

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, 2015
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 3304B West Tower, PSE Centre, Exchange 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	6,227,887,491

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes No Philippine Stock Exchange 1,683,111,555 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 No
 - b) has been subject to such filing requirements for the past 90 days.
Yes No

13. Not Applicable

14. Not Applicable

PART 1 BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Business Development

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.

The Company's operation is situated in the Municipalities of Maco and Mabini. The area is well known for epithermal gold deposits, porphyry copper deposits and has a long history of production from various mines.

On March 7, 1974, the Company listed its shares in the Philippine Stock Exchange (PSE) and attained the 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 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 thereto, on December 23, 2005, Crew Gold and PJS Investment Corporation (PJS), an entity owned by the Puyat Group, agreed that certain liabilities of the Company as of December 31, 2005 amounting to P83.2 million be assigned to PJS in order to facilitate the investment of Crew Gold into the Company.

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

In the meeting of Board of Directors of the Company held on September 11, 2014, the Board approved the purchase for cash by the Company of all the outstanding capital stock of Monte Oro Resources & Energy, Inc. ("MORE") consisting of 5,122,161,096 shares at par value of Php1.00 per share. The purchase is to expand the business of the Company, allowing it to acquire other business interests of MORE. It will also provide the Company a healthier balance sheet with an increase in its assets base and equity.

The purchase is to be funded from the cash to be raised in the issuance of new shares from the increase in capital stock of the Company at par value of Php1.00 per share. Those who will sell their shares in MORE to the Company will be allowed to participate in the subscription to new shares from the increase in capital stock of the Company at par value of Php1.00 per share. In October 2014, the deeds of sale between the Company and the stockholders of MORE were executed and thereby paid by February 2015.

MORE owns 100% of Paracale Gold Ltd. which owns Coral Resources Philippines Inc. which in turn owns a mineral processing plant in Jose Panganiban, in Camarines Norte, and 40% of Bulawan Mineral Resources Corporation (with the option to acquire the other 60% shareholdings). Bulawan has mineral areas covering a total of 6,208 hectares, three of which are under Application for Production Sharing Agreements (APSA) and four under Exploration Permits Applications (EXPA), and 18 mineral application areas covering a total of 97.850 hectares under royalty agreements with option to purchase.

MORE also owns 30% participating interest in Service Contract No. 72 (a service contract for natural gas in offshore area eastwest of Palawan in the West Philippine sea). MORE likewise owns 52% shareholdings in International Cleanenvironment Systems Inc. (formerly Jancom Environmental Corporation) which has a BOT Contract with the Republic of the Philippines for solid waste management.

Other assets of MORE include: (a) 100% shareholdings in Minas de Oro Mongol LLC (a Mongolian company) which owns 51% shareholdings in Erdenejas LLC, a joint venture company which holds a mining license in Khar At Uul in Mongolia. (b) 90% shareholdings in Monte Oro Mining Company Ltd. which is engage in mining exploration in Sierra Leone, and in MORE Minerals SL which engages in artisanal mining and gold trading in Sierra Leone. (c) 3.92% participation in National Prosperity Gold Production Group Ltd. (NPGPGL) which holds mining claims and license from the government of Myanmar to develop and operate the gold mine located at Moe di-Moe mi Region, Yemethin Township, Mandalay Division, Myanmar, known as the Maudi Taung Gold Mine.

On June 24, 2015, the Company acquired 98% of the total outstanding capital stock of Itogon-Suyoc Resources (ISRI). The purchase price is P0.007456 per share for a total of P182,672,000 consisting of P32,672,000 in cash and P150,000,000 in Apex shares valued at 2.91 per share.

ISRI is a holder of four (4) Patented Mineral Claims, MPSA No. 152-2000-CAR, pending application for the third renewal of its exploration permit, APSA No. 0103-CAR, APSA No. 0067-CAR, EXPA No. 030 and EXP No. 000048-V. ISRI owns the mill and production facilities in Sangilo. Itogon, Benguet.

Business of Issuer

Products/Sales

The Company's mine produces bullion containing gold and silver. All of the mine's production in 2015 were smelted and refined in Hongkong through Heraeus Limited.

Competition

The Company's sales from gold bullion are based on internationally accepted pricing in the world market available from the London Bullion Market Association. Philippine mining companies do not affect international metal prices, hence, competition among these mining companies is basically in-existent.

