrowings. | To minimize, if not fully eliminate instances of defaulting on short-term financial obligations |
| Security | Deployment of adequately trained security personnel and establishment of an effective intelligence and communications group. | To ensure that aside from the safety of our employees and contractors, operations will not be disrupted. |
| Energy Shortage | Properly planning energy consumption and diverting, if necessary, limited energy to the more important sections of the operations. | To efficiently utilize available power to be able to sustain operations as long as possible. |
| Supply Chain | More than one supplier is accredited to be able to supply high quality items; reorder points properly identified for fast-moving items; and adequate supplies are available for other materials. | To be able continuously operate without the disruption of unavailable and low quality materials and unaccredited suppliers. |
| | | |

(b) Group

Give a general description of the Group’s risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

| Risk Exposure | Risk Management Policy | Objective |
|---------------|------------------------|-----------|
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders’ voting power.

| Risk to Minority Shareholders |
|-------------------------------|
| NA |
| NA |
| NA |

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions it enters into. The company has appointed an Audit Committee composed of the 2 independent Directors and 1 regular director whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit,

market, liquidity, operational, legal and other risks of the Corporation, and crisis management.

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

| Risk Exposure | Risk Assessment (Monitoring and Measurement Process) | Risk Management and Control (Structures, Procedures, Actions Taken) |
|---------------|---|--|
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |
| NA | NA | NA |

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

| Committee/Unit | Control Mechanism | Details of its Functions |
|----------------|-------------------|--------------------------|
| NA | NA | NA |
| NA | NA | NA |

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;
- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
- (c) Period covered by the review;
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
- (e) Where no review was conducted during the year, an explanation why not.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

| Role | Scope | Indicate whether In-house or Outsource Internal Audit Function | Name of Chief Internal Auditor/Auditing Firm | Reporting process |
|--|--|---|--|------------------------------------|
| Internal Audit is established to provide the Board of Directors and Management, in general, and the Audit Committee, in particular, with independent and | To assess if AMCI's governance, risk management, and governance processes are adequately designed and functioning effectively to | 1. In-house but may outsource some audit engagements that require competencies not found within IA. 2. Will also | | IA reports to the Audit Committee. |

| | | | | |
|---|---|---|--|--|
| <p>objective assurance and consulting services on AMCI's governance, risk management and control processes. <i>(Internal Audit Charter)</i></p> | <p>achieve its vision, mission and strategic objectives IA covers the following areas:</p> <ol style="list-style-type: none"> 1. Strategic objectives are achieved 2. Resources are procured and used effectively, efficiently and economically. 3. Assets are safeguarded from losses, damages or untimely obsolescence. 4. Employees act in accordance with policies, procedures, contracts and applicable laws and regulations. 5. Significant financial, operating and management information are reliable, accurate and timely. 6. Significant risk exposures are identified, assessed and managed according to the risk appetite approved by the Board. 7. Governance processes that ensure the promotion of appropriate ethics and values within AMCI and ensure effective organizational performance management and accountability. | <p>coordinate with other assurance providers within (Quality Group, Safety etc.) and outside AMCI (external auditors)</p> | | |
| | | | | |

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes. Outsourcing of IA audit activities is also reviewed and approved by the Audit Committee as well.

- (c) Discuss the internal auditor’s reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

Internal Audit, headed by the Internal Audit Head, is reporting functionally to the Audit Committee and administratively to the Chairman of the Board. (Internal Audit Charter and Audit Committee Charter)

The IA Head also is given direct and unrestricted access to the Audit Committee, the Board of Directors and the President/CEO. The IA Head and the staff is also given directed and unrestricted access to all records, properties and personnel in line with its assurance and consulting engagements. (Internal Audit)

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

| Name of Audit Staff | Reason |
|---------------------|--------|
| NA | NA |
| NA | NA |
| NA | NA |

- (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

| Progress Against Plans | Due to change in ownership of AMCI in late 2013, plans are still being developed for 2015. |
|------------------------|--|
| Issues ⁶ | NA |
| Findings ⁷ | NA |
| Examination Trends | NA |

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

- (f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

| Policies & Procedures | Implementation |
|-----------------------|----------------|
| NA | NA |
| NA | NA |
| NA | NA |

- (g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial

⁶ “Issues” are compliance matters that arise from adopting different interpretations.

