

# NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

Please be informed that the **Annual Stockholders' Meeting** of **APEX MINING CO., INC.** will be held on June 30, 2015 at 3 o'clock in the afternoon at the Valle Verde Country Club, Capt. Javier St., Pasig City.

The agenda for the meeting is as follows:

1. Call to order;
2. Certification of notice and quorum;
3. Approval of the Minutes of the Stockholders Meeting held on June 16, 2014;
4. Report of the Chairman of the Board;
5. Approval of the Financial Statements as of December 31, 2014 embodied in the 2014 Annual Report;
6. Approval and Ratification of all actions of the Board of Directors and Management during the previous year;
7. Election of Directors;
8. Appointment of External Auditors;
9. Other matters;
10. Adjournment.

The Board has fixed the close of business hours on May 29, 2015 as the record date for the determination of stockholders entitled to notice of meeting and to vote at the specified election date.

If you cannot personally attend the meeting, you may appoint a proxy to represent you by accomplishing the attached form and returning the same to the Corporate Secretary at the above address before the meeting.

By Order of the Board of Directors:

  
ROSANNA A. PARICA  
Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b)  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

- /  Preliminary Information Statement  
  Definitive Information Statement

2. Name of Registrant as specified in its charter - **APEX MINING CO., INC.**

3. Country of Incorporation - **Philippines**

4. SEC Identification Number - **40621**

5. BIR Tax Identification Number : **000-284-138**

6. Address of principal office **3304B West Tower, PSE Centre, Exchange Road,  
Ortigas Center, Pasig City**  
Postal Code : **1605**

7. Telephone Number : **+63 2 706-2805** Fax Number : **+63 2 706-2804**

8. Date, time and place of meeting of security holders:

Date - **30 June 2015**  
Time - **3:00 p.m.**  
Place - **Valle Verde Country Club, Capt. Javier St.,  
Pasig City**

9. Approximate date on which the Information Statement is first to be sent or given to security holders - **29 May 2015**

<u>Title of Each Class</u>	<u>Number of Shares</u>
Common	6,227,887,491

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

Yes [ / ] No [ ]

All securities in item 10 above are listed in the Philippine Stock Exchange.

## **INFORMATION REQUIRED IN INFORMATION STATEMENT**

### **Date, Time and Place of Meeting of Security Holders**

#### PART 1

#### **A. GENERAL INFORMATION**

##### **Item 1. Date, Time and Place of Meeting of the Security Holders**

Date : 30 June 2015

Time : 3:00 P.M.

Place : Valle Verde Country Club, Capt. Javier St., Pasig City

Principal office: 3304B West Tower, PSE Centre, Exchange Road,  
Ortigas Center, Pasig City

This information statement shall be first sent or given to the security holders on **8 June 2015**.

**WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY**

##### **Item 2. Dissenters' Right of Appraisal**

Any stockholder of Apex Mining Company, Inc. ("Apex or the "Corporation") may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of such right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Corporation Code of the Philippines ("Corporation Code").

Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or (b) in case of extending or shortening the term of corporate existence; (c) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; (d) in case the Corporation decides to invest its funds in another corporation or business outside of its primary purpose, and (e) in case of merger or consolidation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within 30 days after the date on which the vote was taken for payment of the fair value of his shares: *Provided*, That failure to make the demand within such period shall be deemed a waiver of the appraisal right.

If the proposed corporate action is implemented or affected, the Corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of 60 days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by the Corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within 30 days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment: and *Provided, further*, That upon payment by the Corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

There are corporate actions that will be taken up at the Annual Stockholders' Meeting for which a stockholder may exercise the right of appraisal. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.

### **Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) No current director or officer of the Corporation or nominee for election as directors of the Corporation, nor any associate thereof has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) No director has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **Item 4. Voting Securities and Principal Holders Thereof**

As of April 30, 2015 there are 6,227,887,491 outstanding and voting common shares of stock of the Corporation. Each share of stock is entitled to one vote.

All stockholders of record as of 29 May 2015 are entitled to notice and to vote at the Annual Stockholders' Meeting.

At every meeting of the stockholders of the Corporation, every stockholder entitled to vote shall be entitled to one vote for each share of stock standing in his name on the books of the Corporation. Provided, however, that in case of the election of directors every stockholder entitled to vote shall be entitled to cumulate his votes in accordance with the provisions of law in such case made and provided.

For purposes of the election of directors, the stockholders have cumulative voting rights as provided by the Corporation Code, and there are no conditions precedent to the exercise thereof by stockholders either in person or by proxy.

A stockholder may vote the number of shares standing in his name in the books of the Corporation as fixed in the by-laws, or where the by-laws are silent at the time of election for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the

number of directors to be elected multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

**Security Ownership of Certain Record and Beneficial Owners**

The beneficial owners of more than 5% of voting shares as of April 30, 2015 are:

<b>Title of Class</b>	<b>Name and address of record owner and relationship with issuer</b>	<b>Name of beneficial owner and relationship with record owner</b>	<b>Citizenship</b>	<b>Number of shares held</b>	<b>%</b>
<b>Common</b>	PRIME METROLINE HOLDINGS, INC. 18F Liberty Center, 104 H.V. Dela Costa St. Makati City	Prime Metroline Holdings, Inc.	Filipino	2,511,329,207	40.32
<b>Common</b>	MONTE ORO RESOURCES AND ENERGY INC. 3304C West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City	Apex Mining Co., Inc. (See Part I, Item 1)	Filipino	633,458,632	10.17
<b>Common</b>	MINDANAO GOLD LTD. Suite 10.3, 10F Rohas Perkasa West Wing 8 Jalan Perak, 50450, Kuala Lumpur Malaysia	Mindanao Gold Ltd.	Malaysian	597,051,165	9.59
<b>Common</b>	LAKELAND VILLAGE HOLDINGS, INC. 18F Liberty Center, 104 H.V. Dela Costa St. Makati City	Lakeland Village Holdings, Inc.	Filipino	474,613,599	7.62
<b>Common</b>	DEVONCOURT ESTATES INC. 18F Liberty Center, 104 H.V. Dela Costa St. Makati City	Devoncourt Estates Inc.	Filipino	423,904,339	6.81
<b>Common</b>	A. BROWN COMPANY INC. Xavier Estates Uptown, Airport Road, Balulang, Cagayan de Oro City	A. Brown Company Inc.	Filipino	388,694,698	6.24

Part of the shareholdings of Monte Oro Resources and Energy Inc. are lodged with the PCD Nominee, Corp., which is a wholly owned subsidiary of the Philippine Central Depository Inc.

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

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.

The total shares owned by foreigners as of April 30, 2014 is 648,103,103 or 34.68% of the total number of outstanding shares.

## Security Ownership of Directors and Management

The number of voting shares beneficially owned by directors and named executive officers as of 30 April 2015.

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percent of Class
Common	WALTER W. BROWN	83,590,578	Filipino	1.34%
Common	RAMON Y. SY	44,598,406	Filipino	0.72%
Common	NOEL V. TANGLAO	1	Filipino	0.00%
Common	MODESTO B. BERMUDEZ	1	Filipino	0.00%
Common	GRACIANO P. YUMUL, JR.	1,000	Filipino	0.00%
Common	DENNIS A. UY	1	Filipino	0.00%
Common	JOSELITO H. SIBAYAN	299	Filipino	0.00%
Common	SILVERIO BENNY TAN	20,000,000	Filipino	0.32%

## Voting Trust/Changes in Control

There are no voting trust holders of 5% or more of the Company's stock.

## **Item 5. Directors and Executive Officers**

The names of the incumbent directors and executive officers of the Corporation and their respective ages, periods of directorship in other reporting companies are as follows:

### Directors

Name	Age	Citizenship	Position	Term	Business Experience For the past five(5) years	Relatives Up to the 4 <sup>th</sup> civil Degree	Legal Proceedings
WALTER W. BROWN	74	Filipino	Chairman of the Board/President & CEO since October 21, 2013  (Nominee)	1 yr	1993 to present - Chairman-A. Brown Company, Inc. 2011 to present - Chairman-Palm Thermal Consolidated Holdings Corp. 2011 to present - Chairman-Palm Concepcion Power Corp. Chairman-A. Brown Energy & Resources Dev't Inc. 2012 to present - President-Minas de Oro (Mongolia) 2005 to present- Director-Monte Oro Resources & Energy Inc. 2010 to present – President-Monte Oro Mining Co., Ltd. (Sierra Leone) 2005 to 2009 - President-Philex Mining Corp (prev). 2008 to 2010 – President & CEO -Nat'l Grid Corp. 2007 to 2013 - Director - ISM Corporation 2003 to 2009 – Director - Philodrill Corp 2010 to 2012 – Vice Chairman and Director – Atok Big Wedge Co., Inc.	None	None
RAMON Y. SY	83	Filipino	Director since October 21, 2013 Chief Financial Officer since March 10, 2014  (Nominee)	1 yr	2012 to present - Director & Vice Chairman-Asia United Bank 2012 to present - Acting President and Chair of Exec. Committee of Monte Oro Resources & Energy, Inc. 1992 to present – Chairman of Ramsy Corporation 1996 to present – Director of Meridian Assurance Corporation 1984 to present – Director of Travelman Inc. 2005 to present – Chairman of Xcell Property Ventures, Inc. 2004 to present – Director of SPC Corporation 2005 to present – Director of Asian Alliance Corporation 2006 to present – Director of Philippine Equity 2008 to present – Chairman-Board of Trustee – Operation Smile Phils. 1986 to 1993 – Chairman & CEO of United Coconut Planters Bank 1995 to 2006 - President and CEO of International Bank (IBank)	None	None
NOEL V. TANGLAO	56	Filipino	Director since July 2013 Executive Vice President since October 21, 2013  (Nominee)	1 yr	2012 to 2013 - President-Apex Mining Co., Inc. 2013 to 2014 - President-Lift Logistics Resources Inc. 2012 to present - Vice President-Leonio Group of Cos. 2013 to present – General Manager r-Rising Stars of the Phils. Jan 2010 to July 2010 – Special Asst to SVP/COO – Petron Corp. Mar 2004 to Mar 2010 - Gen. Manager-Petron Marketing Corp. Jan 2004 to Mar 2010 - Gen. Manager-Petron Freeport Corp. and Retail Trade	None	None

RAFAEL DEL PILAR	63	Filipino	Director since July 20, 2013	1 yr	2006 to 2010 – President and CEO – PNOG Exploration Corp.	None	None
DENNIS A. UY	40	Filipino	Independent Director since March 19, 2013 (Nominee)	1 yr	2002 to present- Udenna Corporation 2002 to present – Founder/President & CEO -Phoenix Petroleum Phils., Inc. 2006 to present – Global Synergy Trade and Distribution Corp. 2011 to present – Honorary Consul of Kazakhstan in the Philippines	None	None

With respect to the election of the directors and independent directors, every stockholder shall be entitled to cumulate his votes in accordance with the provisions of the Corporation Code.

The Nomination Committee has screened the nominees and prepared the Final List of Candidates for election to the Board of Directors on June 30, 2015. The Nomination Committee determined that the candidates possess all the qualifications and none of the disqualifications for election as director or independent director.

The Nomination Committee is currently composed of two (2) members, namely, Noel Tanglao and Elmer Pedregosa who conducted the nomination of the independent directors.

### **Independent Director**

Messrs. Dennis A. Uy and Joselito H. Sibayan, are nominees as independent directors. They are not employees of the Corporation and do not have relationship with the Corporation which would interfere with the exercise of independent judgment in carrying out the responsibility of a director. Messrs. Uy, and Sibayan possessed the qualifications and none of the disqualifications of an independent director.

Mr. Noel Tanglao nominated Mr. Dennis A. Uy and Mr. Joselito H. Sibayan. The two (2) nominees for independent directorship have accepted their nominations. There are no relationships between the foregoing nominees for independent director and the persons who nominated them that would hinder their judgment as independent directors.

In approving the nominations for independent directors, the Nomination’s Committee considered the guidelines on the nomination of independent directors prescribed in SRC Rule 38.

### **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, 2014.

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.

### **Significant Employees**

While all employees are expected to make significant contributions to the Corporation, there is no one particular employee, not an executive officer, who is anticipated to make a significant contribution to the business of the Corporation on his own.

### **Family Relationships**

There are no family relationships among the officers of the Corporation. None of the directors and executive officers of the Corporation are related up to the fourth civil degree, either by consanguinity or affinity.

### **Involvement in Certain Legal Proceedings**

The Corporation has no knowledge of the involvement of the current directors and officers in any legal proceedings as defined in the Securities Regulation Code for the last 5 years.

## **Item 6. Compensation of Directors and Executive Officers**

The members of the Board of Directors who are not Executive Officers are elected for a term of one year. They also receive remuneration on a per meeting participation.

### **(1) Compensation Table**

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the Executive Officers, Senior Executive Officers and Directors of the Company are as follows:

#### **SUMMARY OF COMPENSATION TABLE ANNUAL COMPENSATION**

#### **CEO and Top 4 Most Compensated Officers:**

Ramon Y. Sy  
Walter W. Brown  
Modesto B. Bermudez  
Graciano P. Yumul, Jr.  
Noel V. Tanglao  
Renato N. Migriño

<u>Year</u>	<u>Salary</u>	<u>Bonus</u>
2015 (Estimated)	P56.5 million	P4.7 million
2014 (Actual)	60.5 million	5.3 million
2013 (Actual)	30.1 million	3.3 million



## **ALL DIRECTORS & OFFICERS AS A GROUP**

<u>Year</u>	<u>Salary</u>	<u>Bonus</u>
2015 (Estimated)	P80.3 million	P6.3 million
2014 (Actual)	90.7 million	6.9 million
2013 (Actual)	70.0 million	6.1 million

### **(2) Standard Arrangements**

#### **(a) Compensation of Officers**

The officers of the Corporation are regular employees 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 Corporation may approve and extend to the managerial, supervisory and regular employees of the Corporation.

#### **(b) Compensation of Members of the Board of Directors**

The members of the Board of Directors of the Corporation are paid PhP 80,000.00 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.

### **(3) Other Arrangements**

No compensatory arrangements executed during the last four (4) years of operations other than the compensation arrangements mentioned above.

### **(4) Description of the Other Terms and Condition**

#### **(a) Employment Contract between the Registrant and Named Executive Officers**

The contractual relationship between the executive officers and the Corporation are employer-employee in nature. The remuneration they receive from the Corporation is solely in the form of salaries and bonuses. There are no compensatory plans or arrangements with respect to any executive officer which results or will result from his resignation, retirement or any other termination of his employment or from any change in control of the Corporation or a change in the executive officer's responsibilities following any change in the control of the Corporation.

There are no outstanding warrants or options held by the Corporation's chief executive officer, and other executive officers.

### **Compensation Plans**

There is no action intended to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

## **Item 7. Independent Public Accountant**

The auditing firm of Sycip Gorres Velayo & Co. (“SGV & Co.”) with address at SGV Bldg., Ayala Avenue, Makati City has been the Company’s Independent Public Accountant since 2010. SGV & Co. is nominated as the Corporation’s Independent Public Accountant for the ensuing year for this year’s Annual Stockholders’ Meeting.

For the fiscal year 2014, Mr. Jaime F. del Rosario signed the Company’s Audited Financial Statements for 2013, a copy of which is attached to this Information Statement. Mr. del Rosario has been designated as the certifying partner of SGV & Co. for the Company, in compliance with SRC Rule 68.1 (3)(b)(IV).

Representatives of SGV & Co. are expected to be present at the stockholders' meeting and will have the opportunity to make a statement if they desire to do so and will be available to answer appropriate questions.

As of December 31, 2014 the Company’s Audit Committee is composed of Dennis A. Uy (Chairman), Noel V. Tanglao and Joselitio H. Sibayan.

### **External Audit Fees and Services**

#### **Audit and Audit-Related Fees**

For 2014 and 2013, 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 2014 and ₱2.05 million for 2013.

## **Tax Fees**

There are no related services or tax fees paid for the year 2014.

## **All Other Fees**

There are no other services rendered by the external auditors other than the usual audit services and tax review services done in 2014 and 2013 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

## **Item 8. Compensation Plans**

Not applicable

## **Item 9. Authorization or Issuance of Securities Other than for Exchange**

There is no action to be taken with respect to the authorization or issuance of any securities.

## **Item 10. Modification or Exchange of Securities**

There is no action to be taken with respect to the modification of any class of securities of the Corporation, or the issuance or authorization for issuance of one class of securities of the Corporation in exchange for outstanding securities of another class.

## **Item 11. Financial and Other Information**

Audited Financial Statements as of 31 December 2014, Management's Discussion and Analysis and Market Price of Shares and Dividends and other data related to the Corporation's financial information are attached hereto. The schedules required under Part IV (c) of Rule 68 are included in the Annual Report.

## **Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There is no action intended to be taken with respect to any transaction involving the following: (1) the merger or consolidation of the Corporation into or with any other entity; (2) the acquisition by the Corporation or any of its stockholders of securities of another person or entity; (3) the acquisition by the Corporation of any other going business or of the assets thereof; (4) the sale or other transfer of all or any substantial part of the assets of the Corporation, and (5) the liquidation or dissolution of the Corporation.

### **Item 13. Acquisition or Disposition of Property**

There is no action to be taken with respect to any material acquisition or disposition of any property of the Corporation.

### **Item 14. Restatement of Accounts**

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Corporation.