Development Activities

Expenditures for the development activities by the Company in the last three fiscal years and its percentage to revenue are shown in the following table:

Year	Development Cost	Revenue	Percentage
2015	P815,884,075	P2,430,097,329	34%
2014	P505,142,145	P1,730,741,568	29%
2013	P486,896,802	P1,735,840,754	28%

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.

Employees

Total manpower headcount as of December 31, 2015 is 1,911.

Division/Dept	Rank & File	Supervisor	Manager/Sr. Managers	Total
Mine	955	128	19	1,102
Mill	144	27	2	173
Power, Gen. & Elec. Services	131	24	1	156
Geology and Exploration	88	31	5	124
Support	181	64	13	258
Corporate Services	34	30	10	74
Head Office	3	12	9	24
Total	1,536	316	59	1,911

Mining Properties / Royalty Agreements

1) MPSA 225-2005-XI

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved this Mineral Production Sharing Agreement (MPSA) covering 679.02 hectares situated in Maco, Compostela Valley. This agreement is valid for a 25-year term and renewable for another 25 years. This MPSA will expire in 2030. The Company's Maco mining operations is concentrated in this mining license which allows the development and extraction of gold/silver bearing veins.

In the area covered by MPSA 225-2005-XI, 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.

2) MPSA 234-2005-XI

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. This allows the exploration of gold, copper and associated metals. The Company's first venture during the 1970's was a small scale copper mining via a number of minor open pit operations. With the collapse of the global copper market at the end of 1970's, the Company shifted its focus to gold, leading to its operation of the Maco mine.

Executive Order (EO) 79

On July 12, 2012, EO 79 was issued 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 as the mines are covered by existing MPSAs 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 to 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.

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., EVP for Geology, Exploration and Operations.

OPERATIONS

GEOLOGY AND EXPLORATION

Underground drilling was focused on near-mine extensions of the gold-bearing quartz and breccia veins. Two units (2) DE-140 rig, one unit of (1) HFU-3a and one (1) XU-200 rig were dedicated to evaluate the continuity of the Sandy, Don Fernando, Wagas, Ma. Inez and Ma. Inez Split veins in terms of lateral and down dip extensions. A total of 10 holes were completed for the year 2015. These holes have indicated additional resources which will guide further in-fill drilling to qualify for inclusion in the resource model. Total meters of diamond drilling achieved for the year 2015 was 3789.9 meters from 30 holes in MPSA 225.

Surface drilling by Quest Exploration Drilling (QED) contractor commenced last June 16, 2015. One unit (1) CS1400 and one (1) CS1000 rig were deployed to prove the vertical and lateral extensions of Don Fernando, Don Joaquin, Calixto-L, Don Mario, Wagas, Masarita and Lumanggang Hitch Vein in MPSA 225 and 234 respectively. Total meters of surface diamond drilling achieved for the year 2015 was 6337.5 meters from 22 holes.

Table 1 - 2015 Exploration Diamond Drilling Accomplishment

Rig	2015 Drilling Accomplishment											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DE-140-1	280.1	129.6	3.2	392.3							117.4	77.3
DE-140-2	121.8	157.5	43	125.2	160.8	156.5	96	120.3	187.6	265.3		
XU 200 # 1											130	147.7
XU 200 # 2			112.7	36.8	31.4	153.1	165.1		88.1	45.2		
Hanfa	54.7	24.4	58.5					254.7				
Kempe										26.3	27.3	
CS-1000						115.8	623.8	462.7	596.2	451.5	528	59.3
CS-1400						150.2	373	526	551.1	801.1	610.3	488.5