⁷ “Findings” are those with concrete basis under the company’s policies and rules.

analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

| Auditors (Internal and External) | Financial Analysts | Investment Banks | Rating Agencies |
|---|---------------------------|-------------------------|------------------------|
| NA | NA | NA | NA |
| NA | NA | NA | NA |

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Chairman and the President/CEO, after review and consultations with the Audit Committee Chairman and Management.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

| | Policy | Activities |
|--|---------------|-------------------|
| Customers' welfare | NA | NA |
| Supplier/contractor selection practice | NA | NA |
| Environmentally friendly value-chain | NA | NA |
| Community interaction | NA | NA |
| Anti-corruption programmes and procedures? | NA | NA |
| Safeguarding creditors' rights | NA | NA |

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Yes, the Company has its separate Corporate Responsibility Report.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

(b) Show data relating to health, safety and welfare of its employees.

(c) State the company's training and development programmes for its employees. Show the data.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

| Shareholder | Number of Shares | Percent | Beneficial Owner/s |
|--------------------------------------|------------------|---------|----------------------|
| PCD Nominee Corp. | 860,278,877 | 46.038 | Various shareholders |
| Mindanao Gold Ltd. | 597,051,165 | 31.951 | Direct |
| Monte Oro Resources and Energy, Inc. | 224,627,948 | 12.021 | Various shareholders |
| Mapula Creek Gold Corporation | 115,326,533 | 6.172 | Direct |

| Name of Senior Management | Number of Direct shares | Number of Indirect shares / Through (name of record owner) | % of Capital Stock |
|---------------------------|-------------------------|--|--------------------|
| Ramon Y. Sy | 95 | none | 0.00 |
| Walter W. Brown | 298 | none | 0.00 |
| Modesto B. Bermudez | 1 | none | 0.00 |
| Graciano P. Yumul, Jr. | 1,000 | none | 0.00 |
| Noel V. Tanglao | 1 | none | 0.00 |
| Silverio Benny J. Tan | 10,000 | None | 0.00 |
| TOTAL | 11,395 | | |

2) Does the Annual Report disclose the following:

| | |
|---|--|
| Key risks | |
| Corporate objectives | |
| Financial performance indicators | |
| Non-financial performance indicators | |
| Dividend policy | |
| Details of whistle-blowing policy | |
| Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners | |
| Training and/or continuing education programme attended by each director/commissioner | |
| Number of board of directors/commissioners meetings held during the year | |
| Attendance details of each director/commissioner in respect of meetings held | |
| Details of remuneration of the CEO and each member of the board of directors/commissioners | |

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's fee

| Name of auditor | Audit Fee | Non-audit Fee |
|-----------------|-----------|---------------|
| | | |
| | | |

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

5) Date of release of audited financial report:

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

| | |
|--|-----|
| Business operations | Yes |
| Financial statements/reports (current and prior years) | Yes |
| Materials provided in briefings to analysts and media | Yes |
| Shareholding structure | Yes |
| Group corporate structure | Yes |
| Downloadable annual report | Yes |
| Notice of AGM and/or EGM | Yes |
| Company's constitution (company's by-laws, memorandum and articles of association) | Yes |

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

| RPT | Relationship | Nature | Value |
|-----|--------------|--------|-------|
| | | | |
| | | | |

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

| | |
|------------------------|---|
| Quorum Required | Section 5 of the Company's By-Laws - Quorum in any annual or special meeting of the stockholders shall consist of stockholders representing either in person or by proxy, a majority of the subscribed capital stock of the corporation, entitled to vote at such meeting except as otherwise specially provided by law or in the Articles of Incorporation. In the absence of a quorum, the stockholders attending or represented at the time and place at which such meeting shall have been called, or to which it may have been adjourned, or any officer entitled to preside at such meeting or to act as Secretary thereof, may adjourn such meeting for a period not exceeding thirty (30) days. |
|------------------------|---|

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

| | |
|--------------------|--|
| System Used | |
| Description | |

Vote Required: The vote of stockholders representing at least a majority of the issued and outstanding capital stock entitled to vote is required except in those matters where the Corporation Code of the Philippines requires the affirmative vote of a greater proportion.

