

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended **December 31, 2013**
2. SEC Identification Number **40621**
3. BIR Tax Identification No. **000-284-138**
4. Exact Name of issuer as specified in its charter: **Apex Mining Co., Inc.**
5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only) Industry Classification Code
7. **Unit 1704 17th Floor, Prestige Tower Cond., F. Ortigas Jr. Road, Ortigas Center, Pasig City 1605**
Address of principal office : Postal Code
8. **(632) 7062805/7062806**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 & 8 of the RSA :

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding</u>
Common	1,868,639,664

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [] No [x] Philippine Stock Exchange 1,589,240,587 shares (Php1.00 per share par value)
12. Check whether the issuer:
- a.) has filed all reports to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports.)
Yes [X] No []
- b) has been subject to such filing requirements for the past 90 days.
Yes [] No [X]
13. Not Applicable
14. Not Applicable

PART 1 BUSINESS AND GENERAL INFORMATION

Item 1. Business

Corporate Profile

Apex Mining Co., Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 26, 1970 primarily to carry on the business of mining, milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in gold, silver, copper, lead, zinc brass, iron, steel and all kinds of ores, metals and minerals.

On March 7, 1974, the Company listed its shares in the Philippine Stock Exchange (PSE) and attained status of being a public company on the same date. The Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code, which, among others, defines a public corporation as any corporation with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities. As of December 31, 2013, the Company has 2,801 shareholders (2012 - 2,535) each holding at least 100 shares.

On August 24, 2005, Crew Gold Corporation (Crew Gold), an entity incorporated and doing business in Canada, and its associated Philippine company, Mapula Creek Gold Corporation (Mapula), acquired 28.03% and 44.88% of the Company's shares, respectively, by virtue of the Share Purchase Agreement (SPA) entered into by both Crew Gold and Mapula with the previous majority shareholder (Puyat Group). The SPA involved the sale and transfer of a total of 549,966,524 shares (including 459,524,591 of the unlisted shares) for \$6.6 million. Pursuant to the SPA, the Puyat Group divested fully its shareholdings in the Company. The SPA also provides, among others, the termination of all existing mine operating agreements of the Company. In relation thereof, on December 23, 2005, Crew Gold and PJS Investment Corporation, an entity owned by the Puyat Group, agreed that certain liabilities as of December 31, 2005 amounting to P83.2 million be assigned to the latter in order to facilitate the investment of Crew Gold into the Company.

In October 2009, Crew Gold completed its divestment in the local mining industry and sold its equity share in the Company, as well as to local affiliates including Teresa Crew Gold (Philippines), Inc. (Teresa) and Mapula to Mindanao Gold Ltd. (Mindanao Gold), an entity incorporated and registered in Malaysia.

As of December 31, 2009, the Company's majority shareholder is Mapula Creek Gold Corporation (Mapula), a Philippine incorporated company.

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved the Company's Mineral Production Sharing Agreement (MPSA) covering 679.02 hectares situated in Maco, Compostela Valley. On June 25, 2007, MGB approved the Company's second MPSA covering an additional 1,558.5 hectares near the same area.

On December 17, 2008, the Company entered into a service contract with local cooperatives composed of the indigenous people and local government units of Masara lines to explore the Sagaysagay vein discovered within the area of its second MPSA.

The Company was registered with the Board of Investments (BOI) on July 11, 2008 as a new producer of gold, silver bullion, copper concentrates with gold, silver, zinc and lead values on a non-pioneer status under the 1987 Omnibus Investment Code. Under this registration, the Company is entitled to certain fiscal and non-fiscal incentives including four (4) year income tax holiday from start of commercial operations, which can be further extended for another three (3) years subject to compliance with certain conditions, simplified customs procedures, additional deduction for labor expense, and unrestricted use of consigned equipment for a period of ten (10) years. The Company is required to maintain a base equity of at least 25% upon start of commercial operations as one of the conditions of the registration.

On January 1, 2009, the Company commenced commercial operations after achieving target production volume requirements. As of December 31, 2009, the Company is compliant with the provisions specified in its registration.

The Company's registered business address is at Unit 1704 17th Flr. Prestige Tower Cond., F. Ortigas Jr. Rd., Ortigas Center, Pasig City. The Company currently operates the Maco Mines in Maco, Compostela Valley with 1,116 and 1,023 employees as at December 31, 2013 and 2012 respectively.

Since 1988, the Company has exercised various restructuring as mentioned above. To date, Mindanao Gold owns 40% of Mapula, while Abracadabra Speculative Ventures Inc., the ultimate parent company organized and incorporated in Malaysia and prepares its financial statements in compliance with International Financial Reporting Standards, owns 100% of Mindanao Gold.

Pursuant to Sections 76 to 80 of the Corporation Code of the Philippines, the Board of Directors and stockholders of the Company and Teresa convened a meeting on September 1, 2011 and August 1, 2011, respectively, and subsequently held a stockholders meeting on October 6, 2011 for the Company and September 15 for Teresa to approve the Plan of Merger. In this merger, the Company became the surviving corporation and Teresa was the absorbed corporation.

On December 1, 2011, the SEC approved the Articles and Plan of Merger. As indicated in the Articles and Plan of Merger, the merger will be effective on the first day of the month immediately following the month in which approval of the merger is obtained from the SEC, thus the merger will be effective on January 1, 2012.

The merger is considered a business reorganization since the transaction involved companies under common control. Accordingly, the merger was accounted for at historical cost in a manner similar to the pooling of interests method and will be effected prospectively in the financial statements of the Company, as elected by the management.

In February 2012, the Company announced the approval of the management plan to significantly expand the production capacity of the Maco Mines and, at the same time, convert the current processing facility to a new expanded facility that will result to a threefold increase in milling capacity by 2013. Dubbed as Apex 3000, the project will expand the Company's current processing capacity of 850 tons per day (TPD) to 3,000 TPD by the end of 2013.

In a special meeting held on December 16, 2013, the Company's Board of Directors (BOD or the Board) decided to temporarily shelve the Apex 3000 expansion program. The new program of expansion approved by the Board will instead increase the capacity of the Maco Mines from 850 TPD to 1,500 TPD. The Board considers such expansion as the more realistic target at this time considering the ore disposition at the underground mines in Maco, Compostela Valley.

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A tailings spill occurred at the Maco Mines of the Company on January 15, 2014. The leak spilled tailings from the mine's diversion pipe in Lumanggang Creek. In light of the said event and the

evaluation on the safety of the Maco Mines, operations of the Company were temporarily suspended on January 17, 2014. On February 12, 2014, the order lifting the temporary suspension was issued by the MGB. The same was received by the Company the next day.

Products/Sales

The Company’s mine produces bullion containing gold and silver. All of the mine’s production is smelted in Metalor refinery in Switzerland.

The Company’s 100% sales revenues for the year 2013 were from gold bullion shipments made to Metalor.

Competition

The Company’s sales from gold bullion were based on internationally accepted pricing in the world market available from the London Metal Exchange. Philippine mining companies do not affect international metal prices, hence, competition among mining companies is imaginary.

Development Activities

The development activities spent by the Company for the last three fiscal years and its percentage to revenue are the following:

Year	Development Cost	Revenue	Percentage
2011	272,066,943	2,038,572,699	13%
2012	489,091,293	1,817,321,564	27%
2013	847,176,761	1,735,840,754	49%

Sources of Materials and Supplies

The Company’s ore production comes primarily from the Company’s mineral properties in Maco, Compostela Valley.

Equipment and maintenance parts and operating supplies are provided by a number of suppliers both domestic and foreign on competitive basis.

Energy is primarily sourced from the Power Sector Assets and Liabilities Management Corporation under a long-term contract for the supply of electricity.

Employees

The total manpower of the Company as of December 31, 2013 consists of 1,116 employees, as follows:

Regular	1,015
Contractors	<u>479</u>
Total	<u>1,494</u>

Regular employees are broken down to 26-clerical, 891-operations and 98- administrative. The Company as of present has no employees’ union.

Mining Properties / Royalty Agreements

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved the Company’s Mineral Production Sharing Agreement (MPSA) covering 679.02 hectares situated in Maco, Compostela Valley. On June 25, 2007, MGB approved the Company’s second MPSA covering an additional 1,558.5 hectares near the same area where the existing operations are located.

The company has already complied with the requirements for the MPSA which included the endorsement by the local government units in the locality of the mine, which endorsements Apex obtained. Also required was the free and prior informed consent (FPIC) of the indigenous peoples and indigenous communities (IPs/ICs) within the area covered by the application. With such IPs/ICs giving their FPIC to the Company's application for the MPSA and to the continued operation and development, as well as to all related, collateral, incident and indirect projects/activities of the Company.

In the area covered by the application, the Company executed in June 2005 a Memorandum of Agreement (MOA) with the IPs/ICs and the National Commission on Indigenous Peoples, agreeing to a royalty payment of 1.0% of gross output as required under the Philippine Mining Act of 1995.

The company has been compliant relative to its obligations to the Maco Ancestral Domain Inc. for its various projects under the approved Ancestral Domain Sustainable Development Plan which the company assisted them to draft.

Executive Order (EO) 79

On July 12, 2012, EO 79 was released to lay out the framework for the implementation of mining reforms in the Philippines. The policy highlights several issues that includes area of coverage of mining, small-scale mining, creation of a council, transparency and accountability and reconciling the roles of the national government and local government units. Management believes that EO 79 has no major impact on its current operations since the operating subsidiaries and mines are covered by existing MPSA with the government. Section 1 of EO 79, provides that mining contracts approved before the effectivity of the EO shall continue to be valid, binding, and enforceable so long as they strictly comply with existing laws, rules and regulations and the terms and conditions of their grant. The EO could, however, delay or adversely affect the conversion of the Company's mineral properties covered by Exploration Permits, Exploration Permit Application or Application for Production Sharing Agreements given the provision of the EO on the moratorium on the granting of new mineral agreements by the government until a legislation rationalizing existing revenue sharing schemes and mechanisms shall have taken effect.

On March 7, 2013, the Mines and Geosciences Bureau (MGB) has recommended with the Department of Environment and Natural Resources (DENR) the lifting of DENR Memorandum Order No. 2011-01 on the suspension of acceptance of all types of mining applications. Effective March 18, 2013, MGB has started accepting mining applications for EPs and FTAA pursuant to DENR Administrative Order (DAO) No. 2013-11.

Mineral Production Sharing Agreements (MPSA)

1) MPSA 225-2005-XI – Apex operations is concentrated in this mining license which allows the development and extraction of gold/silver bearing veins.

2) MPSA 234-2007-XI – This allows the exploration of gold, copper and associated metals. Apex first venture during the 1970's was a small scale copper mining via a number of minor open pit operations. With the collapse of global copper market at the end of 1970's. A full exploration program of the porphyry will commence in 2012.

Government Regulations and Approvals

Compliance with existing governmental regulations entails costs to the Company which are appropriately reflected either as expense or as capital asset based on the related financial reporting standards. Future and probable government regulations are considered but the effects cannot be determined until the specific implementing guidelines are known.