## **D. OTHER MATTERS**

### **Item 15. Action with Respect to Reports**

Summary of the Minutes of the Stockholders Meeting held last June 16, 2014:

1. Approval of the minutes of Stockholders' Meeting held last July 16, 2013
2. Approval of the Audited Financial Statement as of December 31, 2013
3. Approval of the ratification of the acts of directors, committees and officers of the Corporation
4. Election of the following directors for a term of one (1) year

Name	Citizenship	Address
1 Ramon Y. Sy	French	c/o Apex Mining Co., Inc.- Prestige Tower Cond., Ortigas Ctr, Pasig City c
2 Walter W. Brown	Spanish	c/o Apex Mining Co., Inc.- Prestige Tower Cond., Ortigas Ctr, Pasig City
3 Modesto B. Bermudez	Filipino	c/o Apex Mining Co., Inc.- Prestige Tower Cond., Ortigas Ctr, Pasig
4 Dennis A. Uy	Filipino	c/o Apex Mining Co., Inc.- Prestige Tower Cond., Ortigas Ctr, Pasig City
5 Noel V. Tanglao	Filipino	c/o Apex Mining Co., Inc.- Prestige Tower Cond., Ortigas Ctr, Pasig City
6 Rafael del Pilar	Filipino	c/o Apex Mining Co., Inc.- -Prestige Tower Cond., Ortigas Ctr, Pasig City
7 Elmer Pedregosa	Filipino	c/o Apex Mining Co., Inc., -Prestige Tower Cond., Ortigas Center, Pasig City

5. Approval of the Reclassification 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.
6. Appointment of Sycip Gorres Velayo & Co. (SGV & Co.) as external auditors of the Company.

Action for this Meeting is to be taken on the reading and approval of the following:

1. Approval of the Minutes of the Stockholders Meeting held on June 16, 2014;
2. Report of the Chairman of the Board;
3. Approval of the Financial Statements as of December 31, 2014 embodied in the 2014 Annual Report;
4. Approval and Ratification of all actions of the Board of Directors and Management during the previous year;
5. Election of Directors;
6. Appointment of External Auditors;

### **Item 16. Matters Not Required to be Submitted**

There is no action intended to be taken with respect to any matter which is not required to be submitted to a vote of the stockholders.

### **Item 17. Amendment of Charter, Bylaws or Other Documents**

There is no action intended to be taken with respect to any transaction involving the following: (1) the merger or consolidation of the Corporation into or with any other entity; (2) the acquisition by the Corporation or any of its stockholders of securities of another person or entity; (3) the acquisition by the Corporation of any other going business or of the assets thereof; (4) the sale or other transfer of all or any substantial part of the assets of the Corporation, and (5) the liquidation or dissolution of the Corporation.

### **Item 18. Other Proposed Action**

As of this report, there are no other matters which the Board of Directors intends to present or has reason to believe others will present at the meeting.

### **Item 19. Voting Procedures**

The affirmative vote of the stockholders representing at least two thirds (2/3rds) of the outstanding capital stock shall be required for the amendment of the Articles of Incorporation and By-Laws of the Corporation.

The votes required for the election and approval of the Corporation's external auditor, SGV & Co. shall be majority of the stockholders present. The same vote (majority of stockholders present) is also needed for the approval of the following:

- (a) Minutes of the Stockholders meeting held on 16 June 2014;
- (b) 2014 Audited Financial Statements;
- (c) Ratification of acts of directors, committees and officers of the Corporation; and
- (d) Any other proposed action.

With respect to the election of the directors and independent directors, every stockholder shall be entitled to cumulate his votes in accordance with the provisions of the Corporation Code.

Nominees for the Election of Directors are:

- 1. Ramon Y. Sy
- 2. Walter W. Brown
- 3. Modesto B. Bermudez
- 4. Graciano P. Yumul, Jr.
- 5. Noel V. Tanglao
- 6. Dennis Uy (Independent)
- 7. Joselito H. Sibayan (Independent)

Provided there is a quorum (majority of all stockholders in good standing), the candidates receiving the first five highest number of votes shall be declared elected.

Votes may be cast and counted by show of hands or by viva voce or, upon motion duly approved, by balloting.

The Committee of Inspectors composed of three members namely (1) the Corporate Secretary or his official representative; (2) the official representative of the external auditor of the Corporation; and (3)

the official representative of the Stock and Transfer Agent of the Corporation shall act as Election Inspectors and shall have the power to rule on all issues pertaining to the election of directors, validity of proxies or voting of shares. The affirmative vote of at least two members shall be a valid act of said committee.

## **SIGNATURE**

**After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City on 25nd of May 2015.**

**APEX MINING CO., INC.**

By:

  
**ROSANNA A. PARICA**  
Corporate Secretary

## MANAGEMENT REPORT TO STOCKHOLDERS

### Management Discussion and Analysis of Financial Position and Results of Operations

#### Consolidated Statement of Comprehensive Income

##### *Consolidated Net Income (Loss)*

Consolidated net loss of the Apex Mining Co., Inc. (the “Parent Company”) and its Subsidiaries (collectively referred to as the “Group”) decreased to ₱593.3 million in 2014 from ₱827.4 million in 2013, and compared to the consolidated net income of ₱57.1 million in 2012.

##### *Consolidated Revenues*

Consolidated revenues in 2014, 2013 and 2012 amounted to ₱1,730.7 million, ₱1,735.8 million and ₱1,817.3 million, respectively, a decrease of ₱5.1 million in 2014 as compared to 2013 (a decrease of ₱81.5 million in 2013 compared to 2012). The revenues of the Parent Company represent the consolidated revenues of the Group in all comparative years.

Information on the realized price and volume of gold produced in 2014, 2013 and 2012 is as follows:

	<b>2014</b>	2013	Change	2012	Change
Volume in ounces (oz)	<b>28,802</b>	26,797	7.5%	23,876	12.2%
Realized price/oz	<b>\$1,262</b>	\$1,389	(9.1%)	\$1,659	(16.3%)

Information on the realized price and volume of silver produced in 2014, 2013 and 2012 is as follows:

	<b>2014</b>	2013	Change	2012	Change
Volume in oz	<b>158,754</b>	151,814	4.6%	116,069	30.8%
Realized price/oz	<b>\$19</b>	\$23	(17.4%)	\$33	(30.3%)

The weighted average foreign exchange rate of US\$1.0 to PHP in 2014, 2013 and 2012 is ₱44.40, ₱41.43 and ₱42.25, respectively.

An analysis of the revenue variance, which comprises of volume, price and exchange rate variances, between the comparative year ended December 31, 2014, 2013 and 2012 of the Group are as follows:

Variances	Year 2014 and 2013 (in thousands of PHP)			Year 2013 and 2012 (in thousands of PHP)		
	Gold	Silver	Total	Gold	Silver	Total
Volume	₱115,380	₱6,613	₱121,993	₱204,741	₱51,046	₱255,787
Price	(151,545)	(26,309)	(177,854)	(305,687)	(69,273)	(374,960)
Exchange rate	42,158	8,603	50,761	35,944	1,748,625	37,692
Revenue	₱5,993	(₱11,093)	(₱5,099)	(₱65,002)	(₱16,478)	(₱81,481)

In spite of the fact that the Parent Company’s milling operations was temporarily shut down due to minor tailings spillage, the Company still managed to produce a 7.5% and 12.2% higher volume of gold and silver, respectively, in 2014 compared to 2013. Coupled with the weakening of the PHP against the USD, these factors attributed to the positive variance of the gold and silver revenue in 2014 compared to

2013. The drop in the market prices of both metals reduced the positive impact of volume and exchange rate variances.

The overall decline in revenues of the Parent Company in 2013 compared to 2012 can be linked to the decline in metals prices and strengthening of the PHP against the USD. The higher volume of production for both gold and silver helped to slightly offset the negative variance in revenue.

#### *Consolidated Cost of Production*

Consolidated cost of production incurred in 2014, 2013 and 2012, all of which pertains to the Parent Company cost of production, amounted to ₱1,429.8 million, ₱1,705.3 million and ₱1,198.4 million, respectively. A breakdown of the main components of cost of production in 2014, 2013 and 2012 is as follows:

- Materials used in mining and milling fell by ₱159.2 million in 2014 compared to 2013, and rose by ₱270.6 million in 2013 compared to 2012. The Parent Company milled a total of 234,928 tonnes, 280,451 tonnes and 233,096 tonnes of ore in 2014, 2013 and 2012, respectively. The change in the tonnage milled: decrease of 16.2% in 2014 compared to 2013; and increase of 20.3% in 2013 compared to 2012, attributed to the decrease in the materials, as is the shift from mechanized mining method to traditional mining to increase selectivity in narrow veins and eventually reduce mining costs.
- The depreciation, depletion and amortization expense in 2014 and 2013 amounted to ₱402.1 million and ₱488.6 million, respectively, a decrease of ₱86.5 million year-on-year. The main reasons were the decrease in the depreciable amounts due to the fire loss sustained in the middle of 2014; decrease in depletion as the Parent Company processed lower tonnes of ore in 2014 than in 2013 (higher in 2013 than in 2012). 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 ₱138.2 million or 39.4% in the depreciation, depletion and amortization expense in 2013 compared to 2012.
- Personnel cost rose by ₱50.1 million in 2014 compared to 2013 due to the increase in manpower count to 1,759 in 2014 from 1,116 in 2013 (1,023 in 2012). In 2013, personnel cost increased by ₱22.4 million as compared to 2012 due to the new salary scheme implemented in the middle of 2012 which increased the salaries of the employees, and the overall increase in the number of employees.
- Utilities decreased in 2014 as compared to 2013 due to the lower operating days of the mill plant (and increase in 2013 as compared to 2012 due to the increase in the operating days). The mill plant operated for 298 days and 333 days in 2014 and 2013, respectively (311 days in 2012).
- Rent fell by ₱15.9 million in 2014 as compared to 2013 as the Parent Company no longer rented out equipment from its contractors. In 2014, the Company made purchases of second hand trucks and loaders to reduce cost. There were also negotiations made with existing suppliers to lower their fees such as hauling and handling. In 2013, on the other hand, rent surged by ₱21.6 million 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 Parent Company's decision to reduce its exploration and development activities in 2013 and focus utilization of its rented out equipment to operational activities.