Manner of Voting – Straight and Cumulative

The procedure shall be based on the Company's By Laws Section 6 – At every meeting of the stockholders of the Company, every stockholder entitled vote shall be entitled to one vote for each share of stock standing in his name on the books of the Company. Provided, however, that in the case of the election of directors every stockholder shall be entitled to cumulate his votes in accordance with the provisions of law in such case made and provided.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

| Stockholders' Rights under The Corporation Code | Stockholders' Rights not in The Corporation Code |
|--|---|
| Stockholders' Rights concerning Annual/Special Stockholders' Meeting are in accordance with the provisions stated in the Corporation Code. | There are no stockholders' rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code. |

Dividends

| Declaration Date | Record Date | Payment Date |
|------------------|-------------|--------------|
| NA | NA | NA |

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

| Measures Adopted | Communication Procedure |
|--|--|
| Sending of Notice of the Annual Stockholders' Meeting fifteen (15) business days prior to stockholders' meeting. The Notice of Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote, and the date and place of proxy validation. | The notice is being published in newspaper of general circulation and also posted in the Company's website. |
| Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code | During the Stockholders meeting, for each item in the agenda, the Chairman opens the floor for any questions that the stockholders may have. Any other person entitled by law, may take the floor on the matters under discussion, making observations and asking for information. |
| Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are presented in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the shareholders are allowed to inspect corporate books and accordance with the Corporation Code. | Once that all answers, any replies or statements of votes have been provided for on each topic on the agenda, the Chairman declares the end of the discussion for each single topic. |

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The above matters were included in the report to be sent to all stockholders on record prior to Annual Stockholders Meeting date. During the meeting, the stockholders may ask their questions or comments

and shall be entitled to vote at the said meeting either in person or by proxy.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
 - a. Date of sending out notices: May 2, 2014
 - b. Date of the Annual/Special Stockholders' Meeting: June 16, 2014
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

There were questions raised by stockholders and responded immediately by the Chairman.

5. Result of Annual/Special Stockholders' Meeting's Resolutions

| Resolution | Approving | Dissenting | Abstaining |
|---|-----------|------------|------------|
| Election of Directors | 81.04% | | |
| Appointment of Sycip, Gorres Velayo & Co., as external auditors of the Company for the ensuing year | 81.04% | | |
| Amendments to the following articles of the Corporation's Articles of Incorporation in the language previously approved by the Board: a. Amend the Seventh Article of the Amended Articles of Incorporation to increase the authorized capital stock of the Corporation from Php2,800,000,000 divided into 2,800,000,000 common shares with par value of One Peso each to Php12,800,000,000 divided into 12,800,000,000 common shares with par value of One Peso per share; b. Amend the Seventh Article of the Amended Articles of Incorporation to confirm the denial of pre-emptive rights to all holders of shares; and Amend the Third Article of the Amended Articles of Incorporation to change the address of the principal office of the Corporation to 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City, Philippines | 81.04% | | |
| The subscriptions to the increase in authorized capital stock and such other follow-on offering and/or placing and subscription transaction under such terms and conditions that the Board of Directors may determine and the listing of shares issued in connection therewith with the Philippine Stock Exchange. | 81.04% | | |
| The grant of authority to the Board of Directors to: | 81.04% | | |

| | | | |
|--|---------------|--|--|
| <p>a. to issue such number of shares of stock out of the existing capital stock and increase in authorized capital stock to such persons and at an issue price of not less than par value as the Board of Directors may determine and to accept cash or non-cash properties as payment for such subscription;</p> <p>b. to conduct equity offerings as a means to raise funding for the Company or for expansion, including, but not limited to, placing and subscription transaction, under such terms and conditions that the Board of Directors may determine, inclusive of: (i) authority to fix the number of shares for such equity transaction in such number of shares as may be required by the Corporation for funding its projects or for its expansion; (ii) authority to appoint advisers, consultants, underwriters/lead managers, stabilization agent, and other relevant parties for the equity transaction; and (iii) determination of the offering price based on generally accepted pricing formula for publicly traded companies, as may be appropriate or relevant per prevailing market conditions</p> | | | |
| <p>The waiver of the requirement to conduct a rights or public offering for shares issued by the Corporation pursuant to following transactions: (1) all shares issued by the Corporation pursuant to the increase in authorized capital stock; (2) the 72,910,681 Class "B" common stock issued by the Corporation to Mindanao Gold Ltd. on July 16, 2012 at an issue price of Php4.40 per share in exchange for an assignment by Mindanao Gold Ltd. of receivables amounting to Php320,806,998 in favor of the Corporation; and (3) the 37,292,725 Class "A" common stock (issued by the Corporation to Mapula Creek Gold Corporation on July 16, 2012 at an issue price of Php4.40 per share in exchange for an assignment by Mapula Creek Gold Corporation of receivables amounting to</p> | <p>81.04%</p> | | |

| | | | |
|---|--|--|--|
| Php164,087,992 in favor of the Corporation. | | | |
|---|--|--|--|