Exploration and Development

Exploration and development are undertaken in-house with the supervision of Dr. Graciano P. Yumul, Jr., SVP for Exploration and Development.

OPERATIONS

GEOLOGY AND EXPLORATION

Exploration within the MPSA 225 was focused on near-mine extensions of the gold-bearing quartz and breccia veins. Two (2) LM 55 rigs, two (2) DE 140 rigs and one (1) Kempee rig were dedicated for the underground diamond drilling to evaluate the continuity of the veins in terms of lateral and down dip extensions.

A total of 39 holes were completed for the year 2013. These holes provide additional information for subsequent in-fill drilling which would, in turn, provide data for resource modelling. Table 1 presents the 2013 diamond drilling performance data. As a result, a total of approximately 9,460 meters of diamond drilling within MPSA 225 was achieved in 2013.

Included in the top priorities are the headings targeting the Bonanza hanging wall split (BHWS) to further expose the continuity of the vein system. Prioritization of BHWS resulted to 80 meter advance at level 500 and 157 meter at level 530 with resulting geological face mapping and sampling.

Similarly, mine development of the Masara vein accomplished a total of 120 meter advance at level 530 and 28 meter advance at level 575.

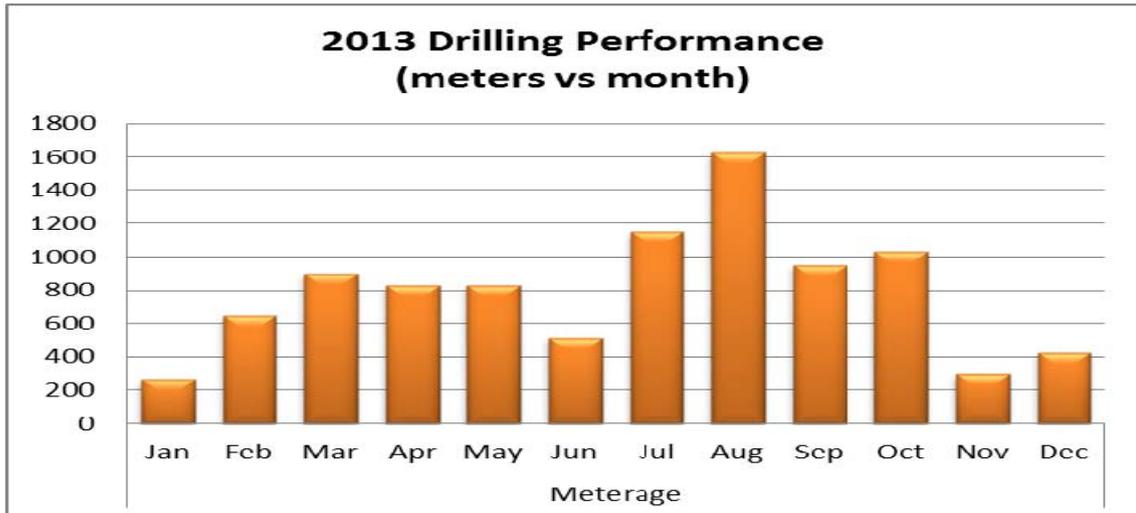
Sandy North vein at Malumon gap was the top priority for exploration and development. The levels that were developed are: Level 575 with 326 meter fully developed ore drive; Level 590 with 148 meter ore drive; Level 590 sublevel with 323 meter ore drive; and recently, Level 620 with 122 meter ore drive. Incline and decline waste development to access this vein system is currently on-going.

Development for the Fern vein was made possible via a level 560 crosscut drive during the fourth quarter of 2013 and subsequently followed by ore development drives for both east and west panels. The vein was listed as one of the top priorities for the last quarter resulting to 24 meters ore drive for east and 17 meters for ore drive west at level 560.

Mine management is currently focusing on building vital infrastructures for the Don Calixto and Don Fernando veins in preparation for underground exploration such as diamond drilling, geologic mapping and sampling of on-vein development drives.

Table 1 – 2013 Exploration Diamond Drilling Performance

2013 Diamond Drilling Accomplishment												
Rig	Meterage											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Hanjin Rig LM55 # 1	265	353	3									
Hanjin Rig LM55 # 2	-	256	591									
DE-140 # 1			209	293	316	144	388	896	428	563	107	90
DE-140 # 2				439	428	356	694	571	461	385	179	282
Kempee	-	37	95	95	87	15	67	158	60	83	10	54
Total	265	646	898	826	831	515	1,149	1,625	949	1,031	297	427



Plans for 2014

Ongoing surface mapping and definition of alongside-strike extensions within the MPSA 225 and 234 to the known Au-Ag epithermal vein system will continue throughout 2014.

To continue the current focus on underground diamond drilling, geologic mapping will be done of vein extensions of Bonanza Hanging Wall Split, as well as the recently identified Bonanza Hanging Wall Split 2 and 3, Fern, Sandy North and Splits of Sandy vein all within the MPSA 225.

Detailed geologic mapping and rock chip sampling of the current vein systems will be sustained, leading to the definition of additional drill targets for the year 2014 to 2015.

The 2012 airborne geophysical survey will be further subjected to comprehensive geological interpretation. AMCI will continue to explore all the parcels that composed MPSA-234. Special focus will be the continuous geological assessment program to locate east-west trending epithermal gold veins and porphyry copper potential covered by the two (2) MPSA.

AMCI will continue the geological data interpretation, synthesis and modeling of both epithermal and porphyry targets to provide a clearer understanding of the deposits within the two (2) tenements.

MINE

Production and Development

The total mine production is 339,897 tonnes of gold ore with an average grade of 4.18 grams Au per tonne. These ores are sourced from active vein systems, such as Bonanza, Masara, Bibak, Fern and Sandy North veins located at Mine East (Maligaya Area) and Sandy & Maria Inez veins located at Mine Others (Malumon).

The Mine accomplished a total advance of 6,003 meters of Capital Development on waste (access drives). Correspondingly, the Mine prepared a total advance of 3,767 meters of development on vein to block ore reserves.

To support the planned “mine development expansion”, a total of twenty-seven (27) units of new underground trackless (UG Loaders, Jumbo Drills, UG Trucks, Bolter) equipment were acquired. And to ensure that the development openings are safe, two (2) units of shotcrete machine (Reed Shotcrete) were acquired in the first quarter of the year. A second unit of Arkbro Raise Climber was also acquired to speed up development of ventilation exhaust raises. Other critical equipment to support the mine services are two (2) units Scissor Lift, two (2) units Personnel Transport Service, one (1) unit Batcher Truck for Underground Shotcreting.

With the newly acquired trackless equipment, the Mine launched an intensive training to upgrade the technical skills of mining personnel who will be assigned to operate the new fleet of equipment.

By the 4th quarter of 2013, the main exhaust ventilation raise at 590 Malumon was successfully commissioned with the installation of 250 horse power ventilation exhaust fan thereby improving the Mine ventilation and productivity.

Plans for 2014

For 2014, ore production will be sustained at a rate of 850 tonnes of ore per day from January up to September 2014. And by October 2014, the Mine will commence a gradual increase of ore delivery to the Mill Plant from 850 tonnes of ore per day to 1,500 tonnes of ore per day.

The Mine will continue to expand and develop all the vital infrastructures such as access ramps, cross cuts, underground maintenance shops, ventilation exhaust raises and other underground service facilities that were launched in the 4th quarter of 2013.

The three (3) main areas such as Mine East, Mine West and Mine Others will undergo a concurrent development for the year 2014 and onward.

These underground facilities and infrastructures are to be in placed ahead of time to support the next stage of Mine expansion of ore production at a rate of 2,000 to 2,500 tonnes per day by 2015 to 2017.

MILL

2013 Review - Mill Production Data

Period	Tonnes		Grade, g/t		% Recovery		Metals Produced (oz)	
	Milled	per Day	Au	Ag	Au	Ag	Au	Ag
1Q 2013	62,437	833	3.10	19.16	79.90%	73.01%	5,184	27,642
2Q 2013	69,588	819	4.16	24.80	82.63%	78.12%	7,508	42,569
3Q 2013	76,207	876	3.06	21.81	78.63%	64.40%	6,080	35,610
4Q 2013	72,219	840	4.29	24.66	81.20%	80.91%	8,025	46,009
TOTAL 2013	280,451	842	3.66	22.70	80.57%	73.98%	26,797	151,830
2012	233,096	761	3.80	22.40	84.50%	69.14%	23,877	116,071
2011	202,581	618	4.73	31.99	85.16%	69.88%	26,256	146,294
2010	192,586	548	4.92	28.35	84.54%	59.18%	25,659	113,007
2009	151,320	414	5.09	31.58	83.46%	49.20%	20,727	79,968

Table 1. Mill Production Data 2009-2013

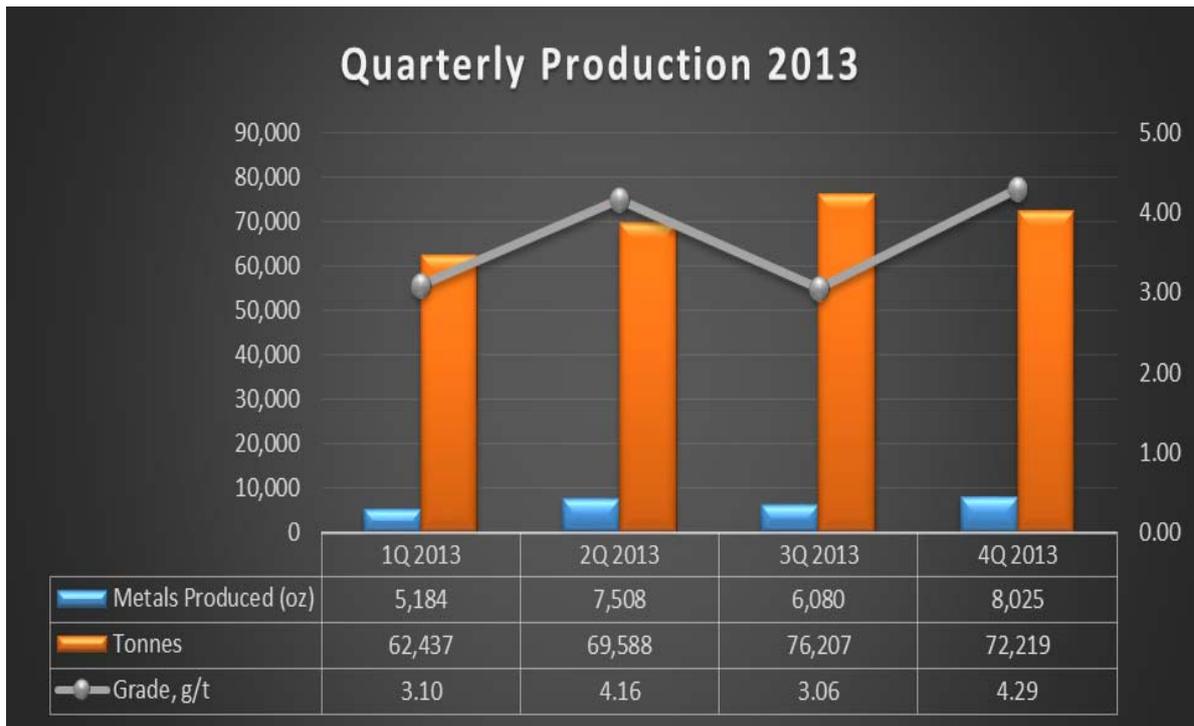


Figure 1. Quarterly Production 2013



Figure 2. Production Summary from 2009-2012

The production in 2013 increased by 12.23% relative to 2012 total gold ounces produced. Tonnage milled significantly improved by 20.32% compared to the previous year but gold grade in feed dropped by 3.68%. The Mine has been ongoing development in new ore sources in preparation for feeding the new 1500 tonnes per day (TPD) plant in the last quarter of 2014. Increase in Mill tonnage was mainly attributed to installation and operation of tertiary crusher, a refurbished 3-foot short head Symons cone crusher. As seen on figure 3 below, throughput based on operating days significantly increased from 2012 to 2013.