#### *Excise Taxes*

Consolidated excise taxes, all of which pertain to the Parent Company excise taxes on revenue from metals produced, amounted to ₱34.6 million, ₱34.7 million and ₱36.3 million in 2014, 2013 and 2012, respectively. Excise taxes are based on market price of the ore upon extraction. The Group uses revenue in computing for the excise tax to be remitted as it is the most practicable way of determining market price of the ore extracted.



### *General and Administrative Expense*

Consolidated general and administrative expense in 2014, 2013 and 2012 amounted to ₱593.2 million, ₱512.7 million and ₱557.3 million, respectively. Details of the significant elements of general and administrative expenses are shown below. The Parent Company contribution to the consolidated general and administrative expenses in 2014, 2013 and 2012 amounted to ₱544.2 million, ₱512.7 million and ₱557.3 million, respectively, while Monte Oro Resources & Energy Inc. and Subsidiaries (MORE and Subsidiaries) amounted to ₱49.0 million, nil and nil, respectively.

- Personnel cost increased by ₱46.5 million in 2014 compared to 2013 (increase of ₱6.6 million in 2013 as compared to 2012; refer to personnel cost analysis under consolidated cost of production).
- Contracted services rose by ₱35.8 million in 2014 compared to 2013 (increase of ₱4.9 million in 2013 compared to 2012), of which ₱11.2 million in 2014 pertains to the three-month impact of the MORE and Subsidiaries to the consolidated statement of comprehensive income of the Group. The jump in cost was brought about by the increased need of support services.
- Taxes, licenses and permits, were higher in 2014 compared to 2013 due to higher taxes paid on municipal fees.
- Community development expenses more than doubled in 2014 compared to 2013 (increase of 12.3% in 2013 compared to 2012) due to several community projects related to infrastructure, education, livelihood, etc. were implemented.

### *Other Income (Charges)*

The breakdown of the main components of the consolidated other income (charges) in 2014, 2013 and 2012 amounting to ₱143.3 million in other charges, ₱266.0 million in other charges and ₱18.8 million in other income, respectively, is presented below. The contribution of the Parent Company in the 2014, 2013 and 2012 other income charges amounted to ₱133.3 million other charges, ₱266.0 million in other charges and ₱19 million in other income, respectively, while MORE and Subsidiaries amounted to ₱10.0 million, nil and nil, respectively.

- The Parent Company recognized ₱53.5 million in net foreign exchange gains in 2014 compared to ₱129.6 million in net foreign exchange losses in 2013 (₱25.4 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, 2014 and 2013.
- The Parent Company wrote off ₱136.0 million in property, plant and equipment in 2014 pertaining to the assets damaged by extortionists.
- Credit lines were granted to the Parent Company by several banks in 2014 which resulted in an additional interest cost compared to 2013. In 2013, the Parent 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 arrangements were not yet entered into by the Parent Company in 2012.

### *Consolidated Other Comprehensive Income*

Aside from the effects of the re-measurement loss of the accrued retirement benefits of the Parent Company and translation adjustments on foreign subsidiaries, there were no other items affecting other comprehensive income as of and for the year ended December 31, 2014 and 2013.

## Consolidated Statement of Financial Position

### *Consolidated Current Assets*

Total consolidated current assets increased by ₱519.9 million from ₱878.6 million as of December 31, 2013 to ₱1,398.5 million as of December 31, 2014 primarily due to the following:

- The Parent Company was able to generate positive cash flows from operating and financing activities in 2014. However, mill expansion project expenditures and continuous exploration and development activities required the Company make disbursements for investing activities. Net effect on cash, after the impact of foreign exchange rate changes, was an increase of ₱174.0 million.
- Trade and other receivables, essentially from the consolidation of MORE and Subsidiaries' balances, increased by ₱148.5 million as of December 31, 2014 compared to the balance as of December 31, 2013. These pertain mainly to business related cash advances to officers and employees and others.
- Inventory increased by ₱136.2 million as of December 31, 2014 compared to December 31, 2013 due to the recognition of blending ore and higher volume of bullion at yearend.

### *Consolidated Noncurrent Assets*

Total consolidated noncurrent assets grew by ₱3,121.2 million from ₱3,979.9 million as of December 31, 2013 to ₱7,101.1 million as of December 31, 2014 primarily due to the following:

- Available-for-sale financial assets amounting to ₱344.6 million as of December 31, 2014 pertaining to the Group's stake in a private foreign entity.
- Property, plant and equipment account increased to ₱3,913.9 million as of December 31, 2014 from ₱3,272.3 million as of December 31, 2012 due primarily to acquisitions, constructions and mine development activities made in 2014.
- Deferred mine exploration intangible assets climbed to ₱1,621.3 million as of December 31, 2014 from ₱595.2 million as of December 31, 2013 as a result of continuous exploration of new areas of interest, and exploration costs from MORE and Subsidiaries.

### *Consolidated Current Liabilities*

Consolidated current liabilities rose by ₱2,495.3 million from the December 31, 2013 balance of ₱2,429.9 million to the December 31, 2014 balance of ₱4,925.2 million. The breakdown of the change in the current liabilities level is detailed below.

- Accounts payable and accrued liabilities grew by ₱2,689.7 million as of December 31, 2014 compared to the December 31, 2013 balance due primarily to the recognition of a ₱1,859 million payable to one of the Group's related parties for the purchase price of the MORE shares the Parent Company acquired in October 2014. The balance pertains to the reclassification of previously recognized related party payable from intercompany accounts to trade and other payable account. These are no longer identified to be related parties, thus, the need for reclassification. Total reclassified amount was ₱397.9 million.
- The current portion of the loans payable of the Company consists of loans related to the financing of the heavy mobile equipment acquired in 2013, bank loans payable with short-term maturity, and the term loan obtained from local banks to finance the supposed mill expansion. The portion that is to be paid after one year from the balance sheet date is classified under noncurrent liabilities
- Due to related parties dropped to ₱19.3 million as of December 31, 2014 from ₱483.8 million as of December 31, 2013. The decrease is a result of the elimination of a large part of the related party

balances in the consolidation process, and the reclassification of accounts with previously recognized related parties to accounts payable. The reclassification was due to the fact that these companies were no longer related parties as per PAS 24, *Related Parties*.

#### *Consolidated Noncurrent Liabilities*

Consolidated noncurrent liabilities increased by ₱300.9 million as of December 31, 2014 to ₱443.6 million from ₱142.7 million as of December 31, 2013 mainly due to the following:

- Additional accrued retirement benefits as a result of the adoption of the revised standard on employee benefits. The impact on the statement of income and other comprehensive income in the consolidated statement of comprehensive income as at December 31, 2014 amounted to ₱23.1 million and ₱95.8 million (remeasurement loss), respectively, bringing accrued retirement benefits liability ₱202.7 million or an increase of ₱119.0 million.
- Increase in deferred income tax liabilities of ₱15.6 million due the recognition of future taxable amounts arising from the business combination.
- The increase in the noncurrent portion of the loans payable as of December 31, 2014 is a result of the Group management obtaining restructured agreements from suppliers wherein the Group has long term financing payables. These payables were previously classified under current portion as the restructuring was not in place yet as of December 31, 2013.

#### *Consolidated Equity*

Consolidated equity climbed by ₱844.9 million as of December 31, 2014 compared to the amount last year.

- The Parent Company received deposits for future stock subscriptions amounting to ₱2,500.0 million. Shares of stock related to the subscription will be issued once the Parent Company obtains approval from the Philippine Securities and Exchange Commission of its application for increase in authorized capital stock. In January 12, 2015, the Philippine SEC approved the application and the shares of stock corresponding to the deposit were eventually issued.
- The Parent Company's acquisition of 100% of MORE resulted in the recognition of ₱1,130.4 million treasury shares. These treasury shares are deducted from the equity in consolidation.
- Increase in deficit pertains to the net loss in 2014.
- Non-controlling interest pertains to the equity portion of not owned by the parent corporation. In this case, MORE has a non-controlling interest in one of its subsidiaries, International Cleanenvironment Systems, Inc. of 48%.