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

The results of the Annual Stockholders' Meeting are immediately disclosed to the PSE thru the Online Disclosure System (Odisy) and to the Securities and Exchange Commission via SEC Form 17-C.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

| Modifications | Reason for Modification |
|---------------|-------------------------|
| NA | NA |
| NA | NA |
| NA | NA |

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

| Type of Meeting | Names of Board members / Officers present | Date of Meeting | Voting Procedure (by poll, show of hands, etc.) | % of SH Attending in Person | % of SH in Proxy | Total % of SH .01attendance |
|-----------------|--|-----------------|---|-----------------------------|------------------|-----------------------------|
| Annual | Ramon Y. Sy Walter W. Brown Noel Tanglao Graciano P. Yumul, Jr. Modesto B. Bermudez Rosanna A. Parica Atty. Silverio Benny Tan | June 16, 2014 | | | 81.03% | .01% |
| Special | None | | | | | |

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Representatives from the Company's stock transfer office are present to count or validate the votes.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

| |
|---------------------------|
| Company's Policies |
|---------------------------|

| | |
|-------------------------------------|---|
| | |
| Execution and acceptance of proxies | <p>Sec. 58. The Corporate code states:</p> <p>Proxies.</p> <p>Stockholders and members may vote in person or by proxy in all meetings of stockholders or members. Proxies shall in writing, signed by the stockholder or member and filed before the scheduled meeting with the corporate secretary. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.</p> <p>Section 6 of the Company's By-Laws states:</p> <p>Stockholders may vote at all meetings in person or by proxy duly given in writing and presented to the Secretary for validation/recording and/or inspection, as the case may be, at least three (3) calendar days before the scheduled date of the meeting. The form, use, solicitation and other data required for a valid proxy shall be governed by the Proxy Rule as implemented by the Securities and Exchange Commission.</p> |
| Notary | |
| Submission of Proxy | |
| Several Proxies | |
| Validity of Proxy | |
| Proxies executed abroad | |
| Invalidated Proxy | |
| Validation of Proxy | |
| Violation of Proxy | |

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

| Policies | Procedure |
|--|---|
| Definitive Information Statement, accompanied or preceded by Management Report should be sent at least 15 business days prior to stockholders meeting. | Sent either thru the Company's chosen messengerial service, post office or hand delivered by the Company's messenger. |
| | |

(i) Definitive Information Statements and Management Report

| | |
|--|--------------|
| Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials | 2,795 |
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners | May 23, 2014 |
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders | May 23, 2014 |
| State whether CD format or hard copies were distributed | Hard copies |
| If yes, indicate whether requesting stockholders were provided hard copies | Yes |

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

| | |
|---|------------------|
| Each resolution to be taken up deals with only one item. | Yes |
| Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election. | Yes |
| The auditors to be appointed or re-appointed. | Yes |
| An explanation of the dividend policy, if any dividend is to be declared. | Yes, if declared |
| The amount payable for final dividends. | Yes, if declared |
| Documents required for proxy vote. | Yes |

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

| Policies | Implementation |
|--|---|
| <p>The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <ul style="list-style-type: none"> I. Right to vote on all matters that require their consent or approval; II. Pre-emptive right to all stock issuances of the corporation; III. Right to inspect corporate books and records; IV. Right to information; V. Right to Dividends; VI. VI.A appraisal Rights. <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p> | <p>Shareholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting.</p> |

(b) Do minority stockholders have a right to nominate candidates for board of directors? Yes

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Company has no formal Investors Relations Programs. Shareholders are encouraged to call or personally visit

the Company's head office or stock transfer office for clarifications regarding their holdings in the Company.