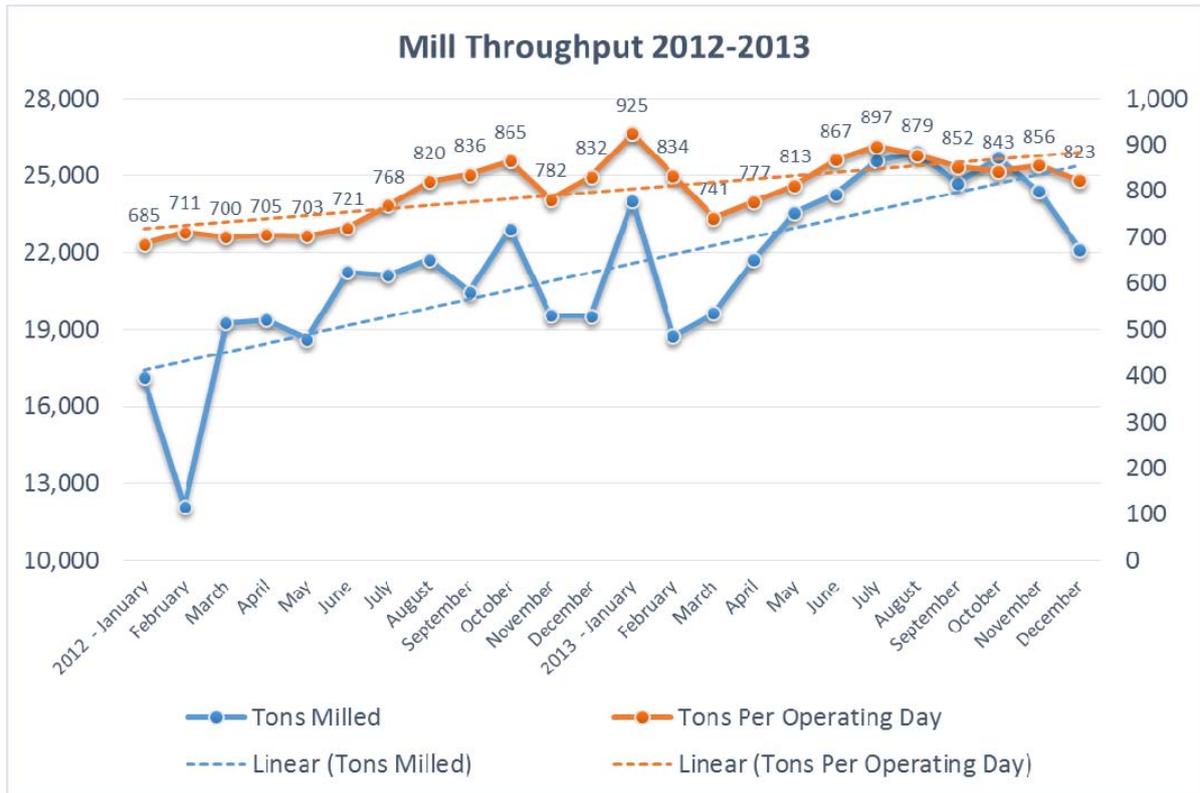


Figure 3. Mill Throughput (TPD based on operating days and monthly)

Mill Operations

For the first quarter of 2013, average throughput slightly increased to an average of 693 tonnes per day (TPD based on calendar days) as compared to the previous quarter from 2012 (674 TPD).

The commissioning of Tailings Pumps Line 4B (Feb 22) contributed to this increase as downtime due to tailings pumps were experienced lesser. However, there were major downtimes which affected production during this period such as the replacement of the ball mill babbitt bearing (Jan. 18-19, 33.25 h) and the repair of the ball mill gear reducer which was delayed due to lack of manpower brought by a rally (March 23-27, 128.81h). Other major repairs during this quarter were the repair of the eccentric shaft outer bearing of the jaw crusher (Feb 9-13, 89.55h) and part replacements of the secondary crusher (Mar 12-14, 35.33h).

During this period, the 3000TPD expansion project (which was officially authorized on July 2012) was in progress. Civil works at CIL, Tailings Pump Station, SAG and Crusher area and new Gold Room were ongoing; permitting for machinery and wiring installations were in process; and the construction of the Mill 2MVA substation building and Mill perimeter fence enlargement were taking place.

For the second quarter, average throughput increased significantly to 765 TPD due to better mechanical availability. Downtimes were lesser (than previous quarter) which include the rod mill re-lining (June 10-11) and scheduled electrical shutdown for the reconstruction of the 4.16 kV Distribution Line Structure that connects to Mill Plant 4.16 kV main line supply and the tapping of the new 4.16 kV parallel circuit of 2 x 2.0 MVA Substation 4.16 kV/0.48kV (Apr 17, 11.5h).

New thickener B Delkor feed well and flocculant dosing system were commissioned (April 19) while Thickener A was cleaned-up in preparation for upgrading to a high-rate thickener.

Meanwhile, there were financial issues for the 3000 TPD Project causing some delays in procurement and construction.

For the third quarter, the quarterly throughput average peaked at 828 TPD for the year 2013. Major repairs were the fixing of the broken outer bearing at the driven pulley side of the pitman assembly of the Jaw Crusher (July 21-24, 77.25h); the replacement of the secondary cone crusher sealing ring (August) and the rod mill re-lining (Aug. 6, 24h).

Servicing of boilers and heat exchangers were performed (Aug. 15-30). For the CIL area, site inspection of density gauge for CIL feed was done by PNRI (Aug. 14) and a paperless recorder for various instruments at CIL area was installed (Aug. 29).

Though a remarkable record high on the tonnage was achieved during this period, quarterly average recovery slightly suffered at 78.63% for gold and 64.40% for silver correlated to the low grade ore fed with high sulfide content.

Finally, for the last quarter of 2013, the average throughput declined to 785 TPD which is mostly charged to maintenance works, several PMS and the ball mill relining (Dec 27- 29, 67.58h). However, highest gold and silver ounces were produced during this quarter, 8,025 oz and 46,009 oz respectively.

Installation of new process water tanks were put up to be used for grinding and tailings line pumps sealing water; CIL Tank 2 was re-converted from a water tank to a leach tank. New Seepex pumps for flocculant and caustic dosing were installed.

During this period, the 3000 TPD project was terminated on October 11 with the change in management. Subsequently, a plant capacity upgrade to 1500 TPD has been organized which included a planned installation of a new ball mill, new set of cyclones, addition of a new fine ore bin, the use of new leaching tanks and other expansion-related works. All works related to this upgrade are projected to be completed by October 2014.

Plans for 2014

From 1st up to 3rd quarter of the year, the existing plant will be operated at an average of 850 TPD while plant capacity upgrade is underway. Mechanical installations for the 1500 TPD line are expected to be completed by October 2014.

CORPORATE SOCIAL RESPONSIBILITY

Apex Mining Co., Inc. (AMCI), has always been sincere in extending continual support to the communities – from their basic needs, to their social, religious and physical development. AMCI makes it a point to give to the people what is due them, with the constant implementation of the Social Development and Management Program (SDMP) through the Community Relations Department.

With this, several programs are directly implemented for and by the people. Below are the programs accomplished for the Calendar Year 2013.

For the **Medical and Health Program**, free medical and dental consultations for the community members and free medicines from the company clinic were provided. There were also four blood-letting activities, assistance to the nutrition program to five schools, medical outreach in partnership with the Armed Forces of the Philippines and free circumcision to 80 children from the host and neighboring barangays of AMCI. For the period of January – December 2013, P 1,090,930.40 was spent particularly for this program.

Moreover, programs on **Social Development and Responsive Education** were prioritized. Scholarships to financially-challenged but deserving High School and College students both Indigenous Peoples (IPs) and Non-IPs were granted. Aside from that, teachers at New Leyte National High School – Teresa Campus were subsidized with monthly honoraria; and 20 deserving students were employed for a Summer Job in coordination with the Department of Labor and Employment (from April to May 2013). Also, an Alternative Learning System for the out-of-school youth was supported; and provision of 20 computer sets to Lorenzo High School and to Maco North and South District was made possible. A total of P 2,512,192.50 was incurred for this program.

For the **Sustainable Livelihood Program**, expenditures totalled to P659,480.00. Such amount was spent for the bookkeeping training with TESDA for the BizCampers, farmers' training on cacao production and the maintenance of the satellite nursery of cacao at New Leyte National High School. Also, two cooperatives were assisted through this program.

In terms of the **Infrastructure Projects**, the following were implemented: Assistance to the roofing project of Maco Parish Church, riprapping in Sitio Bunlang and rehabilitation of the road in Sitio Limao. These projects amounted to P 805,000.00.

Furthermore, there were **Special Programs**, such as the Typhoon Pablo Rehabilitation Program, IP Unification Program, and the Community-Based Pool of Operators/Underground Workers. These programs incurred a big chunk of the SDMP, which amounted to P 6,948,883.18.

In addition are the **Other Community Development Projects/Activities**, with an actual budget of P1,388,234.30. These included assistance to barangays, religious and IP group activities – such as Mass Weddings both to IPs and Non-IPs, Mansaka Tribal Day and provision of community service/vehicle requests.

There were also **Information and Education Campaign (IEC)**, such as the subscription to newspapers, Video-Filming in partnership with MGB-XI, 30 symposia on mining potentials and benefits - conducted on a region-wide coverage and detailing of an IEC vehicle to the SDMP Team. The IEC last 2013 had an actual cost of P3,576,472.57.

Lastly, a program on **Development of Mining Technology and Geosciences** such as conduct of Geo-Hazard Assessment for the benefit of the Community was assisted, as well as the trainings and research & development activities. Continual support to the scholars taking up Mining-Related Courses were also undertaken. A total of P2,420,980.00 was incurred for this program.

Indeed, AMCI co-exists with the communities; thereby aims to maintain harmonious relationships with the people and the community all the time.