### **Key Performance and Financial Soundness Indicators**

#### Tonnage 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 in 367,626 tonnes with a grade of 4.8 gold (Au) grams/tonne (g/t) in 2014 compared to the 339,897 tonnes with a grade of 4.2 Au, g/t in 2013.

On the other hand, the mill plant processed a total of 234,928 tonnes with a mill head grade of 4.9 Au, g/t and 28.8 silver (Ag), g/t in 2014 compared to the 280,451 tonnes with a mill head grade of 3.7 Au, g/t and 22.7 Ag, g/t in 2013. Average metal recovery in 2014 for gold and silver was 79.2% and 74.4%, respectively, while in 2013 was 80.9% and 74.3%, 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	
		2014	2013
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.28:1	0.36:1
Debt-to-equity	$\frac{\text{Total debts}}{\text{Total equity}}$	1.71:1	1.13:1
Asset-to-equity	$\frac{\text{Total assets}}{\text{Total equity}}$	2.71:1	2.13:1
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	0.17:1	0.02:1
Return on assets	$\frac{\text{Net income (loss)}}{\text{Total assets}}$	(0.70):1	(0.17):1
Return on equity	$\frac{\text{Net income (loss)}}{\text{Total equity}}$	(0.19):1	(0.36):1

### **GEOLOGY AND EXPLORATION**

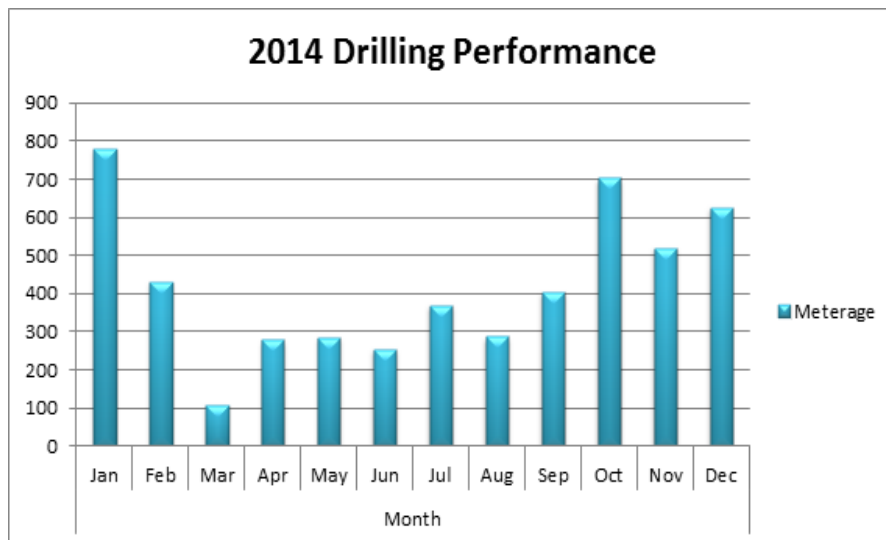
Exploration within the MPSA 225 was focused on near-mine extensions of the gold-bearing quartz and breccia veins. Two (2) DE-140 rigs, (1) HFU-3A rig and one (1) Kempe rig were dedicated for the underground diamond drilling to evaluate the continuity of the veins in terms of lateral and down dip extensions. A total of 27 holes were completed in year 2014. These holes have indicated additional resources which will guide further in-fill drilling to qualify for inclusion to the resource model.

Total meterage of diamond drilling achieved for the year was 5,043 meters from 27 holes in MPSA 225.

#### **2014 Exploration Diamond Drilling Accomplishment**

Month	2014 Diamond Drilling Accomplishment											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DE-140 # 1	250	109	14	197	138	162	364	219	328	266	176	390
DE-140 # 2	366	204		26	129	44			18	210	224	217
Kempe	164	118	95	56	18	47	4	68	58	98	112	19
HFU-3A										128	8	
Meterage	<b>780</b>	<b>431</b>	<b>109</b>	<b>279</b>	<b>285</b>	<b>254</b>	<b>368</b>	<b>287</b>	<b>404</b>	<b>702</b>	<b>520</b>	<b>626</b>

## **Production and development update for 2014**



### **MINE**

The total mine production for the year was 368,270 tonnes of gold ores with an average grade of 4.78 grams per tonne. These ores were sourced from several active vein systems, such as Bonanza, Bonanza Hanging Wall Split, Sandy North, and Sandy North Split located at Mine East (Maligaya Area) and Sandy & Maria Inez located at Mine Others (Malumon).

Mine development on waste access drives, achieved a total advance of 7,531 meters. Meanwhile, mine development on ore (on vein drives) attained a total of 5,814 meters.

During the 1st quarter, additional manpower was added to mine's workforce to replace converted personnel to become operators of mining equipment. A problem related to tailings dam discharge pipe happened in last January 2014, when the mill suspended its operation while the sealing of discharge pipe was still on-going. The mill resumed its operation mid of February. The concept of Ayuda project was formulated around March 2014, where contractors were given an area to be driven manually. Their accomplishment served as initial exploration to gather data on the near surface extension of existing veins.

In 2nd quarter, the mine's operation was interrupted by series of events like the April 2014 burning of underground equipment by armed men, which was followed in May 2014 wherein a new bus of the Company was burned on its trip to the mine site. Also several rallies were conducted during the quarter. Around June 18, 2014, through the combined efforts of the Geology, Comrel and Security groups, several identified illegal rod mills at Barangay Teresa and Pag-asa were dismantled.

In the 3rd quarter, the Ayuda project was resumed around September 2014 with the completion of the road cut of Wagas L700 which started August 2014. The preparation for Tagbaros Exploration Tunnel like information campaign and the selection of portal location and acquisition of surface rights started around late September 2014. Several meetings with tribal leaders and elders along with barangay official of Tagbaros were conducted to explain the impact of the proposed project as and the series of activities to be conducted within their community.

In the 4th quarter, the ground preparation at Tagbaros Exploration Tunnel started December which is limited to slope stabilization of the proposed portal location at relocation of community water line away from the proposed portal location. Also in the 4th quarter the mine increased its output from 1200 tpd to 1400 tpd.

### MILL

For the first semester of 2014, mill throughput averaged 577 tonnes per day or 17,568 tonnes per month. With an average grade of 4.39 g/t and recovery of 78.19%, monthly gold production was averaged 2,048 ounces.

The low monthly production was due mainly to the 27-day mill shutdown from January 16 to February 13, 2014 due to a leak at the drain pipe of the tailings dam. Several problems which also significantly contributed to the low plant availability were: (1) the replacement of bearing and shafting of the Ball Mill, (2) power shortage and (3) problems in the motor and gears of the rod mill due to gear alignment issues.

In the second semester, average monthly ores milled went up to 704 tonnes per day or 21,587 tons per month. With higher ore grade coming from the mine at 5.30 g/t gold, monthly gold production went up to 3,169 oz Au per month which is 38.1% higher than the previous year's monthly gold production. This brings total gold produced in 2014 to 31,301 ounces which is 13.7% higher than in 2013.

Below is a summary of production for 2014 and 2013:

#### **Production Summary: Monthly Averages**

Date	Unit/Metal	2013	2014 1st Sem	2014 2nd Sem	2014
<b>Tonnage</b>	<b>Monthly, t</b>	23,371	17,568	21,587	19,577
	<b>Daily, t</b>	768	577	704	640
<b>Feed grade</b>	<b>Au</b>	3.66	4.39	5.30	4.89
	<b>Ag</b>	22.70	26.78	31.42	29.34
<b>% Recovery</b>	<b>Au</b>	80.57 %	78.19%	79.94%	79.15%
	<b>Ag</b>	73.98 %	77.34%	72.82%	74.85%
<b>Metal Recovered</b>	<b>Au</b>	2,295	2,048	3,169	2,608
	<b>Ag</b>	12,813	12,068	16,945	14,507

Although production picked up in the second semester, there were still some major challenges encountered. In July and August 2014, gear alignment issues plagued the ball mill which resulted to a crack in the high speed shaft necessitating its replacement. Due to these issues, the load of the ball mill was reduced and a maximum daily tonnage limit of 700 tons per day was imposed until October 2014.

Gear alignment issues also persisted with the rod mill until it was finally corrected in October 2014. Power failures due to limited power supply from the NGCP also continued in the second semester.

### Mill Upgrades

In late 2013, instead of upgrading the Mill capacity to 3000 tons per day, the new management of the Company decided to pursue mill capacity upgrade from 850 TPD to 1500 TPD only, at which capacity the mine is able to support. The 1500 TPD plant capacity upgrade involved the following major activities:

1. Installation of additional 3-ft cone crusher,
2. Installation of additional 1000-kW Ball Mill and new cyclones,
3. Expansion of the fine ore bin,
4. Rehabilitation and conversion of old conventional thickener to high rate thickener,
5. Commissioning of four (4) leaching tanks,
6. Electrical capacity upgrade to 9.5 MW, and
7. Installation of new tailings pumping system and pipe line.