All major announcements are reviewed by the board of directors and discussed with the Corporate Information Officer for the proper disclosure requirements.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

| | Details |
|---------------------------------|---------|
| (1) Objectives | NA |
| (2) Principles | NA |
| (3) Modes of Communications | NA |
| (4) Investors Relations Officer | NA |

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

The Company consults independent party that the Board of Directors of the Company appoints to evaluate the fairness of the transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

| Initiative | Beneficiary |
|---|--|
| HEALTH AND SANITATION PROGRAM a. Medicine Assistance b. Ambulance Transportation c. Medical Mission and Outreach Program (Blood Letting, Operation Tuli and Gamot sa Barangay) | <ul style="list-style-type: none"> - Residents from 8 host barangays were provided with free medical consultations and medicines. The Company also extends medical assistance to neighboring communities. The 8 host barangays are: 1.) Teresa 2.) Masara 3.) Mainit 4.) Tagbaros 5.) Elizalde 6.) New Barili 7.) New Leyte 8.) Golden Valley. - Patients from Host and Neighboring Communities needing further medical referrals were transported to tertiary government hospital in Tagum City via Company Ambulance (210 trips) - The Company also conducted medical missions and community outreach through 1)Blood-letting; 2) Operation Tuli & Alis Bukol (159 children); 3) Nutrition Program, and the likes |
| EDUCATIONAL ASSISTANCE a. Scholarship Grants b. Student Transportation | <ul style="list-style-type: none"> - The Company provided scholarship assistance and educational aids. For SY 2014-2015, the following are scholarship grantees: Mining-related courses (14 students), College 4-year course (29 students), Vocational/2-yr course (11 Students), Seminary Scholar (1), High School scholars (268students), Bible School Scholars (4) and special high school scholars (15). - The Company provided Student Buses dedicated to transport students from a designated pooling area (of their residences) to their respective schools, |

| | |
|---|--|
| | <p>and return trip after every class dismissal. Pupils from Teresa Elementary School, New Leyte National High School – Teresa Campus, Elizalde National High School and Thompson Christian School.</p> |
| <p>LIVELIHOOD PROGRAMS</p> <p>a. Sustainable Agriculture (Cacao, Coffee, Rubber and Corn)</p> <p>b. Community-based entrepreneurship training for women</p> <p>c. Conventional Contractors and Ayuda Program Assistance</p> | <ul style="list-style-type: none"> - Distribution of cacao seedlings to: Religious Group with (341 recipients), Barangay Gubatan (47 upland farmers), Barangay New Leyte (138 upland farmers), Barangay Elizalde (45 upland farmers) - Women from Barangay Gubatan (10 graduated bizcampers) and for the interfaith group (47); - Organized 16 Small Miners Groups (previously engaged into illegal mining operations) and institutionalized them to work at Company’s supervision. 425 miners were given livelihood opportunity as Conventional Contractors and Ayuda Program Beneficiaries. |
| <p>PUBLIC INFRASTRUCTURE</p> <p>a. Teresa High School Building and Land Acquisition</p> <p>b. Road Maintenance</p> | <ul style="list-style-type: none"> - Completed the construction of a 4-classroom building for New Leyte High School – Teresa Campus. The school site where the school is constructed is also purchased and donated by the Company. - Regular de-silting of Masara and Hijo rivers are continually implemented. The project avoids flooding of communities along the Masara Lines namely Barangay Tagbaros, Elizalde, Masara, Mainit, and Panibasan. - Cash-for-work Program is also implemented for roadside brushing. Aside from road maintenance, the program also aims to provide alternative livelihood to the communities. More than 103 brushers availed on the said program. |
| <p>SOCIO-CULTURAL AND RELIGIOUS SUPPORT</p> <p>a. Community Development</p> <p>b. Community Transportation</p> <p>c. Immaculate Concepcion Quasi Parish in</p> | <ul style="list-style-type: none"> - Implemented Tabang Eskwela to IP Beneficiaries at 61 college students, 8 high schools and 2 elementary pupils; - Implemented Binurigay Program – a medical assistance (15% of hospital bill) and mortuary assistance (Php 3,000/decease) for the IP families. A total of 36 beneficiaries for Binurigay. - The Company also serviced community request for transportation during special events and occasions. Ninety Nine (99) various requests for transportation from host and neighboring areas were served. - Counterpart for the construction of |