HUMAN RESOURCES

The 1st quarter of 2013 for the Human Resource Department has been very demanding especially in terms of recruitment and placement. However, despite its demands the HR Division continues to have sufficient pool of trained staff to meet its operational needs. It recruits, trains and supervises the career development of staff (this is where the Training Department comes in).

With the consistent demand on recruitment for project employees manpower has gradually increased from 1034 in January and it became 1039 in March 31, 2013. Although there were separations due to retirement, there were also new hired employees and also newly promoted employees. See table:

	MPHC	Plus		Minus	
DETAILS:	March 2013	Plus Hires*	Promotion	Less Separations*	Less Promotion
Managers:	44	2		3	
Supervisors	188	1	2		
Rank & File	807	24		3	2
Manpower Headcount	1039	27	2	6	2

Details:

Hires 27
Separation: 6 (Rank & File-3; Supervisory-0; Manager-3)

HR Division continues to implement its existing policies while improving some. Its policies are geared towards raising professional standards and promoting and supporting management through its professional hierarchy. The Department strives to promote internal unity by encouraging staff to identify with the organization's visions and objectives.

The new implementation of the quarterly performance bonus, where Key Performance Indicator, production and safety as the soul of the bonus achievement, challenged and inspired majority of the employees to continue to perform and work for the betterment of the company.

Employee Welfare programs maintained its recognition for employees, giving employees encouragement and support especially with its continued handling on Employees Representative who are the voice of the rank & file particularly in the improvement of safety and health.

The HR Division carries on its long goal project, the HURIS data base where every employees' information can be generated. The new system offers a human resources "self-service" element, available hopefully before the end of the third quarter of 2013.

The 2nd quarter of 2013 for the Human Resource Division continues to be very challenging. Recruitment has been very busy filling-up needed manpower for the special project team in support to the 3,000 tons per day program.

Manpower increases to at least .37% growth compared to last quarter.

Manpower		April	May	June
Company Regular Employees	Managers	43	42	39
	Supervisors	189	196	202
	Rank & File	828	835	836
	Total	1,060	1,073	1,077

In terms of benefits, the management has approved the increase of Rice & Food allowance for rank & file, from 810 per month to 1,500 monthly.

Some activities that were also spearheaded by the HR Division took over the quarter:

1. Monthly meetings with Employees Representatives conducted and report was presented during the Central Safety & Health Council (CSHC) monthly meetings of which some issues were resolved.
2. Model Employee for the 2nd quarter had been awarded to Valenzona, Joseph Sr. from CCW.
3. Counseling sessions conducted to highest sick leavers, which minimized application of sick leaves for the quarter and increased productivity performance.
5. Absenteeism was minimized for the quarter and while overtime percentage increases 2.21 % from 1.10% .
6. Timekeeping updated its report in Absenteeism before the end of the day.
7. Employees with VES were sanctioned and given disciplinary action.
8. Policies , Code of Conduct is being reviewed .

On the other hand, Training, Education and Development Department also took some initiatives. With the arrival of new underground equipment, several training interventions were conducted to develop the skills of operators. At least 150 people were trained to operate various equipment such as Load Haul Dump (LHD), Low Profile Truck (LPT), Jumbo Drill, Boltec and Simba. They were deployed by May 2013 to different workplaces to increase production as the company aimed to reach 3000 TPD towards the later part of the year.

On the 3rd quarter of 2013, lots of movements were implemented. Those employees who underwent training were deployed to Mine operation upon passing the technical training exam. Some employees in the mine also were promoted to supervisory level.

Apart from the above, these are the highlights in the 3rd quarter of 2013:

1. KPI Bonus system continues whereby it was given to all employees.
2. Engagement of another insurance company, which is now the COCOLIFE.
3. Salary increase for operators.
4. IN- step promotion for operators.

Highlights in the last quarter of 2013:

1. HR/Training in collaboration with COM REL Department conducted an examination to communities. This is to select trainees to learn how to use the Jumbo Drill, Arkbro Raise, for their future enhancement if ever they will opt to apply in some other companies. Also, a chance to be hired in APEX, if in case there will be vacancies, is a possibility.
2. Coming in of New Management
3. New Organizational Structure
4. Conduct of 5 year awardees
5. Change of Shift schedule from 7-7 shift to 3 shifts (7 am-3pm) for operation, 6 days a week and 7 am -4pm, 6 days a week (support)

The Human Resource Department supports the goals and objectives of the new management.

Environmental Management

Apex Mining Co., Inc. fully supported the government program on reforestation. For the CY-2013 the Central Nursery of the company has produced 234,614 seedlings of various tree plantation species, fruit trees, bamboo, etc. and planted about 22.62 hectares in open and denuded areas with corresponding 18,270 seedlings planted. Protection and maintenance on tree plantation was conducted. As part of vegetative measures, wattling structures using kakawate and wild sunflower was established on soil erosion prone areas to prevent further erosion. The company continuously maintains the clonal garden for rubber trees.

The company donated 44,162 seedlings assistance as part of the upland development program and the National Greening Program (NGP) of the government. The company maintained the rehabilitation of the two (2) Adopted Mangrove Projects at Barangay Bucana, Maco and Barangay Bongabong, Pantukan, Compostela Valley in support to the environmental protection at the coastal area. Areas for Adopt-A-River Program was continuously developed together with the Barangay Council of Barangay Teresa, Maco, Compostela Valley Province.

Facilities for environmental mitigating measures such as tailing dam and silt ponds are being closely monitored regularly as well as the spillways and canals within the mine site. Construction of Tailings Dam Phase 2E elevation 645m is on-going. Clearing of water ways is being done whenever necessary to prevent clogging of drainages in the site and to prevent siltation of water channels. Regular repair and maintenance of access roads within the mine industrial areas is also being done.

The Environmental Department of APEX conducted regular in-house environmental quality monitoring to attain the standards set by DENR such as, the air and water quality and hazardous waste. The Multi-partite Monitoring Team (MMT) conducted quarterly monitoring to ensure the company's compliance to laws and policies that promotes a safe environment within and outside the area of operation. The company conducted maintenance of all pollution control device installed within the mine site. Continuous Information, Education and Communication Campaign is conducted

to the concerned communities to provide the information about the company and its activities in the area with emphasis on environmental protection and enhancement program.

The Annual Environmental Protection Enhancement Program budget for the year 2013 is Php 47.7 million. Actual expenditures has a total of Php 60.6 million.

Safety and Health

The Safety Department of AMCI takes a proactive approach in ensuring that the wellbeing of all stakeholders is being prioritized. Which means to have a work place where no one gets hurt or injured and everyone goes home safe during operation of our business.

The Safety Department continued to play a major role in the safety management system within the company by placing programs that aid to eliminate or minimize hazards and risks in area and which encourage all workers to be responsible for both their own safety and the safety of others.

Major Achievements include:

- a. Quality of our Safety Management System and Programs is audited on annual basis and found to be SUBSTANTIALLY SATISFACTORY by the Mines and Geosciences Bureau Region XI;
- b. Met the yearly target to lead the industry in safety performance as measured by zero fatality and the lowest safety statistics (which are validated by receiving a recognition in the PMSEA; received both Safest Underground and Mill Extraction Category);
- c. All statutory reports were submitted on time and other regulatory requirements were complied;
- d. Accident/Incident investigations were carried out by the Safety Department and/or Incident/Accident Prevention and Investigation Committee (IPIC) which were then being reviewed each year. All of these were documented to ensure prevention strategies are developed, implemented and monitored.

Other milestones achieved for 2013

SAFETY Policies and Procedures

- Revised and Issued Safety Policies and Memorandum
 - Safety Meeting schedule memorandum
 - Compliance on Mine operation policy memorandum
 - Proper handling of empty sodium cyanide container memorandum
 - Transfer and mobilization of underground equipment during night time memorandum

Meetings and Orientation

- Conducted Monthly CSHC and Departmental Safety Meetings
- Conducted Safety orientation to visitors and newly hired Apex Employees

Investigations

- Conducted an investigation to an accident/incident incurred for the period and provide recommendations.

Inspection and Audits

- Conducted routine inspection at underground and surface working area
- Conducted inspection and audit of fire extinguisher and first aid paraphernalia's at respective underground and surface working areas and equipment & vehicles
- Conducted audit of underground tools at underground working areas
- Conducted Spot Monitoring of Temperature and Humidity at UG areas (Humidex)
- Conducted monthly inspection of fire hydrants installed at Mill and administration building areas
- Conducted inspection of all new equipment / vehicle used in the mine areas.

Seminars and Trainings

- Conducted safety awareness seminar and refresher safety orientation for drivers and operators.
- Attended Municipal Risk Disaster Risk Reduction and Management Committee (MDRRMC) at Municipality of Maco.
- Conducted first aid refresher training to mine operation employees and Emergency Response Team (ERT) members.
- Conducted driver and operators reassessment.
- Conducted training on jumbo drilling safety operation.

Risk Assessment

- Conducted Geohazard and Risk Monitoring at the Tailings Pipeline area and at the slope at the back of the Administration Building
- Conducted risk assessment on the proposed underground projects:
 - Utilization of handheld radio in underground
 - Underground explosives magazine
 - Underground servicing shops

Emergency Drills

- Conducted simulation for Emergency Preparedness Drill in UG (Barabandan area) – Blower Trip off/Power Shutdown
- Conducted Fire and Earthquake drill at the administration building.
- Conducted chemical spillage drill at Mill area.

Others

- Installed safety signage's both from surface and underground working areas
- Prepared and Installed safety signages at mine site roads and all working areas.
- Secured construction permit at MGB-XI for the proposed underground projects.
- Monitored and followed-up action taken to all MGB-XI recommended action plans for negative findings.
- Monitored the compliance of MGB-XI and company safety rules.
- Prepared and submitted monthly (GAR) report to MGB-XI and DOLE.

HEALTH PROGRAMS

- Conducted "Annual Vision/ Care and Cataract Screening Program" to all Apex employees and dependents.
- Conducted Blood Letting Program to Apex employees.
- Conducted Operation Tuli to employees' dependents and community residents of four impact Barangays.
- Conducted "Flu Vaccinations Program" to all Apex employees and dependents.
- Conducted lecture and presentation regarding "Cyanide poisoning, prevention and first aid treatment" on Mill Division on their monthly seminar workshop.
- Conducted Mine Underground Tour, inspection of the workplaces for follow-up and identification of health hazards.
- Attended a consultative meeting regarding TB Control Program Sponsored by the Provincial Health Office.
- Conducted lecture and presentation on Mill Division on their monthly seminar workshop is Lifestyle Diseases.
- Company occupational physician's quarterly graded evaluations of the nurses based on the results of their quarterly exams with their skills and performance of the previous months.
- Cascading of the revised Apex Medical Clinic Change of Physical Consultation Timing.
- Conducted lecture and presentation about hypertension during monthly departmental safety meeting.
- Conducted anti-flu vaccination to Apex employees and dependents.
- Conducted survey and identification of malnourished children under four (4) impact barangays and dependents.