Production and development update for 2015

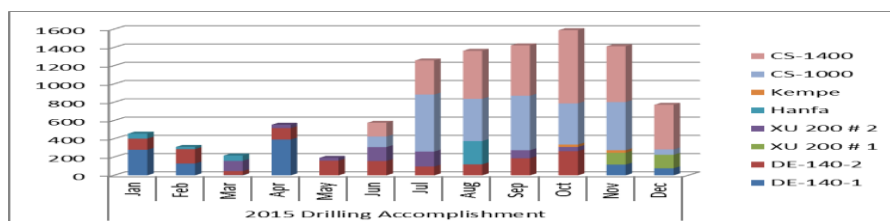
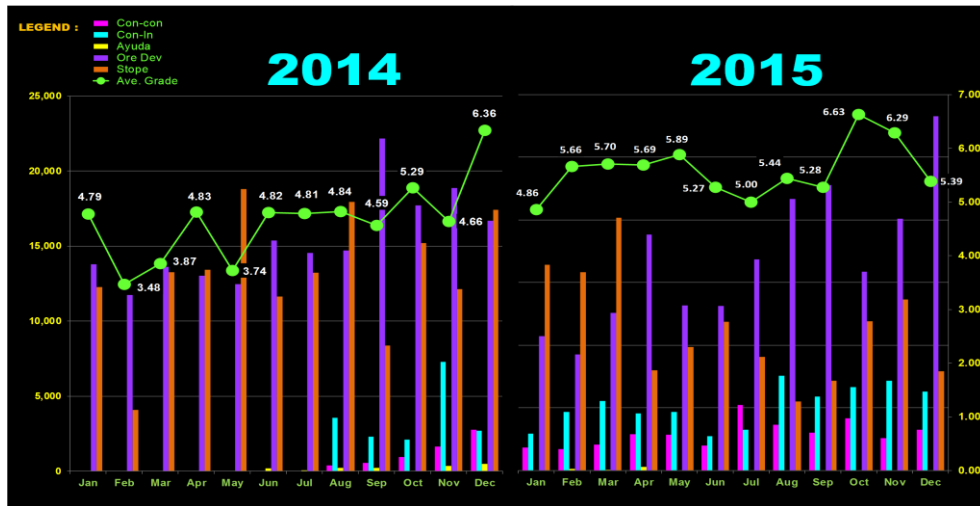


Figure 1: Underground and Surface Drilling meterage as of 2015.

MINE

In 2015, total mine production was 438,424 tonnes of gold ore with an average grade of 5.61 grams per tonnes, higher by 192 equivalent to 70,154 tonnes of gold compared to 2014.

Mine ore sources: from ore development produced 26.1% (114,617 tons @ 7.48 gpt Au) from the annual production, stoping produced 22.2% (97,225 tons @ 9.23 gpt Au), 0.1% (373 tons @ 9.70 gpt Au) from AYUDA, 8.3% (36,239 tons @ 7.66 gpt Au) from conventional in house, 2.8% (12,360 tons @ 5.34 gpt Au) from conventional contract, 37.8% (165,564 tons @ 1.93 gpt Au) of marginal ore and 2.7% (12,047 tons @ 3.35 gpt Au) of incidental ore.



Mine development on waste access drives, attained a total advance of 7,392 meters, 86% from the projected target. Mine development on ore (on vein drives) attained a total of 7,109 meters, 101% from the projected target.

MILL

In the first semester of 2015, mill throughput averaged 1,083 tons per day or 25,356 tons per month. With an average grade of 5.57 grams per tonne and recovery of 77.50%, average monthly gold production was 3,581 ounces of gold.

The higher monthly mill throughput was due to the capacity upgrade completed by the end of 2014. This, together with higher ore grades, caused gold production to increase by 150% for the first semester compared to 2014. The lower recovery was mostly due to the insufficient gold stripping capacity and carbon adsorption retention time of the plant.

In the second semester, production was sustained with average monthly ores milled of 1,063 tons per day or 27,335 tons per month at an ore grade of 5.54 g/t gold and 79.61% recovery. Due to higher recovery and operating days, gold production for the semester increased to 3,878 oz Au per month. This brings total gold ounces produced in 2015 to 44,754 oz which is 43% higher than 2014.

Although production picked up in the second semester, there were still some major challenges encountered. The Rod Mill and Ball Mill 1 was down from June 15 to July 4 due to worn out feed end trunnion bearing and substandard Babbitt bearing spare for Ball Mill 1. Ball Mill 2 was also down from June 25 to July 26 due to broken pinion gear teeth.

Mineral Resource and Ore Reserves update for 2015

On October 12, 2015 the Maco mine updated its reports on outstanding mineral resources and ore reserves as certified to by independent qualified persons pursuant to the Philippine Mineral Reporting Code as follows:

A. 2015 Resource Estimate of the Gold Veins Within the Maco Mine

A technical report on the exploration results and mineral resources of the Company’s operating gold mine in Compostela Valley compliant with the PMRC prepared and submitted by Mr. Rolando Pena, a registered Geologist with License No. 068 and is an accredited Competent Person on Exploration Results and Mineral Resource Estimation with PMRC/GSP CP Registration No. 07-08-08. The report states that: **“The current global resource for the fifteen epithermal veins with face sample data as of August 2015, is estimated at 457,900 ounces (2,560,000 tonnes at 5.6 g/t Au).** x x x The resource is comprised of 213,000 tonnes at 8.7 g/t Au in the Measured category, 505,000 at 8.4 g/t Au indicated and 1,842,000 at 4.4 g/t inferred. The categorization is deemed within acceptable limits as set forth in the PMRC guidelines.”