The commissioning of the new ball mill commenced on December 14, 2014. However, troubleshooting and debugging was still on-going by the end of the year.

### **Mineral Resource and Ore Reserves update for 2014**

As of December 31, 2014 the mineral resource estimates amounted to 5.7 million tonnes at a grade of 6.10 grams of gold per tonnes while the ore reserves amounted to 1.1 million tonnes at a grade of 6.3 grams of gold per tonnes.

The modifying factors that were applied are the dilution factor assigned per type of mining method (Long Hole, Cut & Fill, Shrinkage, Sub-level Caving), provision for pillar, and a block cut-off grade of 3.0 gpt. The mineral resource was estimated using a block cut-off grade of 1.5 gpt.

Below is the summary of the Mineral Resources and Ore Reserves as of the end of 2014. The ore reserves are derived from and not additional to the declared mineral resources.

### **Summary of Mineral Resources and Ore Reserves Statement as of December 31, 2014**

	<b>Mineral Resources @ cut off grade of 1.5 gpt</b>		
	Grade	Tonnage	Contained gold
Category	gpt	Ktonnes	Moz
Inferred	4.7	3,270	0.494
Indicated	8.1	2,240	0.583
Measured	6.7	190	0.041
<b>Total/Ave</b>	<b>6.10</b>	<b>5,700</b>	<b>1.118</b>

	<b>Ore Reserves @ cut off grade of 3 gpt</b>			
	Width	Grade	Tonnage	Contained gold
Category	m	gpt	Ktonnes	Moz
Probable	1.96	5.98	496	0.095
Proven	2.04	6.55	614	0.129
<b>Total/Ave</b>	<b>2.01</b>	<b>6.3</b>	<b>1,110</b>	<b>0.225</b>

### **Community Development Projects Update**

The Social Development Management Plan (SDMP), in accordance with the guidelines put up by the Government (RA 7942, DAO-96-40, and DAO-2010-13), was implemented at a total cost of P31.8 million in 2014.

On the other hand, a total of P2.1 million for Information, Education, and Communication, and P 3.0 million for Development of Mining Technology and Geosciences were utilized.

Below is the summary of expenditures for the implementation of the seven (9) major activities and or projects that were accomplished during the year.

**Annual Social Development Management Projects and Costs 2014**

Programs/ Projects/ Activities	ANNUAL APPROPRIATION	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL
MEDICAL AND HEALTH	2,372,000.00	315,476.40	416,265.36	757,647.35	742,057.51	2,231,446.62
RESPONSIVE EDUCATION	5,345,300.00	724,471.17	655,258.00	1,185,050.00	1,356,175.00	3,920,954.17
LIVELIHOOD	2,754,396.00	291,600.00	731,956.95	932,599.14	650,915.02	2,607,071.11
SPECIAL	6,950,000.00	2,902,860.87	493,218.23	751,681.26	232,930.53	4,380,690.89
INFRASTRUCTURE	9,673,899.80	3,238,659.58	3,281,747.13	2,372,634.36	2,715,812.66	11,608,853.73
SOCIAL SERVICES	600,000.00	90,477.04	51,670.00	193,942.50	229,000.00	565,089.54
COMMUNITY DEVELOPMENT	1,520,000.00	339,000.00	370,000.00	354,200.00	549,916.00	1,613,116.00
FAITH AND DEVELOPMENT	3,865,000.00	99,567.20	309,931.80	1,185,961.18	3,276,507.00	4,871,967.18
YOUTH AND DEVELOPMENT	517,500.00	5,000.00	63,050.00	10,000.00	0.00	78,050.00
<b>Total</b>	<b>33,598,095.80</b>	<b>8,007,112.26</b>	<b>6,373,097.47</b>	<b>7,743,715.79</b>	<b>9,753,313.72</b>	<b>31,877,239.24</b>

**Power Supply and Utilization Update for 2014**

A total of 42.3 million kW-hr was consumed with an equivalent cost of P184.9 million for the year.

Below is the table showing the summary of Power utilization for the year 2014:

2014	PROJECTED 2014			Actual 2014		
	kW-Hr x 1,000	Php (4.50/kW-Hr) x 1,000	%	kW-Hr x 1,000	4.37 Php /kW-Hr) x 1,000	%
<b>MINE</b>						
PUMPING	11,604.76	52,221.41	15.74%	7,108.44	31,078.25	16.80%
VENTILATION	24,224.76	109,011.41	32.86%	12,326.79	53,893.01	29.14%
COMPRESSORS	7,922.19	35,649.85	10.75%	4,798.08	20,977.30	11.34%
DRILLS RIGS & SERVICES	10,661.64	47,977.36	14.46%	3,591.38	15,701.60	8.49%
<b>MAINTENANANCE (MOTORPOOL)</b>	349.62	1,573.30	0.47%	217.04	948.92	0.51%
<b>OFFICE BLDG. &amp; STAFF HOUSE</b>	583.52	2,625.86	0.79%	811.89	3,549.60	1.92%
<b>MILL PLANT AREA</b>	18,378.00	82,701.00	24.93%	13,449.68	58,802.31	31.79%
<b>Annual kW-Hr</b>	<b>73,724.49</b>	<b>331,760.19</b>	<b>100.00%</b>	<b>42,303.29</b>	<b>184,951.00</b>	<b>100.00%</b>



## Safety Development

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

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

Safety Incident Statistics	YTD	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
NLTA (FAC)	12	5	1	3	3
LTA (Non-Fatal)	14	5	2	4	3
Property Damage	71	19	19	13	20

The following were the milestone achieved in 2014:

### Implemented and Issued Safety Polices and Memorandum

- Accident/incident reporting, investigation and implementation of action plans
- Underground personnel control card
- Personal Protective Equipment policy for 2015
- No entry/No work allowed for employees under the influence of alcohol.
- Withdrawal of explosives and explosives accessories from surface and underground magazines.
- No-PPE-No-Entry policy was implemented starting September 2014.
- Motorbike policy released / implemented starting September 2014.
- Cigarette smoking policy released / implemented starting September 2014 at mill.
- Prohibiting cooking at working area
- Prohibiting smoking in underground
- New vehicles and equipment inspection
- Revoking of contractors' employees' authorization to drive ID's.
- Drilling and blasting cycle using jumbo drill
- Monitoring and activation of emergency response during continuous heavy rain

### Meetings and Orientation

- Conducted monthly CSHC meeting attended by AMCI managers, contractors and workers representatives.
- Conducted lecture and field safety induction of newly hired employees contractors and visitors before allowing them to work and visit working areas.
- Re-cascaded the Safety and Health Standards during the monthly departmental safety /pep-talk to remind employees as well as contractors.

### Investigations

- Conducted investigation to all accidents/incidents 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 extinguishers, first aid cabinets, fire hydrants, company and contractors' vehicles, emergency alarms.

- Inspection in slopes, roads and bridges as well as explosives magazines

#### Seminars and Trainings

- Conducted Basic Fire Safety Training
- Sent twelve (12) safety personnel to attend BOSH training conducted by DOLE.
- Conducted incident/accident reporting training for supervisors.
- Conducted Basic First Aid Training.
- Presented best safety practices in underground operation to USEP Mining and Geology at USEP Davao Campus.
- Conducted training of new units closed-circuit breathing apparatus attended by ERT member and first aiders. The training was facilitated by MSA Philippines
- Conducted training on explosive handling. The training was facilitated by ORICA and attended by AMCI blasters, safety officers and warehouseman
- Conducted driving refresher course training
- Attended Loss Control Management training conducted by DOLE-XI.
- Conducted rope rescue training for ERT.

#### Risk Assessment

- Conducted daily safety inspection at working areas underground and surface.

#### Emergency Drills

- Conducted Fire Drill for surface and underground.
- Conducted Evacuation Drill for surface and underground.

#### Others

- Acquired nine (9) units' closed-circuit breathing apparatus MSA brand.
- Submitted to MGB-XI office monthly and quarterly safety accomplishment report.
- Coordinated to MGB-XI all major electrical and mechanical installation and secured permit to construct and permit to operate.
- Submitted to MGB-XI ERP and ASH programs 2015.