- Conducted close monitoring of malnourished children.
- Monitored the treatment/medications of employees diagnosed with Diabetes, Hypercholesterolemia, Hypertension, Heart Diseases and PTB.
- Conducted minor surgical procedures to employees and dependents with cyst.
- Conducted medical and dental care of employees and dependents.
- Conducted ANNUAL PHYSICAL AND DENTAL EXAMINATION including Hearing test to all regular employees.
- Attended Family Health Fair at Compostela Valley, Sponsored by the PHO (Provincial Health Office) of Compostela Valley Province.
- Continued the monitoring and giving of multivitamins to identified malnourished children.
- Conducted evaluation and interpretation of Annual Physical Examination result.
- Company physician conducted lectures on all Apex nurses regarding PTB Classification and Management (6 participants).
- Pre-employment evaluation of new trainees and newly hired employees.
- Lectures and presentations regarding women's health (88 participants).
- Attended meeting pertaining to the National TB Control Program conducted by the Provincial Health Office of Compostela Valley.
- Conducted lectures and presentations regarding pathogen borne disease awareness/ anti traumatic injuries (85 participants).

Compliance with Environmental Laws

The Company is committed to its environmental and policy statement of protecting and enhancing the environment and has spent total environmental expenses for the year 2012 of about P489 million.

Related Party Transactions

Part III, Item 12 discusses related party transactions.

Major Business Risks

Risk Factors and Uncertainties

1. We will not be able to insure against all possible risks: Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's business is subject to a number of
2. risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays, monetary losses and possible legal liability. If any such catastrophic event occurs, investors could lose their entire investment. Obtained insurance will not cover all the potential risks associated with the activities of the Company. Moreover, the Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. Should a catastrophic event arise, investors could lose their entire investment.
3. Commodity Price Fluctuations - If the price of gold declines, our properties may not be economically viable: The Company's revenues are expected to be, in large part, derived from the extraction and sale of base and precious metals such as gold. The price of those

commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new or improved mining and production methods. The effect of these factors on the price of base and precious metals cannot be predicted and the combination of these factors may result in us not receiving adequate returns on invested capital or the investments retaining their respective values. If the price of gold (including other base and precious metals) is below our cost to produce gold, our properties will not be mined at a profit. Fluctuations in the gold price affect the Company's reserve estimates, its ability to obtain financing and its financial condition as well as requiring reassessments of feasibility and operational requirements of a project. Reassessments may cause substantial delays or interrupt operations until the reassessment is finished.

4. Non-compliance with environmental regulation may hurt our ability to perform our business activities: The Company's operations are subject to environmental regulation in the jurisdiction in which it operates. Environmental legislation is still evolving in this jurisdiction and it is expected to evolve in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. If there are future changes in environmental regulation, they could impede the Company's current and future business activities and negatively impact the profitability of operations.
5. Exchange rate changes may increase the Company's costs: The profitability of the Company may decrease when affected by fluctuations in the foreign currency exchange rates between US Dollars and Philippine Pesos because its sales proceeds and advances from affiliates are denominated in dollars.. The Company does not currently take any steps to hedge against currency fluctuations.
6. Our stock price could be volatile: The market price of our common shares, like that of the common shares of many other natural resource companies, has been and is likely to remain volatile. Results of exploration activities, the price of gold and silver, future operating results, changes in estimates of the Company's performance by securities analysts, market conditions for natural resource shares in general, and other factors beyond the control of the Company, could cause a significant decline on the market price of common shares.

Item 2. Properties

The Company owns mining facilities and administrative support facilities in its Maco mine site.

The principal office of the Company in Pasig City is being leased and renewed every two years with a monthly rental fee of P84,903.97.

Machinery and equipment are acquired month to month as needed usually through direct purchase or through letters of credit, if imported, under supplier's credit terms.

Item 3. Legal Proceedings

The Company is involved in various legal proceedings, claims and liabilities incidental to its normal business activities. The Company's management and legal counsel are of the opinion that the amount of the ultimate liability, if any, with respect to these, including the following matters will not have a material adverse effect on the financial position and performance of the Company.

A table below summarizes the material legal proceedings involving the Company:

Case Title	Case/Docket No.	Regulatory Body/Entity	Nature of Litigation /Claim
1) Apex Mining Co., Inc., et al vs. North Davao Mining	MAC No. POA 98-003-XI (This case # is before the MGB Regional Panel of Arbitrators)	Mines and Geosciences Bureau	Legal has no Data.c/o Manila Office Handling Lawyer: Atty. Hilarion B. Paredes, PJS Law 12F Manila Bank Bldng. 6772 Ayala Ave. Makati City
2) Asia Alliance vs PMDC Handling lawyer: LIBRA Law, Atty. Emmanuel Buenaventura		RTC Pasig	Motion for Intervention filed by Apex in the case of Asia Alliance vs PMDC (failure of bidding on the NDMC claim) in RTC Pasig. Motion for Intervention denied which Apex filed a Motion for Reconsideration still denied because as per RTC a vested right over a mining claim is acquired only upon its approval and not upon filing of an application. Accordingly, Apex will not be prejudiced because the terms of reference used by PMDC in bidding the NDMC mining claim stated that the parties will abide by the outcome of the pending MAB Cases. Denial on MR received November 15, 2013. As per LIBRA Law the company has the following remedies: <ol style="list-style-type: none"> 1. Appeal to the CA, to be filed 15days after Nov. 15, 2013 2. Petition for Mandamus to compel RTC to allow intervention to be filed 60days from receipt of Order. 3. Separate Civil Action for injunction and damages against PMDC to be filed beyond 60days.
2) In the Matter of the Petition for direct Connection with the National Power Corp (NPC) with prayer for issuance of provisional authority to directly connect to the transmitting Grid Apex Mining Co., Inc. <i>Petitioner</i> National Power Corporation (NPC), National Transmission	ERC CASE NO. 2007-239 MC	Energy Regulatory Commission	Judgment rendered in favor of Apex, which ERC granted permanent connection. Handling Lawyer: Atty. Ramon Edison Batacan, Batacan Law Office Remarks: Atty. Ramon Edison Batacan is demanding for the execution of the Compromise Agreement entered into by Jesus D. Anin and Rodolfo Bravo that imposes timeline on the payment of their fees due to the issuance of the permanent connection. As per agreement, down payment of 1million made, 1.5 upon issuance of the decision and 5.5m on or before march 14, 2013.

Corporation (TRANSCO) and Davao del Norte Electric Cooperative (DANECO), <i>Respondents</i>			This agreement is a compromise on the collection case their firm filed against Apex docketed as Civil Case No. 1048, BMV vs Apex and Peri Resabal.
3) Maco Ancestral Domain Council Inc. (MADCI), as represented by Rolando M. Casigloman Et. Al., Complainants -versus- Apex Mining Co. Inc., Benoit de Galbert, Chief Executive, Jesus C. Anin, Resident Manager. Respondents	RXI-0037-12	National Commission on Indigenous Peoples (NCIP) – Region Hearing Office XI	FOR: Specific Performance, Damages, Attorney’s Fees, With Prayer for Issuance of Temporary Restraining Order/ Writ of Preliminary Prohibitory and Mandatory Injunction and Permanent Injunction Submitted to Mediation and Conciliation Proceedings before NCIP Region XI. MADCI was the former IP Organization recognized by Apex and NCIP to represent the Indigenous Cultural Communities of Maco. The group was under the leadership of Datu Roberto Onlos. Datu Onlos was shot in 2011 after allegedly he hired a killer to shoot Datu Laos, a tribal chieftain who was then the Vice President of MADCI. When MADCI was reorganized in 2012, MIPADMA was the newly organized group without retiring the incorporation documentation of MADCI. In later month of 2012, MADCI claimed again the Royalty Payments from Apex which this case for Specific Performance was filed. NCIP called this case for mediation and did not dismiss the same after Apex filed a motion to dismiss. Hence the same is still pending.
4) Paramina Earth Technologies Inc., as Represented by Mr. Alfredo S. Cruz, Plaintiff -versus-	Civil Case No. 12-1023	Regional Trial Court National Capital Region Branch 66, Makati City	FOR: Sum of Money with Damages Defendant filed a motion to dismiss of the complaint filed by the Plaintiff. The Court denied the motion to dismiss filed by the Defendant. Defendant filed a motion for reconsideration of the order of denial. The Motion for Reconsideration is still pending before the court.

Apex Mining Co. Inc. And Mr. Benoit de Galbert, Defendants			(Facts and thorough discussion to follow awaiting complete executive summary from Atty. Batacan)
5) Bagaipo, et. al Plaintiff -versus- Apex Mining Co. Inc. et al, Defendants	Civil Case No. 2131 CA GR CV No. 01360 CA GR SP No. 201810-MIN	Regional Trial Court 11 th Judicial Region Branch 2, Tagum City, Davao del Norte	Judgment rendered against Apex. Execution Stage.

Item 4. Submission of Matters to a Vote of the Security Holders

There were no matters covered under this item submitted to the security holders for a vote.

PART II OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant Common Equity and Related Stockholders Matters

Market Information

The Company's common shares are traded at the Philippine Stock Exchange. The high and low sales prices for each quarter within the last two (2) years and the interim period of January to March 2014 are, as follows:

	A Shares	A Shares	B Shares	B Shares
	High	Low	High	Low
2012 Jan – Mar	5.84	5.30	6.02	5.30
Apr – Jun	5.28	5.14	5.30	5.04
Jul – Sep	4.85	4.81	4.90	4.77
Oct – Dec	4.57	4.54	No trans	No trans
2013 Jan - Mar	4.47	4.40	4.48	4.48
Apr - Jun	3.69	3.69	3.82	3.74
Jul- Sep	3.03	3.01	3.06	3.05
Oct - Dec	2.04	1.91	No trans	No trans
2014 Jan - Mar	3.10	2.78	No trans	No trans

The price information as of the close of latest practicable date April 30, 2014, is P3.50 for Class A.

Holders

As of 31 March 2014, the Company has 2,802 shareholders with One Billion Eight Hundred Sixty Eight Million Six Hundred Thirty Nine Thousand Six Hundred Sixty Four (1,868,639,664) common shares.

The BOD and stockholders of the Company approved on May 29, 2013 and July 12, 2013, respectively, the declassification of Class "A" and Class "B" shares to a single class of shares. The amendment in Article VII of the Company's Articles of Incorporation detailing with the declassification was approved by the SEC on September 20, 2013. The Company adopted the stock symbol "APX" that was effected on the Exchange's trading system on October 24, 2013.