B. 2015 Report for Economic Assessment and Ore Reserve Estimation of the Gold Vein Deposits of Maco Mines in Maco, Compostela Valley Province, Mindanao Island, Philippines, Within MPSA-225-XI-2005 and MPSA-234-XI-2007,

A report on the economic assessment and ore reserve estimation of the Maco Mines of the Company prepared and submitted by Mr. Raul B. Cesar, a registered Mining Engineer with License No. 1709 and is an accredited Competent Person with PMRC CP Registration No. EM 01709-20/11. The report states that: **“The total combined proven and probable reserves are 1,210,000 tonnes grading 7.86 g/t gold, accounting for a total of 305,800 in-situ ounces of gold and 244,600 recoverable ounces of gold. The ore reserve is derived from, and not additional to the declared Mineral Resource.”**

Community Development Projects Update

In consonance to the DENR Administrative Order No. 2010-21 (DAO 2010-21), “mandating the Contractor/Permit Holder/Lessee to allocate annually a minimum of one and a half percent (1.50%) of the Total Operating Cost (TOC) as the basis for funding the Social Development and Management Program (SDMP), provided further that the SDMP Fund shall be allocated by 75%, 15% and 10% for the Development of Host & Neighboring Community (DHNC); Information, Education and Communication (IEC); and the Development of Mine Technology & Geosciences (DMTG), respectively”, the Apex Mining Co., Inc (AMCI) complied and adopted the said mandates.

SDMP 2015 actual implementation amounted to P39.6 million or 118% against the annual budget of P33.5 million For DHNC, Php 32.8 million or 121% against the allocated budget which was only P26.6 million. While IEC spent a total amount of P4.70 against the budget allocation of P4.10 million or 115%. Lastly, the DMTG programs has an actual cost of P2.5 million or 92% against the annual budget of P2.7 million.

Annual Social Development Management Projects and Costs 2015

Programs/Projects/Activities	Annual Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	% Accomplishment
Development of Host & Neighboring Communities (DHNC)	26,687,942	6,243,544	6,386,257	10,549,645	9,209,033	32,388,480	121
Health and Sanitation	2,732,000	609,257	913,709	623,289	356,340	2,502,594	92
Educational Support	8,240,000	1,350,004	2,379,248	3,000,114	2,538,686	9,268,052	112
Livelihood Programs	1,244,000	143,653	174,685	289,861	331,562	939,761	76
Public Infrastructures	9,530,542	2,866,330	1,699,150	5,289,428	4,685,953	14,540,861	153
Socio -Cultural and Religious Support	4,941,400	1,274,300	1,219,466	1,346,954	1,296,492	5,137,212	104
Information, Education and Communication (IEC)	4,107,178	875,930	740,916	2,472,782	616,530	4,706,157	115
Development of Mining Technology and Geosciences (DMTG)	2,738,119	519,440	952,231	650,496	409,560	2,531,727	92
TOTAL	33,533,239	7,638,914	8,079,405	13,672,923	10,235,122	39,626,364	118

Power Supply and Utilization Update for 2015

Power and Utilization Cost for 2015:

COST CENTERS	PROJECTED 2015			Actual 2015		
	kW-Hr x 1,000	Php (5.40 /kW-Hr) x 1,000	%	kW-Hr x 1,000	Php 5.61 /kW-Hr x 1,000	%
MINE						
PUMPING	16,347.88	88,278.57	19.00%	9,870.19	55,371.77	15.35%
VENTILATION	15,495.46	83,675.51	18.01%	21,870.19	122,691.78	34.01%
COMPRESSORS	8,271.32	44,665.15	9.61%	7,229.12	40,555.35	11.24%
SERVICES	15,206.95	82,117.54	17.68%	4,623.46	25,937.62	7.19%
MAINTENANANCE (MOTORPOOL)	425.88	2,299.75	0.50%	255.85	1,435.32	0.40%
OFFICE BLDG. & STAFF HOUSE	710.80	3,838.32	0.83%	486.37	2,728.52	0.76%
MILL PLANT AREA	29,569.07	159,673.00	34.37%	19,963.35	111,994.37	31.05%
Annual kW-Hr	86,027.38	464,547.83	100.00%	64,298.53	360,714.74	100.00%

Primarily, PSALM and Therma Marine Inc. supply the industrial power requirements of the mine thru supply contract agreements.