#### HEALTH PROGRAMS

- Monitored an employees who are identified with hepatitis and provide medicine and vitamins
- Conducted Evaluation and Interpretation of 2014 Annual Physical Examination results.
- Launching of AMCI Smoking Cessation Program in coordination with PHO for Red Orchid Award.
- Regular follow up at Davao Regional Hospital and MHO Maco for updates regarding Tuberculosis and supply of Anti TB drugs.
- Conducted Final Validation for Red Orchid Award by the Provincial Health Office last November 26, 2014.
- Conducted Anti Rabies Dog Vaccination Program in coordination with Comrel department and Provincial Veterinary office.
- Regular follow up at Davao Regional Hospital and MHO Maco for updates regarding Tuberculosis and supply of Anti TB drugs.
- 2014 Provincial Red Orchid Awardee 90-100% Tobacco-Free Establishment
- Close follow-up on the status of employees diagnosed with Diabetes, Hypercholesterolemia, Hypertension, Heart Diseases and PTB.
- Regular workplace inspection for identifications of safety and health hazards.
- Routine Medical, Dental Consultations and treatments of employees, contractors, dependents and community residents.
- Routine consultation and evaluation of surgical mass or cyst and perform minor surgical procedures.
- Conducted influenza "flu" vaccination to all employees.
- In cooperation of Comrel Department, we participated on the nutrition culmination program of the seven impact barangays thru identification of malnourished children giving lectures and presentations to mother regarding proper nutrition and giving of multivitamins.

- Attended Tobacco Control and Prevention Seminar at Provincial Cooperative Union of Davao (PCU-Davao) Tagum City sponsored by Provincial Health Office.
- Attended a seminar regarding Smoking Cessation Program sponsored by Department of Health.
- Continued monitoring of malnourished children, giving lectures presentation regarding proper nutrition and providing of multivitamins to identified malnourished children.
- Conducted annual physical examination to all employees.
- Launching of Anti Rabies Dog Vaccination Program in cooperation with PHO veterinary department.
- Conducted IEC of the following to all employees:
  - o Blood Borne Disease
  - o Heat Stress Prevention
  - o Upcoming Flu Vaccination
  - o Blood Letting
  - o Toxicology, Emergency management of poisoning
  - o Pulmonary diseases and how to prevent occupational and community acquired diseases
  - o Management of rabies infection
  - o Lung Cancer Awareness and heart diseases
- Conducted “Operation Tuli” and Alis Bukol” to all employees dependent and community residents of seven impact barangays.
- Conducted Bloodletting to Employees.
- Conducted Blood Lead Level Testing to Mill employees exposed to lead

## **FINANCIALS**

### **First Quarter 2015 and 2014**

#### **Consolidated Statement of Comprehensive Income**

##### *Consolidated Net Income*

Consolidated net income of Apex Mining Co., Inc. (the “Parent Company”) and its Subsidiaries (collectively referred to as the “Group”) for the first quarter ended March 31, 2015 amounted to ₱100.2 million, a significant turnaround from the consolidated net loss of ₱108.8 million in 2014.

##### *Consolidated Revenue*

Consolidated revenue in the first quarter of 2015 amounted to ₱665.4 million, an increase of ₱402.4 million from the consolidated revenue of ₱263.0 million in the same period last year.

Information on the volume of gold produced and realized prices in the comparative quarter periods of 2015 and 2014 is as follows:

	<b>2015</b>	2014	Change
Volume in ounces	<b>11,557</b>	4,086	+183%
Realized price per ounce	<b>\$1,211</b>	\$1,308	-7%

Information on the volume of silver produced and realized prices in the comparative quarter periods of 2015 and 2014 is as follows:

	<b>2015</b>	2014	Change
Volume in oz	<b>51,917</b>	24,776	+110%
Realized price/oz	<b>\$17</b>	\$21	-18%

The weighted average United States dollar (USD) to Philippine peso (PHP) foreign exchange rates in the comparative quarters were at ₱44.42 in 2015 and ₱44.87 in 2014.

Analysis of revenue in 2015 compared to 2014 shows the following variances contributing to the net increase in revenue:

Increase (decrease) in Thousands of PHP	Gold	Silver	Total
Volume	₱438,494	₱25,258	₱463,753
Price	(50,298)	(8,713)	(59,011)
Exchange rate	(817)	(1,508)	(2,325)
	₱387,380	₱15,037	₱402,416

The volume variance was brought about by significantly higher tonnage of ore at better grades in 2015 compared to 2014. Tonnes milled and mill head grade increased by 69.4% and 47.7%, respectively. The significant increase in tonnage was primarily a result of more operating days in the first quarter of 2015 to 70 days from 57 days in the first quarter of 2014 when a temporary shutdown of the mill plant was effected to conduct remedial measures on a minor tailings pond incident.

The continued strength of the USD further weighed down on metal prices in 2015 as against 2014, resulting in the unfavorable price variance for both gold and silver. The slight appreciation of the PHP against the USD has resulted in the unfavorable exchange rate variance shown above.

### *Consolidated Cost of Production*

Consolidated cost of production incurred in the first quarter of 2015 and 2014, all of which pertains to the Parent Company cost of production, amounted to ₱435.6 million and ₱248.4 million, respectively. A breakdown of the main components of cost of production is as follows:

- The increases in the tonnes milled and the number of operating days of 69.4% and 47.7%, respectively, were the main reasons for the increase in the cost of mining and milling materials and supplies of ₱68.2 million in the first quarter of 2015 compared to the same period in 2014.
- Depreciation, depletion and amortization rose by ₱38.0 million mainly due to higher depletion expenses. Depletion is calculated per ton of ore extracted and processed during the period. Since the Parent Company milled 69.4% higher tonnes in the first quarter of 2015 compared to 2014, depletion charges increased.
- Personnel cost increased in the first quarter of 2015 compared to 2014 due to the hiring of additional manpower directly involved in production to be able to accomplish the Parent Company's strategy to shift from mechanized to traditional mining methods in certain mine stopes to minimize dilution and improve ore head grades.
- Utilities expense, which is primarily driven by power cost, increased by ₱27.3 million in the first quarter of 2015 compared to 2014. The Parent Company's average cost per kilowatt hour in the first quarter of 2015 increased by 31.8% to ₱5.92 from ₱4.49 in the same period of 2014, while the average monthly kilowatt consumption increased by 81.7%.
- The Parent Company opened up several working areas within its tenement that can regularly supply ore to the mill plant while continuously developing existing ones during the one year gap in comparative periods. To be able to accomplish this, the Parent Company gradually increased its hauling, loading and other services from the first quarter of 2014 to the same period in 2015.

### *Consolidated Excise Taxes*

Consolidated excise taxes, all of which pertain to the Parent Company's excise taxes on revenue from metals produced, amounted to ₱12.7 million and ₱5.2 million in the first quarter of 2015 and 2014, respectively. The higher revenues in 2015 correspondingly resulted in higher excise taxes for the period compared to 2014.

### *Consolidated General and Administrative Expense*

Consolidated general and administrative expense in the first quarter of 2015 and 2014 amounted to ₱120.9 million and ₱131.9 million, respectively. The Parent Company's contribution to the consolidated general and administrative expenses in the first quarter of 2015 and 2014 amounted to ₱115.4 million and ₱131.9 million, respectively, while that from Monte Oro Resources & Energy Inc. and Subsidiaries (collectively referred to as "MORE and Subsidiaries") amounted to ₱5.5 million and nil, respectively. Details of the significant elements of the consolidated general and administrative expenses are shown below.

- Personnel cost increased by ₱16.0 million, of which ₱3.2 million pertains to MORE and Subsidiaries' contribution for the period, due to the incentive pay granted in the first quarter of 2014, which was on average higher than that of the first quarter of 2015.
- Contracted services rose by ₱10.0 million in the first quarter of 2015 compared to 2014, of which ₱0.6 million pertains to the impact of the MORE and Subsidiaries to the consolidated statement of comprehensive income of the Group. The jump in cost was brought about by the higher need for support services.

- Royalties and surface rights increased as the revenue bases in the first quarter of 2015 compared to the first quarter of 2014 increased.

#### *Consolidated Other Income (Charges)*

The breakdown of the main components of the consolidated other income (charges) in the first quarter of 2015 and 2014 amounting to ₱14.6 million in other income and ₱18.0 million in other charges, respectively, is presented below. The contribution of the Parent Company in the first quarter 2015 and 2014 amounted to ₱14.5 million in other income and ₱18.0 million in other charges, respectively, while MORE and Subsidiaries amounted to ₱0.1 million in other income and nil, respectively.

- Net foreign exchange gain in the first quarter of 2015 and net foreign exchange losses in the first quarter of 2014 were mainly due to the fluctuations in the average and closing rates during those periods. The Group and Parent Company were in a net foreign currency-denominated financial liability position in both quarters.
- The Parent Company had outstanding loans in the first quarter of 2015, but none in the first quarter of 2014.

#### *Consolidated Other Comprehensive Income*

Aside from the effects of the translation adjustments on foreign subsidiaries, there were no other items affecting consolidated other comprehensive income as of and for the period ended March 31, 2015 and 2014.

### Consolidated Statement of Financial Position

#### *Consolidated Current Assets*

Total consolidated current assets of the Group increased by ₱146.3 million from ₱1,398.5 million as of December 31, 2014 to ₱1,544.8 million as of March 31, 2015 primarily due to the following:

- Trade and other receivables of the Group increased by ₱89.3 million, specifically the advances to suppliers and contractors account due to downpayments on equipment purchases made by the Parent Company in the first quarter of 2015.
- The Group's inventories rose by ₱73.5 million mainly on account of higher gold and silver bullion of ₱44.0 million, stockpile of ₱8.5 million, and materials and supplies of ₱21.0 million.