As of 31 March 2014, the top twenty (20) stockholders of Apex are as follows:

Name of Stockholder	Total Number of Shares	Percentage of Ownership
1) Mapula Creek Gold Corporation	762,493,915	40.80%
2) Mindanao Gold Ltd.	645,100,029	34.52%
3) Monte Oro Resources and Energy, Inc	224,627,948	12.02%
4) PCD Nominee Corp.	211,568,130	11.32%
5) PCD Nominee Corporation (Non-Filipino)	2,942,960	0.16%
6) Rexlon Industrial Corporation	1,006,525	0.05%
7) Lucio W. Yan &/or Clara Yan	485,525	0.03%
8) Jalandoni, Jayme, Adams & Co., Inc.	484,892	0.03%
9) Northwest Insurance and Surety Co., Inc.	400,000	0.02%
10) Ignacio Ortigas	311,665	0.02%
11) Ansaldo, Godinez & Co., Inc.	304,448	0.02%
12) Prudential Sec., Inc.	295,385	0.02%
13) F. Yap Sec., Inc.	281,509	0.02%
14) JRT Sec. Corp.	233,749	0.01%
15) First Integrated Cap., Sec. (201204)	200,000	0.01%
16) Golden Tower Sec. and Holdings, Inc	200,000	0.01%
17) Lippo Sec., Inc. A/C 112011076	200,000	0.01%
18) Solar Sec., Inc.	200,000	0.01%
19) David Go Sec., Corp.	196,594	0.01%
20) Dominic Perfecto &/or Dorothy	190,000	0.01%

As of 31 March 2014, the public ownership level of the Company is at 12.65%.

Dividends

The Company did not declare any cash dividends on each class of its common equity for 2012, 2013 and the interim period of January to March 2014.

The Company has not established any restriction that would limit the ability to pay dividends on common equity. The Company does not have any plans of setting any restrictions on the matter in the immediate future.

Recent Sales of Unregistered or Exempt Securities

No securities were sold by the Company within the past three years which were not registered under the Code. There was no sale of reacquired securities during the same period.

Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations

Statement of Comprehensive Income

Sales

The Company's sales in the fourth quarter ended December 31, 2013 and 2012 amounted to ₱487 million and ₱473 million, respectively, an increase in sales of 3% or ₱14 million, bringing the total sales for year ended December 31, 2013 and 2012 to ₱1,733 million and ₱1,817 million, respectively, a decrease of 5% or ₱84 million.

Information on the realized price and volume shipped of gold for the fourth quarter and the year ended December 31, 2013 and 2012 are as follows:

	Fourth Quarter			Year Ended		
	2013	2012	Change	2013	2012	Change
Volume in ounces (oz)	8,171	5,940	38%	27,468	23,686	16%
Realized price/oz	\$1,262	\$1,670	(24%)	\$1,389	\$1,659	(16%)

Information on the realized price and volume shipped of silver for the fourth quarter and the year ended December 31, 2013 and 2012 are as follows:

	Fourth Quarter			Year Ended		
	2013	2012	Change	2013	2012	Change
Volume in oz	47,114	25,435	85%	150,753	108,872	38%
Realized price/oz	\$20	\$32	(35%)	\$23	\$33	(30%)

The weighted average foreign exchange rate of US\$1.0 to PHP used for the fourth quarter ended December 31, 2013 and 2012 was at ₱43.18 and ₱41.20, respectively, and for the year ended December 31, 2013 and 2012 at ₱41.43 and ₱42.25, respectively.

An analysis of the sales variance, which comprises of volume, price and exchange rate variances, between the comparative fourth quarter and year ended December 31, 2013 and 2012 of the Company are as follows:

Variances	Fourth Quarter 2013 and 2012			Year 2013 and 2012			Total
	Gold	Silver	Total	Gold	Silver	Total	
	₱153,521,10			₱265,126,52		₱323,695,11	
Volume	0	₱28,579,968	₱182,101,067	1	₱58,568,595	6	
Price	(137,457,877)	(32,853,373)	(170,311,250)	(302,900,064)	(63,056,098)	(365,956,162)	
Exchange rate	1,684,171	156,983	1,841,154	(28,719,970)	(12,849,736)	(41,569,707)	
Sales	₱17,747,394	(₱4,116,423)	₱13,630,971	(₱66,493,513)	(₱17,337,240)	(₱83,830,753)	

The increase in volume of metals sold by the Company in the fourth quarter of 2013 compared to the volume of metals sold in the same period in 2012 was dragged by the decrease in metals prices of the both gold and silver in the two comparative periods. Higher tonnage and ore grade in the fourth quarter of 2013 compared to the same period in 2012 led to the positive volume variance. This was significantly pulled back by the weak gold and silver prices in the two comparative periods in 2013 and 2012.

Full year sales variance can be broken down into an increase in volume shipped, but sales was negatively affected by the decline in the average realized metal prices and the appreciation of the PHP in 2013 and 2012.

Cost of Sales

Cost of sales incurred in the fourth quarter ended December 31, 2013 and 2012 amounted to ₱614 million and ₱298 million, respectively, bringing the cost of sales for the year ended December

31, 2013 and 2012 to ₱1,705 million and ₱1,198 million, respectively. A breakdown of the main components of cost of sales in 2013 and 2012 is as follows:

- Materials used in mining and milling grew by ₱271 million or 55% in 2013 compared to 2012 as a result of the increase in the following factors, among others:
 - Ore mined totaled 337,983 tons and 157,555 tons of ore in 2013 and 2012, respectively, or an improvement of 115%;
 - Ore milled tallied 280,451 tons and 233,097 tons in 2013 and 2012, respectively, an increase of 20%; and
- The acquisition of a new fleet of heavy equipment and completion of various construction works in 2013 on the core house building, refuge chamber inside the mine, and container vans, as well as the increase in ore mined, contributed to the increase of ₱138 million or 39% in the depreciation, depletion and amortization expense in 2013 compared to 2012.
- Personnel cost increased by ₱22 million or 20% due to the new salary scheme implemented in the middle of 2012 which increased the salaries of the employees was taken up in full in 2013.
- Rent surged by ₱22 million or 40% in 2013 compared to 2012 as a direct result of gradual addition of equipment rented out from a supplier from four units in 2012 to 10 units in 2013. Another reason for the increase in rent is due to the Company's decision to reduce its exploration and development activities in 2013 and focus utilization of its rented out equipment to operational activities.

General and Administrative Expense

General and administrative expenses incurred for the fourth quarter ended December 31, 2013 and 2012 amounted to ₱141 million and ₱206 million, respectively, bringing the general and administrative expenses for the year ended December 31, 2013 and 2012 to ₱547 million and ₱595 million, respectively. Details of the significant elements of general and administrative expenses are shown below.

- Depreciation and amortization decreased by ₱58 million or 84% due to items being written off in the first half of 2013 or were sold in the third quarter of 2013. There were also items that were already fully depreciated in the first half of 2013, but were still being depreciated in 2012.
- The increase in personnel cost of ₱5 million or 3% in 2013 as compared to 2012 was due to the new salary scheme (refer to Personnel Cost explanation under Cost of Sales).
- Contracted services rose ₱5 million or 12% in 2013 compared to 2012. The jump in cost was brought about by the increased need of support services of the increased activities of the Company in 2013.
- Excise taxes, royalties and surface rights, which are derived from sales or gross income, dipped by ₱3 million or 6% in 2013 as compared to 2012 as a result of the decrease in sales and gross income.

Other Income (Charges)

The breakdown of the main components of other income (charges) in 2013 and 2012 amounting to ₱338 million in other charges and ₱19 million in other income, respectively, is presented below.

- The Company recognized ₱126 million in net foreign exchange losses in 2013 compared to ₱31 million net foreign exchange gains in 2012. The amount is a combination of transaction and translation adjustments to foreign currency-denominated financial assets and liabilities. The Company is in a net foreign currency-denominated financial liability position as of December 31, 2013 and 2012.

The closing exchange rate of \$1.0 to PHP as of December 31, 2013 and 2012 was ₱44.41 and ₱41.19, respectively. The weakening of the PHP against the USD resulted in a recognition of

unrealized foreign exchange losses and gains, respectively, due to the translation of the Company's net foreign currency-denominated financial liabilities.

- In 2013, the Company entered into finance lease agreements for the purchase of a new fleet of heavy equipment and transportation vehicles, and loan facilities with banks. These transactions resulted in recognition of interest expense charges totaling ₱72 million in 2013. These arrangements were not yet entered into by the Company in 2012.

Other Comprehensive Income

Aside from the effects of the re-measurement loss of the accrued retirement benefits of the Company, there were no other items affecting other comprehensive income as of and for the year ended December 31, 2013 and 2012.

Statement of Financial Position

Current Assets

Total current assets decreased by ₱531 million or 38% from ₱1,410 million as of December 31, 2012 to ₱879 million as of December 31, 2013 primarily due to the following:

- The Company was able to generate positive cash flows from operating and financing activities in 2013 amounting to ₱751 million and ₱1,036 million, respectively. However, mill expansion project expenditures and continuous exploration and development activities required the Company to disburse ₱1,823 million for investing activities. Net effect on cash, after the impact of foreign exchange rate changes, was a decrease of ₱19 million.
- Receivables shed ₱305 million or 49% from its December 31, 2012 balance of ₱618 million to ₱313 million mainly because of the collection of trade receivables from the Company's customer.
- A drop in the inventory level of ₱185 million or 31% due to mainly to write offs of obsolete items and improved inventory management.

Noncurrent Assets

Total noncurrent assets grew by ₱1,355 million or 52% from ₱2,625 million as of December 31, 2012 to ₱3,980 million as of December 31, 2013 primarily due to the following:

- Property, plant and equipment account increased to ₱1,904 million as of December 31, 2013 from ₱915 million as of December 31, 2012 due primarily to acquisitions and constructions made in 2013.
- Deferred mine exploration and development costs climbed to ₱1,442 million as of December 31, 2013 from ₱966 million as of December 31, 2012 as a result of continuous exploration of new areas of interest, and development of existing areas showing economic feasibility.
- The dip in mine and mining properties of ₱141 million is due to depletion charges in 2013.

Current Liabilities

Current liabilities rose by 65% from the December 31, 2012 balance of ₱1,475 million to the December 31, 2013 balance of ₱2,430 million. The breakdown of the change in the current liabilities level is detailed below.

- Accounts payable and accrued liabilities grew by ₱439 million as of December 31, 2013 compared to the December 31, 2012 balance due to the increased level of purchases and service needs of the Company in connection with its exploration and development activities, and mill expansion.
- The current portion of the loans payable of the Company consists of loans related to the financing of the heavy mobile equipment acquired during the year, and the term loan obtained

from local banks to finance the supposed mill expansion. The Company was not able to meet certain conditions in its loan covenants, thus, rendering the loans as current. Management is in constant communication with the parties involved to structure in a new scheme or payment plan acceptable to all.

- Due to related parties dropped to ₱353 million as of December 31, 2013 from ₱837 million as of December 31, 2012. The decrease is a result of the conversion of related party debts to equity, as approved by regulators in the second quarter of 2013.

Noncurrent Liabilities

Noncurrent liabilities decreased by ₱31 million as of December 31, 2013 from ₱174 million as of December 31, 2012 mainly due to the following:

- Decrease in deferred income tax liabilities of ₱34 million due to reversal of future taxable amounts such as revaluation surplus and unrealized foreign exchange gains of the prior years;
- Decline in the provision for mine rehabilitation and decommissioning of ₱35 million due to changes in estimates and assumptions; and
- Additional accrued retirement benefits as a result of the adoption of the revised standard on employee benefits. Prior period impact of the adoption of the revised standard amounted to ₱7 million, while the 2013 impact on other comprehensive income amounted to ₱14 million and on the 2013 statement of comprehensive income at ₱16 million, bringing the total 2013 impact on accrued retirement benefits to about ₱30 million.