Safety Development

The Safety Department of AMCI 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 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 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)	9	0	3	6	0
LTA (Non-Fatal)	10	2	6	2	0
Property Damage	67	16	13	12	26

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 in 2015 of about P82.9 million.

Related Party Transactions

Please refer to Note 15 of the Consolidated Audited Financial Statements as of December 31, 2015, Part III, Item 12 of this report also discusses related party transactions.

Major Business Risks

Risk Factors and Uncertainties

1. As in other businesses, the Company cannot be able to insure against all of the possible risks in its operations: 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 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.

2. **Commodity Price Fluctuations** - If the price of gold declines, the Company's operations 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 these commodities has fluctuated widely, particularly in recent years, 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 the Company 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 the Company's cost to produce gold, the Company's properties cannot 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, which may require reassessments of the feasibility and operational requirements of its projects. Such reassessments may cause substantial delays or interrupt the Company's operations.
3. **Non-compliance with environmental regulation** may hurt the Company's ability to perform its 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.
4. **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 the US dollars and the Philippine peso because the Company's sales proceeds and advances from affiliates are denominated in US dollars.. The Company is not currently take hedged against currency fluctuations.
5. **The Company's stock price could be volatile**: The market price of its 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 with an annual rental fee of P1.3 million.

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.

The table below summarizes the material legal proceedings currently 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	Handling Lawyer: Atty. Hilarion B. Paredes, PJS Law 12F Manila Bank Bldng. 6772 Ayala Ave. Makati City CA rendered its decision in favor of the Company. The other party filed a motion for reconsideration. Case is still pending before CA.
2) Asia Alliance vs PMDC Handling lawyer: LIBRA Law, Atty. Emmanuel Buenaventura		RTC Pasig	Motion for Intervention filed by the Company in the case of Asia Alliance vs PMDC (failure of bidding on the NDMC claim) in RTC Pasig. Motion for Intervention denied which the Company 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, the Company 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: 1. Appeal to the CA, to be filed 15days after Nov. 15, 2013 2. Petition for Mandamus to compel

			<p>RTC to allow intervention to be filed 60days from receipt of Order.</p> <p>3. Separate Civil Action for injunction and damages against PMDC to be filed beyond 60days.</p>
<p>3) Maco Ancestral Domain Council Inc. (MADCI), as represented by Rolando M. Casigloman Et. Al., Complainants</p> <p>-versus-</p> <p>Apex Mining Co. Inc., Benoit de Galbert, Chief Executive, Jesus C. Anin, Resident Manager. Respondents</p>	<p>RXI-0037-12</p>	<p>National Commission on Indigenous Peoples (NCIP) – Region XI Hearing Office XI</p>	<p>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</p> <p>Submitted to Mediation and Conciliation Proceedings before NCIP Region XI.</p> <p>MADCI was the former IP Organization recognized by the Company and NCIP to represent the Indigenous Cultural Communities of Maco.</p> <p>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.</p> <p>When MADCI was reorganized in 2012, MIPADMA was the newly organized group without retiring the incorporation documentation of MADCI.</p> <p>In later month of 2012, MADCI claimed again the Royalty Payments from the Company which this case for Specific Performance was filed.</p> <p>NCIP called this case for mediation and did not dismiss the same after the Company filed a motion to dismiss.</p> <p>Hence the same is still pending.</p> <p><i>The case denominated as NCIP Case No. R-XI-0037-12 entitled Maco Ancestral Domain Inc. (MADCI) vs. Apex Mining Co., Inc. is still pending before the Regional Hearing Office of the National Commission on Indigenous Peoples – Region XI, Davao City. Aside from MADCI, the following Indigenous Peoples Organization (IPO) of Maco joined the case as intervenor-complainants:</i></p> <ol style="list-style-type: none"> <i>a. Mantakadong Mansaka Indigeouns Peoples Ancestral Domain of Maco Inc. (MMIPADMA)</i> <i>b. Sumpaw ng Inangsabong Mansaka Inc. (SIMI)</i> <p><i>After trial on the merits, the Regional Hearing Office is expected to resolve the representation issue among the three</i></p>