#### *Consolidated Noncurrent Assets*

Total consolidated noncurrent assets of the Group grew by ₱227.5 million from ₱7,101.1 million as of December 31, 2014 to ₱7,328.6 million as of March 31, 2015 primarily due to the additions to mine development costs lodged in the property, plant and equipment account. Property, plant and equipment increased by ₱210.6 million in the three months ended March 31, 2015.

#### *Consolidated Current Liabilities*

Consolidated current liabilities of the Group fell by ₱1,612.1 million from the December 31, 2014 balance of ₱4,925.2 million to the March 31, 2015 balance of ₱3,313.1 million. The movement of the account during the three-month period ended March 31, 2015 was primarily due to the settlement of a liability to one of the MORE stockholders in February 2015 representing the purchase price of the MORE shares acquired by the Parent Company amounting to ₱1,859.2 million.

On March 20, 2015, Banco de Oro Unibank, Inc. approved a one-year, short-term ₱2.25 billion loan to the Parent Company to bridge its cash requirements and capital expenditures. The loan is secured by a Continuing Surety of Prime Metroline Holdings, Inc.

### *Consolidated Noncurrent Liabilities*

Consolidated noncurrent liabilities went up by ₱48.3 million as of March 31, 2015 from ₱443.6 million as of December 31, 2014 mainly due to the additional long-term loans obtained by the Group during the three-month period ended March 31, 2015.

### *Consolidated Equity*

Consolidated equity of the Group grew by ₱1,937.7 million as of March 31, 2015 compared to December 31, 2014 due to the following:

- In March 2015, the Parent Company issued 1,859.2 million shares amounting to ₱1,859.2 million equivalent to its par value of ₱1 per share out of its unissued capital stock. Transaction costs amounting to ₱21.8 million related to the issuance of the new shares were charged to additional paid-in capital of previous share issuances.
- In February 2015, 2.5 billion shares corresponding to the deposit for future stock subscription ₱2.5 billion as of December 31, 2014 were issued at par value following the approval of the increase in the Parent Company's authorized capital stock to 12.8 billion shares from 2.8 billion shares by the Philippine Securities and Exchange Commission on January 20, 2015.
- Deficit decreased by ₱123.9 million representing the consolidated comprehensive income for the quarter ended March 31, 2015. The full amount represents the total consolidated comprehensive income attributable to the Parent Company.

## **Key Performance and Financial Soundness Indicators**

### Tonnes Mined and Milled

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

103,967 tonnes of ore were mined with an average grade of 5.4 gold (Au) grams per ton (g/t) in the first quarter of 2015 compared to the 68,729 tonnes with an average grade of 4.1 Au g/t in the same period in 2014. On the other hand, the mill plant processed a total of 77,287 tonnes with an average mill head grade of 6.2 Au g/t and 39.2 silver (Ag) g/t in 2015 compared to the 45,619 tonnes with an average mill head grade of 4.2 Au g/t and 24.8 Ag g/t in the same period in 2014, the remaining tonnes of ore are kept in stockpile for future blending.

Average metal recovery for gold and silver was 77.2% and 60.3%, respectively, in the first quarter of 2015, and 77.4% and 74.0%, respectively, in the first quarter of 2014.

### Financial Soundness Indicators

Management has identified the following financial ratios as significant in assessing the Group's performance:

Financial Ratio	Formula	Three Months Ended March	
		2015	2014
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	0.34:1	0.17:1
Return on assets	$\frac{\text{Net income (loss)}}{\text{Total assets}}$	0.01:1	(0.03):1

Financial Ratio	Formula	Three Months Ended March 31	
		2015	2014
Return on equity	$\frac{\text{Net income (loss)}}{\text{Total equity}}$	0.02:1	(0.07):1
Financial Ratio	Formula	March 31, 2015	December 31, 2014
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.47:1	0.28:1
Debt-to-equity	$\frac{\text{Total debts}}{\text{Total equity}}$	0.75:1	1.71:1
Asset-to-equity	$\frac{\text{Total assets}}{\text{Total equity}}$	1.75:1	2.71:1

The higher gross profit margin, return on assets and return on equity ratios indicate the favorable results of operation in the first quarter of 2015 which resulted in net earnings for the Group during the period.

The higher current ratio indicates an improvement in the Group's ability to address its currently maturing obligation. The lower debt-to-equity and asset-to-equity ratios resulted from the infusion of additional capital base in the Parent Company which funded in the first quarter of 2015 the payment of a liability for the acquisition of MORE shares made in 2014.

### Information on Independent Accountant and Other Related Matter

1. Aggregate fees billed for the last two (2) years of Audit fee is P5M.

- a) Audit professional fees were subjected to 12% VAT;
- b) No other fees except for the regular audit service fee; and
- c) All policies governing the audit procedures were duly approved by the audit committee.

2. The Company has no disagreements with its previous external auditor, SGV & Co. regarding matters of accounting principle practice, auditing scope and procedure.

### 3. Market Information

(a) The Corporation's common equity is traded at the Philippine Stock Exchange.

#### High and Low Market Prices of Shares

	Common Shares	
	High	Low
<b>2013 Jan – Mar</b>	4.47	4.40
<b>Apr – Jun</b>	3.69	3.69
<b>Jul – Sep</b>	3.03	3.01
<b>Oct – Dec</b>	2.04	1.91



<b>2014 Jan - Mar</b>	3.10	2.80
<b>Apr - Jun</b>	3.16	3.02
<b>Jul- Sep</b>	3.95	3.44
<b>Oct - Dec</b>	3.22	3.02
<b>2015 Jan - Mar</b>	3.12	2.97

The price information as of the close of latest practicable date April 30, 2015 is P2.60 per common share.

## (2) Holders

The authorized capital stock of the Corporation is Two Billion Eight Hundred Million (12,800,000,000) Shares at P1.00 par value. The Corporation has a total of 2,813 stockholders as of 30 April 2015.

As of 30 April 2015, the top twenty (20) stockholders of Apex are as follows:

<b>Name of Stockholder</b>	<b>Total Number of Shares</b>	<b>Percentage of Ownership</b>
1) Prime Metroline Holdings, Inc.	2,511,329,207	40.32%
2) Monte Oro Resources and Energy Inc.	633,458,632	10.17%
3) Mindanao Gold Limited	597,051,165	9.58%
4) Lakeland Village Holdings, Inc.	474,613,599	7.62%
5) Devoncourt Estates Inc.	423,904,339	6.80%
6) A. Brown Company Inc.	388,694,698	6.24%
7) Wealth Securities Inc.	134,933,919	2.17%
8) Mapula Creek Gold Corporation	115,326,533	1.85%
9) Walter William Brown	83,590,280	1.34%
10) PCD Corporation (Non-Filipino)	63,900,704	1.02%
11) Jose Eduardo J. Alarilla	50,000,000	0.80%
12) DTO Investments Corp.	50,000,000	0.80%
13) Ramon Y. Sy	44,598,406	0.72%
14) Campos Lanuza & Co., Inc.	37,496,954	0.60%
15) Evergrow Mining & Dev't Corp.	29,910,956	0.48%
16) Victor Juat	21,762,505	0.35%
17) Silverio Benny J. Tan	20,000,000	0.32%
18) Victor Chan	17,946,617	0.29%
19) Jacinto C. Ng	14,725,217	0.23%
20) PCD Nominee Corporation	11,641,397	0.18%

## Dividends

No dividends were declared or issued in 2014 and 2013.

## Recent Sale of Unregistered Securities

The Corporation did not sell unregistered or exempt securities. Neither did it issue securities constituting an exempt transaction for the last three years.

## **Corporate Governance**

The Corporation adopted a corporate governance performance evaluation and self-rating system as approved by our Board of Directors, by which our Acting Corporate Governance Compliance Officer, in coordination with other officers of the Corporation, measures and determines the level of compliance by the Corporation, its directors, officers and employees with the provisions of the Manual and other laws, rules and regulations regarding the corporate governance.

The Corporation has faithfully complied with the requirements of the Manual of Corporate Governance. As of this report, there are no substantial deviations from the Corporation's Manual of Corporate Governance that involved any person/s and sanctions imposed on said individuals. The Company has amended its Manual of Corporate Governance last July 31, 2014.

A copy of the Company's Annual Corporate Governance Report for 2014 is attached in SEC Form 17-A.

**A COPY OF THE COMPANY'S 2014 ANNUAL REPORT ON SEC FORM 17-A AS FILED WITH THE SEC WILL BE PROVIDED FREE OF CHARGE UPON WRITTEN REQUEST ADDRESSED TO:**

**MS. ROSANNA A. PARICA**  
Corporate Secretary  
Apex Mining Co., Inc.  
3304B West Tower, PSE Centre, Exchange Road  
Ortigas Centre, Pasig City