| | |
|---|--|
| <p>Elizalde</p> <p>d. Maco Parish</p> <p>e. Shuttle Buses</p> <p>f. Faith and Development Program</p> | <p>Immaculate Concepcion Quasi Parish in Barangay Elizalde.</p> <ul style="list-style-type: none"> - Completion of roofing project at Maco Parish. - Two (2) shuttle buses were handed-over to Religious groups of Masara Lines. The buses aim to provide alternative income for the group, to fund their future programs and projects. - Three (3) Kasalan ng Bayan at AMPICO (30 couples), Upperlake Christian Fellowship-New Leyte, Interfaith Masara Lines-Elizalde. |
| <p>INFORMATION EDUCATION AND COMMUNICATION (IEC)</p> <p>a. General IEC Activities</p> <p>b. Bayanihan sa Karunungan Program</p> <p>c. Printed Newspaper-Local Circulation</p> | <ul style="list-style-type: none"> - Conducted Twenty (20) symposia, community assemblies, focus group discussions, and the likes for the hosts and neighboring communities to institutionalize greater public awareness in responsible mineral development, company updates, among others. - Adopted two (2) schools at Mawab and Muntevista, all in Compostela Valley Province. The adopted schools were provided with various books and reading materials for the improvement of their respective libraries. - Four Thousand (4,000) copies of newspapers were printed for host and neighboring barangays. |
| <p>DEVELOPMENT OF MINING TECHNOLOGY AND GEOSCIENCES (DMTG)</p> <p>a. Barangay Profiling Survey</p> <p>b. Science Laboratory Equipment</p> | <ul style="list-style-type: none"> - Conducted family surveys to 7 host barangays to determine the socio-economic information of the community. Said data shall be the baseline information for the Company, the BLGU and MLGU as a planning tool. - Improve the lecture room of Engineering/Geology Department at University of Southeastern Philippines – Obrero Campus in Davao City by providing aircon unit, LCD projector, amplified speakers and computer units (4). |

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

| | Process | Criteria |
|---------------------------|----------------|-----------------|
| Board of Directors | NA | NA |

| | | |
|----------------------|----|----|
| Board Committees | NA | NA |
| Individual Directors | NA | NA |
| CEO/President | NA | NA |

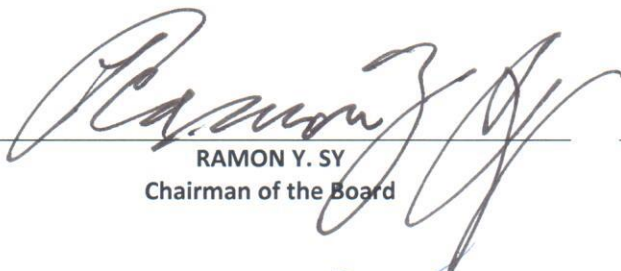
B. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

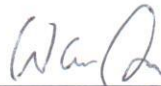
| Violations | Sanctions |
|------------|-----------|
| NA | NA |
| NA | NA |
| NA | NA |
| NA | NA |
| NA | NA |

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of _____ on _____, 20__.

SIGNATURES



RAMON Y. SY
Chairman of the Board



WALTER W. BROWN
President and CEO



ROSANNA A. PARICA
Compliance Officer



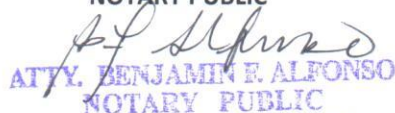
JOSELITO H. SIBAYAN
Independent Director

QUEZON CITY

SUBSCRIBED AND SWORN to before me this 6th day of May 2015, affiant(s) exhibiting to me their Tax Identification No. ID, as follows:

| NAME/NO. | TIN | DATE/PLACE OF ISSUE |
|---------------------|-------------|---------------------|
| RAMON Y. SY | 107-202-819 | |
| WALTER W. BROWN | 128-993-816 | |
| JOSELITO H. SIBAYAN | 900-379-833 | |

NOTARY PUBLIC



ATTY. BENJAMIN E. ALFONSO
NOTARY PUBLIC

UNTIL December 31, 2016
PTR NO. 0682987-C- 1-20-15 - QUEZON CITY
JBP NO. 975600 12-11-2014 - QUEZON CITY
ROLL NO. 13296
ADM. MATTER NO. NP -144 (2015 - 2016)
TIN NO. 177957619
MCLD EXEMPTED

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Page No. 12
Book No. 8-17
Series of 2015.