			<p><i>foregoing IPO's and decide who is authorized to receive the royalty payments from AMCI.</i></p> <p>Payment schedule for surface right compensation being finalized. Issue on royalty share to be taken up in future hearings.</p>
<p>4.) Beagle Ida Security Agency, Inc. (BIDA) Security Agency, Plaintiff</p> <p>-versus-</p> <p>Apex Mining Co. Inc., Defendants</p>	<p>Civil Case No. 35,894-2014</p> <p>Sum of Money and Attorney's Fee</p>	<p>RTC, 11th Judicial Region, Branch 16, Davao City</p>	<p>09/16/14 - Complaint 09/30/14 - Summon 12/01/14 - Answer with Counterclaim 02/04/15 - Hearing on the affirmative</p> <p>Pending before RTC 11, Branch 16. Pre-trial on May 17, 2015.</p> <p>March 1, 2016 - The parties appeared for the preliminary conference and were directed to file their Draft of Terms of Reference.</p> <p>Handling lawyers are currently preparing the Draft of Terms of Reference for the issues to be taken during the face to face trial.</p>

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 in the Philippine Stock Exchange. The high and low sales prices for each quarter within the last two years and the interim period from January to March 2015 were, as follows:

	Common Shares	
	High	Low
2014 Jan – Mar	3.10	2.80
Apr – Jun	3.16	3.02
Jul – Sep	3.95	3.44
Oct – Dec	3.22	3.02
2015 Jan - Mar	3.12	2.97
Apr - Jun	2.56	2.56
Jul- Sep	2.35	2.31
Oct - Dec	2.06	2.04
2015 Jan - Mar	1.94	2.04

The price information as of the close of latest practicable date April 15, 2016 was P2.23 high and P2.10 low.

Holders

As of 31 March 2016, the Company has 2,809 shareholders with 6,227,887,491 common shares.

The top twenty (20) stockholders of the Company as of March 31, 2016 are as follows:

Name of Stockholder	Total Number of Shares	Percentage of Ownership
1) Prime Metroline Holdings, Inc.	2,511,329,207	40.32%
2) PCD Nominee Corp.	849,808,221	13.64%
3) Mindanao Gold Ltd.	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) Monte Oro Resources & Energy Inc.	224,627,948	3.60%
8) Wealth Securities Inc.	134,933,919	2.17%
9) Mapula Creek Gold Corporation	115,326,533	1.85%
10) Walter William Brown	83,590,280	1.34%
11) PCD Corporation (Non-Filipino)	59,857,704	0.96%
12) Jose Eduardo J. Alarilla	50,000,000	0.80%
13) DTO Investments Corp.	50,000,000	0.80%
14) Ramon Y. Sy	44,598,406	0.72%
15) Campos Lanuza & Co., Inc.	37,496,954	0.60%
16) Evergrow Mining & Dev't Corp.	29,910,956	0.48%
17) Victor Juat	21,762,505	0.35%
18) Silverio Benny J. Tan	20,000,000	0.32%
19) Victor Chan	17,946,617	0.29%
20) Jacinto C. Ng	14,725,217	0.23%

As of 31 March 2016, the public ownership level of the Company is at 26.76%.

Dividends

The Company did not declare any cash dividends on each class of its common equity for 2014, 2015 and the interim period of January to March 2016.

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 FOR THE YEARS 2015 AND 2014

Consolidated Statement of Comprehensive Income

Consolidated Net Income (Loss)

Consolidated net income of Apex Mining Co., Inc. (the "Parent Company") and its Subsidiaries (collectively referred to as the "Group") was ₱71.4 million in 2015, a turn around from the ₱389.9 million and ₱827.4 million consolidated net losses in 2014 and 2013, respectively.

The Parent Company net income in 2015 amounted to ₱169.3 million compared to net losses of ₱543.6 million in 2014 and ₱827.4 million in 2013.

Consolidated Revenues

Consolidated revenues in 2015, 2014 and 2013 amounted to ₱2,430.1 million, ₱1,730.7 million and ₱1,735.8 million, respectively, an increase of ₱699.4 million in 2015 compared to 2014, and a decrease of ₱5.1 million in 2014 compared to 2013. The consolidated revenues of the Group pertain to the Parent Company revenues in all comparative years.