Equity

Equity slightly dipped by 4% or ₱101 million, which is the net impact of the additional capital from shareholders, conversion of debt to equity, and the net loss for the year ended December 31, 2013.

Key Performance and Financial Soundness Indicators

The key performance indicators below are not based on Generally Accepted Accounting Principles (GAAP) financial measures and are therefore not audited. Similar data may be interpreted and presented differently when compared to other entities' data.

Tons Mined and Milled

Tonnage, ore grade and metal recovery determine the production and sales volume. The higher the tonnage, ore grade and recovery, the more metals are produced and sold.

The mine production attained 337,983 tons with a grade of 4.5 Au, g/t in 2013 compared to the 157,555 tons with a 4.5 Au, g/t in 2012.

On the other hand, the mill plant processed a total of 280,451 tons with a mill head grade of 3.7 Au, g/t and 22.7 Ag, g/t in 2013 compared to the 233,096 tons with a mill head grade of 3.8 Au, g/t and 22.35 Ag, g/t in 2012. Average metal recovery in 2013 for gold and silver was 80.6% and 74.1%, respectively, while in 2012 was 84.5% and 68.9%, respectively.

Financial Soundness Indicators

Management has identified the following as the financial ratios deemed significant in assessing the Company's performance and financial soundness:

Financial Ratio	Formula	December 31	
		2013	2012
<hr/>			

Current ratio	Current assets	0.36:1	0.96:1
	Current liabilities		
Debt-to-equity	Total debts	1.13:1	0.69:1
	Total equity		
Asset-to-equity	Total assets	2.13:1	1.69:1
	Total equity		
Return on assets	Net income (loss)	(0.17):1	0.01:1
	Total assets		
Return on equity	Net income (loss)	(0.36):1	0.02:1
	Total equity		

Item 7. Financial Statements

The audited financial statements are presented in Part IV, Exhibits and Schedules.

Item 8. Information on Independent Accountants and other Related Matters

External Audit Fees and Services

Audit and Audit-Related Fees

For 2013 and 2012, the audit was basically engaged to express an opinion on the financial statements of the Company. In addition, the audit included providing assistance to the Company in the preparation of its income tax return in as far as agreement of the reported income and costs and expenses with the recorded amounts in the books. The procedures conducted include those that are necessary under auditing standards generally accepted in the Philippines. This, however, did not include detailed verification of the accuracy and completeness of the reported income and costs and expenses. The audit fees for these services were ₱2.5 million for 2013 and ₱2.5 million for 2012.

Tax Fees

There are no related services or tax fees paid for the year 2013.

All Other Fees

There are no other services rendered by the external auditors other than the usual audit services as mentioned above.

Audit Committee's Approval Policies and Procedures

Prior to the commencement of audit work, the external auditors present their program and schedule to the Company's Board Audit Committee which include discussion of issues and concerns regarding the audit work to be done.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and/or disagreements with independent accountants on accounting and financial disclosure and no change in the Company's independent accountants during the two most recent fiscal years or any subsequent interim period.

PART III CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

As of 31 March 2014, the positions, names, ages and citizenship of all directors and executive officers of the Company are, as follows:

Position	Name	Age	Citizenship
<i>Directors:</i>			
Chairman of the Board	Walter W. Brown	74	Filipino
Executive Director	Ramon Y. Sy	83	Filipino
Executive Director	Noel V. Tanglao	56	Filipino
Director	Rafael del Pilar	63	Filipino
Director	Bruce McDonald	48	Australian
Independent Director	Elmer Pedregosa	45	Filipino
Independent Director	Dennis Uy	40	Filipino
<i>Officers:</i>			
President and CEO	Walter W. Brown	74	Filipino
Chief Financial Officer	Ramon Y. Sy	83	Filipino
SVP-Operations/Resident Mgr	Modesto B. Bermudez		Filipino
SVP-Exploration and Development	Graciano P. Yumul, Jr.	54	Filipino
Executive Vice President	Noel V. Tanglao	56	Filipino
AVP/Asst Resident Manager for External Affairs and Compliance	Renne Subido	56	Filipino
AVP/Asst. Resident Manager for Administration and Finance	Rosemarie F. Padilla	50	Filipino
AVP/Asst. Resident Manager –Chief Planning Engineer	Raul B. Cezar	55	Filipino
Corporate Secretary	Rosanna A. Parica	48	Filipino
Asst. Corporate Secretary	Silverio Benny Tan	57	Filipino

Directors

The following are the present directors of the Company whose terms of office are for one (1) year or until their successors are elected and qualified:

WALTER W. BROWN, 74, He was elected as Director last October 21, 2013. His experience encompasses a wide spectrum of industries from mining through energy & power sector all the way to real estate business. He was former President of Philex Mining Corporation and National Grid Corporation of the Philippines. He is also the Chair of A Brown Company Inc. , a publicly listed company, President of Minas de Oro (Mongolia) and Monte Oro Resources & Energy, Inc. (MORE, Inc.) – Sierra Leone (Africa).

RAMON Y. SY, 83, He was elected as Director last October 21, 2013. Prior to this, his knowledge and experience in the banking sector is beyond compare. He has been with the Bank of America, has been the President /CEO of United Coconut Planters Bank (UCPB) and I-Bank. He was

responsible in making UCPB profitable again. He is now the Vice Chairman of Asia United Bank and the Chair of the Executive Committee of MORE, Inc.

NOEL V. TANGLAO, 56, Executive Vice President. Mr. Tanglao was elected as Director of the Company last July 12, 2013. During the last Organizational Meeting of the Board of Directors last 21 October 2013, he was elected as Executive Vice President. Prior to this, he served as President. Until recently, he served as President of Lift Logistics Resources, Inc., Vice President for Business Development of the Leonio Group of Companies and Managing Director of Rising Stars Philippines. He has also been the General Manager of Petron Marketing Corporation, Petron Freeport Corporation and Retail Trade, Petron Corporation up to 2010. At Petron Corporation, aside from general management, he was involved with the different trades such as energy, both conventional and renewable, downstream petroleum industry, procurement and logistics, information technology, distribution, retail and non-fuel business of Petron such as convenience store retailing, quick serve restaurants and other retailing formats.

RAFAEL DEL PILAR, 63. He was elected as Director of the Company last July 12, 2013. Mr. del Pilar has been in the forefront of the energy industry for more than 33 years. He began his illustrious career in petroleum exploration in 1977 as an exploration geologist with PNOC EC. Mr. del Pilar is a consultant to a number of Philippine, Indonesian and Chinese companies since February 2011. Prior to that, from 2006 to 2010, he was the President and CEO of PNOC Exploration Corporation, (PNOC EC), the flagship of the Philippine National Oil Company, with business lines covering petroleum exploration and production, coal mining, exploration, trading and marketing, power generation, natural gas development and production, and commercial port operations

BRUCE MCDONALD, 48. Mr. McDonald was elected as Director of the Company last December 16, 2013. He is currently a Technical Director of Abracadabra Speculatives Ventures, Inc and the Managing Director of ASVI Technical Services Group. He has various experiences in mining companies globally.

DENNIS A. UY, 40. Mr. Uy was elected as Director of the Company last March 19, 2013. Mr. Uy, Filipino, 39 yrs. old, is the founder of Phoenix Petroleum Philippines, Inc. (PPPI) and has served as President and CEO since its inception. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of PPPI, and Udenna Corporation, the ultimate parent company of PPPI. Mr. Uy is also Chairman of F2 Logistics, Phoenix Philippines Foundation, Inc., and Udenna Foundation, Inc. He is a member of the Young Presidents Organization-Philippine Chapter and the Philippine Business for Social Progress. Mr. Uy is the Honorary Consul of Kazakhstan to the Philippines since November 2011. He is a graduate of De La Salle University with a degree in Business Management.

ELMER PEDREGOSA, 45. Atty. Elmer Pedregosa was elected as Director of the Company last July 12, 2013. Atty. Pedregosa is a lawyer by profession. Currently he is the managing partner of Pedregosa Law Offices; Director and Legal Counsel of Royal Asia Land Inc., Gueuze Land Corporation, Kriek Property Development Corp., and Universal Scope Phils., Inc. He is also a Director of Bluebay Aquaculture Inc. and Consulting Counsel of San Miguel Corp. and Multi Ventures Investment Holdings Inc.

Significant Employees

Apex is not aware of any employee who is not an executive officer named above but is expected to make a significant contribution to the business of Apex.

Family Relationships

There are no family relationships among the officers of Apex.

Involvement in Certain Legal Proceedings

To the knowledge and information of Apex, none of its present members of the board of directors

and its executive officers are presently or during the last five (5) years involved in any material proceeding, affecting, involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere. To the knowledge of Apex, none of the members of its board of directors and executive officers has been convicted by final judgment of any offense punishable by laws of the Republic of the Philippines or of the laws of any other country.

Item 10. Executive Compensation

The executive officers of Apex are regular employees of the Company and are remunerated with a compensation package consisting of twelve (12) months base pay. They also receive whatever mid-year and year-end gratuity pay, if any, that the board of directors of the Company may approve and extend to the managerial, supervisory and regular employees.

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid during the ensuing fiscal year to the executive officers, other officers and members of the board of directors of Apex are, as follows:

SUMMARY OF COMPENSATION TABLE ANNUAL COMPENSATION		
<u>Year</u>	<u>Salary</u>	<u>Bonus/Others</u>
2014 (Estimated)	46,059,820	none
2013	30,174,950	3,386,380
2012	13,885,223	2,064,091
2011	5,912,640	1,528,949

The aggregate total amount of compensation for the years 2011, 2012, 2013 and estimated amount to be paid in 2014 as presented in the above table are for the following officers:

CEO and Top 4 Most Compensated Officers

<u>Current:</u>	<u>Previous/Resigned:</u>
Walter Brown (CEO)	Baiverth Diabo (CEO)
Ramon Sy	Colin Patterson
Modesto Bermudez	Rodolfo Bravo
Graciano Yumul, Jr.	Jesus Anin
Noel Tanglao	Emelita Fabro
	Benoit de Galbert
	Peregrino Resabal (CEO)

The amounts for 2013, 2012, 2011 were inclusive of salaries, bonuses and others of previously resigned officers.

<u>OTHER OFFICERS AND DIRECTORS' FEES</u>			
<u>Year</u>	<u>Total Officers'</u>		<u>Total</u>
	<u>Salary</u>	<u>Bonus/Others</u>	<u>Directors' Fees</u>
2014 (Estimated)	30,800,000	none	3,840,000
2013	30,422,181	2,817,279	3,297,777
2012	9,548,184	1,967,234	341,700
2011	2,143,565	2,201,300	804,000

ALL DIRECTORS & OFFICERS AS A GROUP

<u>Year</u>	<u>Total Amount</u>
2014 (Estimated)	80,699,820
2013	70,098,557
2012	27,806,432
2011	12,590,454

Compensation of Members of the Board of Directors

The members of the board of directors of the Company are paid Philippine Pesos Eighty Thousand (Php80,000.00) for each meeting (whether regular or special) of the board of directors or the stockholders. Apart from the foregoing, there are no arrangements regarding the compensation (whether direct or indirect) of the members of the board of directors for their services.