Information on the Parent Company volume of gold produced and realized price in 2015, 2014 and 2013 is as follows:

	2015	2014	Change	2013	Change
Volume in ounces (oz)	43,048	28,802	+49%	26,797	+8%
Realized price/oz	\$1,158	\$1,262	-8%	\$1,389	9%

Information on the Parent Company volume of silver produced and realized price in 2015, 2014 and 2013 is as follows:

	2015	2014	Change	2013	Change
Volume in oz	224,479	158,754	+41%	151,814	+5%
Realized price/oz	\$16	\$19	-16%	\$23	-17%

The weighted average US\$1.0 to PHP foreign exchange rates on the Parent Company revenues in 2015, 2014 and 2013 were ₱45.56, ₱44.40 and ₱41.43, respectively.

An analysis of the consolidated revenue variance, which comprises of volume, price and exchange rate variances, between the comparative years ended December 31, 2015, 2014 and 2013 of the Group are as follows:

Variances	Year 2015 and 2014 (in thousands of PHP)			Year 2014 and 2013 (in thousands of PHP)		
	Gold	Silver	Total	Gold	Silver	Total
Volume	₱798,226	₱55,446	₱853,672	₱115,380	₱6,613	₱121,993
Price	(199,174)	(33,794)	(232,968)	(151,545)	(26,309)	(177,854)
Exchange rate	72,969	5,683	78,652	42,158	8,603	50,761
Consolidated revenue	₱672,021	₱27,335	₱699,356	₱5,993	(₱11,093)	(₱5,100)

The volume variance was brought about by significantly higher ore tonnage and better mill head grades by 35% and 16%, respectively, in 2015 compared to 2014. The Parent Company milled 16% tonnes lower in 2014 compared to 2013, but it made up for the lower tonnage by an increase of 32% in mill head grade. Production throughput in 2015, 2014 and 2013 averaged 1,079 tonnes per day (TPD), 788 TPD and 842 TPD, respectively.

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, but slightly favored the exchange rate variance as shown in the table.

Consolidated Cost of Production

Consolidated cost of production incurred in 2015, 2014 and 2013, all of which pertains solely to the Parent Company cost of production, amounted to ₱2,014.0 million, ₱1,872.1 million and ₱2,187.7 million, respectively. A breakdown of the main components of consolidated cost of production in 2015, 2014 and 2013 follows:

- Materials used in mining and milling rose by ₱38.3 million in 2015 compared to 2014, though lower by ₱162.6 million in 2014 compared to 2013. Materials cost is production-driven and the Parent Company milled increasing volume at 316,148 tonnes, 234,928 tonnes and 280,451 tonnes of ore in 2015, 2014 and 2013, respectively. Materials cost increased by only 6% in 2015 in spite of a 35% increase in throughput versus 2014. Materials cost decreased by 20% in 2014 higher than the 16% decrease in throughput from 2013.
- Personnel cost grew by 36% or ₱120.8 million in 2015 compared to 2014, and by 14% or ₱40.1 million in 2014 compared to 2013 due mainly to the increase in manpower count in the comparative years. The manpower count of the Parent Company in 2015, 2014 and 2013 were at 1,904, 1,759 and 1,116, respectively.
- The depreciation, depletion and amortization (DDA) expense in 2015 is lower by 28% or ₱111.2 million compared to 2014 based on the updated depreciation rates for the Parent Company's property, plant and equipment as per the April 2015 independent appraisal report. The depletion cost was also lower based on the 2015 updated mine reserves of the Maco mine as reported by an independent Competent Person pursuant to the Philippine Mineral Reporting Code. The DDA expense decreased in 2014 as depletion expense was lower by 18% or ₱86.5 million due to the lower volume of tonnes milled compared to 2013, and as several items of property plant and equipment were already fully depreciated by 2014. The cost of fully depreciated property plant and equipment was higher by ₱1,090.0 million in 2014 compared to 2013.
- Utilities surged by 96% or ₱93.3 million in 2015 compared to 2014, but decreased by 17% or ₱19.6 million in 2014 compared to 2013. The movement in utilities expenses, which primarily pertains to power costs, can be attributable to the average cost per kilowatt-hour in 2015, 2014 and 2013 which was ₱5.54, ₱4.32 and ₱4.50, respectively.