During the Special Meeting of the Members of the Board of Directors on the November 13, 2012, it was passed and approved that the per diem of directors for every meeting is P80,000 each net of applicable taxes.

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

The contractual relationship between the executive officers and Apex are employer-employee in nature. The remuneration they receive from the Company is solely in the form of salaries and bonuses.

Warrants and Options Outstanding: Repricing

The chief executive officer and other executive officers of the Company do not hold any outstanding warrants or options.

Security Ownership of Certain Record and Beneficial Owners

As of 31 March 2014, the following owned at least five percent (5%) of the issued and outstanding shares of the Company:

Title of Class	Name and address of record owner and relationship with issuer	Name of beneficial owner and relationship with record owner	Citizenship	Number of shares held	%
A	MAPULA CREEK GOLD CORPORATION 17F Prestige Tower, Ortigas Center, Pasig City PHILIPPINES	Mindanao Gold Ltd. See note 1 below	Filipino	762,493,915	40.80
B	MINDANAO GOLD LTD. Suite 10.3, 10F Rohas Perkasa West Wing 8 Jalan Perak, 50450, Kuala Lumpur MALAYSIA	Mindanao Gold Ltd. See Note 2 below	Malaysian	645,100,029	34.52

A	MONTE ORO RESOURCES & ENERGY, INC. 3304 C West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City	Seen note 3 below	Filipino	224,627,948	12.02
A & B	PCD NOMINEE CORPORATION GF MSE Bldg., Ayala Avenue, Makati City PHILIPPINES	PCD Participants See note 4 below	Filipino	211,565,158	11.32

¹ Mapula Creek Gold ("Mapula) is majority owned by. Mindanao Gold holds 10,000 Class B shares of Mapula thru a Purchase and Sale Agreement with Crew Gold Corporation. Mapula is the majority stockholder of the Company.

² Mindanao Gold Ltd. is one of the majority stockholders of the Company as represented by Mr. Benoit de Galbert to exercise the voting power on behalf of Mindanao Gold and decide how all shares in the Corporation are to be voted.

³ Monte Oro Resources Energy Inc. ("Monte Oro") is a Philippine corporation in which 96.69% is owned by Filipinos and 3.31% owned by foreign nationals. Monte Oro is one of the major stockholders of the Company.

⁴ PCD Nominee, Corp. (PCNC) is a wholly owned subsidiary of Philippine Central Depository Inc. ("PCD"), is the registered owner of the shares in the books of the Company's transfer agent. The beneficial owner of such shares are PCD's participants who hold the shares on their behalf or in behalf of their clients. As of March 31, 2014, Vicsal Securities and Stockbrokerage Inc. owns on record 19,657,160 Class A common shares but of which does not qualify as beneficial owner owning more than 5% of the Company's stock. No other PCD participant owns on record or beneficially more than five (5%) of the Company's stock. PCD is a private company organized by the major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transaction in the Philippines.

Except for the beneficial owners mentioned above, there is no other person or group who is known to the Corporation to be the beneficial owner of more than 5% of its voting securities. There is also no voting trust agreement involving shares of the Corporation.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of the Members of the Board of Directors and Management

The number of voting shares beneficially owned by the members of the board of directors and named executive officers as of 31 March 2014 are, as follows:

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percent of Class
A	WALTER W. BROWN	298	Filipino	0.00%
A	RAMON Y. SY	95	Filipino	0.00%
A	NOEL V. TANGLAO	1	Filipino	0.00%
B	BRUCE MCDONALD	100	Australian	0.00%
A	RAFAEL DEL PILAR	1,000	Filipino	0.00%
A	DENNIS A. UY	1	Filipino	0.00%
A	ELMER PEDREGOSA	1,000	Filipino	0.00%
A	SILVERIO BENNY TAN	10,000	Filipino	0.00%
	All officers and directors as a group			

The Company is not aware of any voting trust agreement or similar agreement in which a stockholder of five (5%) or more of the Company shares is a party to.

Item 12. Certain Relationships and Related Transactions

In the normal course of business, the Company transacted with companies which are considered related parties. A summary of the more significant transactions with related parties is shown on Note 14 of the Audited Financial Statements for the year ended December 31, 2013.

The Company recognized its advances with related parties with an aggregate total of P483 million as of December 31, 2013. The related parties are Mindanao Gold Ltd. (Mindanao Gold) and Mapula Creek Gold Corp. (Mapula), major shareholders of the Company; Teresa Crew Gold Philippines, Inc., an entity under common control; and Abracadabra Speculative Ventures, Inc. (ASVI), which is the ultimate parent. There were also advances from Monte Oro Resources & Energy Inc. which pertain to a loan obtained by the Company to fund working capital requirements which was issued through a convertible promissory note. The loan bears 70% interest per annum and is payable five (5) months after December 31, 2013.

Purchases and expense from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free and settlement occurs either in cash or through offsetting of accounts. There have been no guarantees provided for any related party receivables and payables. For the years ended December 31, 2012 and 2011, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related parties and the market in which the related parties operate.

On July 20, 2012, Mindanao Gold and Mapula each entered into a Deed of Assignment with the Company for the assignment and conversion of the Company's debt to both related parties to equity amounting to P320.81 million and P164.09 million, respectively, in exchange for the issuance of P72.91 million Class B shares and P37.29 Class A Shares, respectively, which were approved by the BOD of all parties. The documents necessary for the approval of the debt-to-equity transaction were submitted to the SEC on March 15, 2013, and have not yet been approved as at March 21, 2013.

The Corporation or its related parties have no material transaction with parties falling outside the definition "related parties" under Statement of Financial Accounting Standards/International Accounting Standards No. 24 that are not available for other, more clearly independent parties on an arm's length basis.

PART IV CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company has adopted a corporate governance evaluation and self-rating system which was approved by the board of directors. The Corporate Governance Compliance Officer, in coordination with other officers of Apex, measures and determines the level of compliance of Apex, the members of its board of directors, corporate officers, and other employees with the provisions of Apex's Manual of Corporate Governance and other relevant laws, rules and regulations relating to corporate governance.

The Corporate Governance Compliance Officer monitors compliance with Apex's corporate governance standards and, together with the board of directors, reviews other leading practices (both within and outside the industry) which may be adopted by Apex. However, as of 31 December 2013, there were no definite plans to improve Apex's corporate governance.

Item 14 Exhibits and Reports on SEC Form 17-C

(A) Exhibits and Exhibit Index

Statement of Management Responsibility for Financial Statements
Report of Independent Auditors
Audited Consolidated Financial Statements and Notes for the year ended December 31, 2013
Schedule E. Other Assets
Schedule G. Indebtedness to Related Parties
Schedule I. Capital Stock

(B) Reports on SEC Form 17-C

<u>Date</u>	<u>Items Reported</u>
February 19	Resignation of Atty. Bienvenido Laguesma as Director
March 20	Election of Mr. Dennis A. Uy as Director Approval of Audited Financial Statements for the year ended 12.31.2012
May 30	Postponement of Annual Stockholders' Meeting from June 28 to July 12
June 3	Annual Stockholders' Meeting be postponed from June 28, 2013 as per Bylaws of the Company (last business day of June) to July Record date to determine the stockholders entitled to notice of the meeting and to vote shall be June 14, 2013; Approval of the Amendment of the Articles of Incorporation of the Corporation to reflect the reclassification of the shares comprising the existing authorized capital stock of the Corporation, consisting of Class "A" shares and Class "B" shares to a single class of common shares.
July 12	Results of Annual Stockholders' Meeting Results of Reorganizational Meeting of BOD
July 19	Appointment of Officers and Board Committees Appointment of BDO Unibank Inc. as stock transfer agent Authorization of Connie del Rio to represent the Company from the National Commission on Indigenous Peoples (NCIP)
October 21	Resignation of Benoit de Galbert as Director and CEVP Resignation of Graciano P. Yumul Jr. as Director Appointment of Dr. Walter Brown as Director/Chairman/President Appointment of Ramon Y. Sy as Director Re-election of Board Committees Creation of Finance Committee
December 17	Scales down mine expansion program from 300TPD to 1500TPD Resignation of Javier del Ser as Director Election of Bruce McDonald as Director Appointments of Modesto Bermudez as SVP/RM for Operations, Graciano P. Yumul Jr. as SVP for Exploration and Dev't., and Atty. Silverio Benny Tan as Asst. Corporate Secretary

SIGNATURES

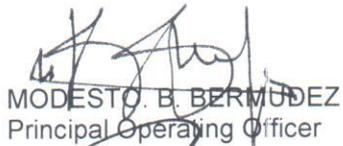
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on

By:



WALTER W. BROWN
Principal Executive Officer

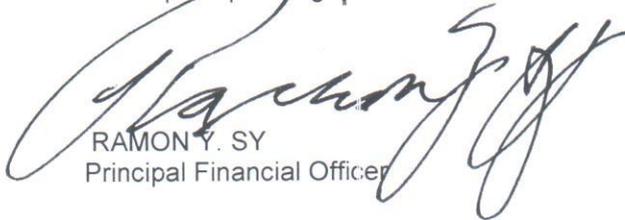
Note: The Company has no Comptroller
Comptroller



MODESTO B. BERMUDEZ
Principal Operating Officer



ROSEMARIE F. PADILLA
Principal Accounting Officer



RAMON Y. SY
Principal Financial Officer



ROSANNA A. PARICA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 30 day of APR 2014
affiant(s) exhibiting to me their respective valid identification nos., as follows:

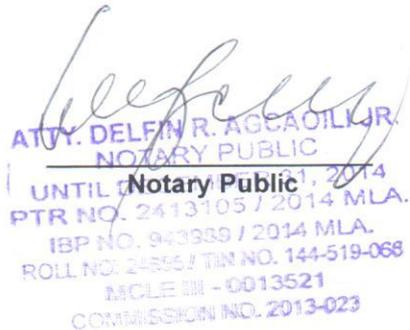
NAMES

Identification Nos.

WALTER W. BROWN
RAMON Y. SY
MODESTO B. BERMUDEZ
ROSEMARIE F. PADILLA
ROSANNA A. PARICA

Doc. No.:
Page No.:
Book No.:
Series of 2014.

268
36
433
2014



ATTY. DELEYN R. AGCAOILI, JR.
NOTARY PUBLIC
Notary Public
UNTIL APRIL 30, 2014
PTR NO. 2413105 / 2014 MLA.
IBP NO. 943989 / 2014 MLA.
ROLL NO. 24556 / TIN NO. 144-519-068
MCLE III - 0013521
COMMISSION NO. 2013-023