Consolidated Excise Taxes

Consolidated excise taxes, all of which pertain to the Parent Company excise taxes on revenue from metals produced, amounted to ₱48.6 million, ₱34.6 million and ₱34.7 million in 2015, 2014 and 2013, respectively. The increase in 2015 of 40% or ₱14.0 million was a result of the increase in consolidated revenues.

Consolidated General and Administrative Expense

Consolidated general and administrative (G&A) expense in 2015, 2014 and 2013 amounted to ₱187.0 million, ₱150.9 million and ₱30.3 million, respectively. The individual contribution to the consolidated G&A expenses of the Group in each reporting year in millions of PHP are as follows:

	2015	2014	2013
Parent Company	₱107.4	₱101.9	₱30.3
MORE and Subsidiaries	69.9	49.0	-
ISRI	9.7	-	-
	₱187.0	₱150.9	₱30.3

Details of the significant elements of consolidated G&A expenses are discussed below.

- Personnel cost increased by 24% or ₱19.1 million in 2015 compared to 2014, and almost six-fold or ₱67.4 million in 2014 compared to 2013. Both increases in the year-on-year personnel cost of the Group was basically due to the additional manpower during the year, and the inclusion of MORE and Subsidiaries in 2014 and ISRI in 2015.
- Professional fees is higher by 48% or ₱4.3 million in 2015 compared to 2014, and jumped to ₱8.9 million 2014 from ₱0.1 million in 2013. The full year inclusion of MORE and Subsidiaries to the consolidation in 2015 compared to only three months in 2014 led to the higher expense.
- Taxes, licenses and permits increased in 2015 compared to 2014 due to taxes on new bank loans taken out during the year.

Consolidated Finance Costs

Consolidated finance costs in 2015, 2014 and 2013 amounted to ₱146.0 million, ₱110.4 million and ₱75.6 million, respectively. The increasing finance cost is reflective of the higher interest-bearing loans the Group has availed of during the comparative years. Total current and noncurrent loans payable as at December 31, 2015, 2014 and 2013, mainly by the Parent Company and ISRI, amounted to ₱3,432.3 million, ₱1,315.0 million and ₱877.4 million, respectively.

Consolidated Other Income (Charges)

Consolidated other income (charges) in 2015, 2014 and 2013 amounted to ₱22.4 million other income, ₱60.1 million other income and ₱266.0 million other charges, respectively. The individual contribution to the consolidated other income (charges) expenses of the Group in each reporting year in millions of PHP are as follows:

	2015	2014 As Restated	2013
Parent Company	₱37.1	(₱133.3)	(₱266.0)
MORE and Subsidiaries	16.2	(10.0)	-
ISRI	0.5	-	-
Consolidated other income (charges), before adjustments	53.8	143.3	(266.0)
Net effect of eliminating entries	(30.4)	-	-
Restatement as a result of final fair valuation of the acquired identifiable assets and liabilities of MORE	-	(203.4)	-
	₱22.4	₱60.1	(₱266.0)

Details of the significant elements of consolidated other income (charges) are discussed below.

- Provisional fair value of the net identifiable assets of ISRI resulted in a recognition of gain from acquisition in 2015 amounting to ₱48.8 million. The final fair valuation in 2015 of the net identifiable assets of MORE resulted in the reversal of the ₱925.6 million goodwill in 2014, and the recognition of a ₱200.3 million gain from its acquisition by the Parent Company.
- The Parent Company recognized a ₱56.7 million gain on extinguishment of debt in 2015 which management deemed it will no longer be required to pay.
- Net foreign exchange losses in 2015 amounted to ₱75.6 million due to the net foreign currency-denominated financial liability position.

Consolidated Other Comprehensive Income (Loss)

Revaluation surplus, net of tax, from the 2015 appraisal of the Parent Company's property, plant and equipment was recognized amounting to ₱303.6 million, re-measurement gain on retirement plan of ₱93.2 million due to change in estimates, and ₱19.8 million translation income of foreign subsidiaries were also recognized 2015.

Consolidated Statement of Financial Position

Consolidated Current Assets

Total consolidated current assets increased by ₱683.2 million to ₱1,988.2 million as of December 31, 2015 from ₱1,305.0 million as of December 31, 2014 essentially due to the following:

- Cash grew by ₱343.3 million to ₱551.0 million as of December 31, 2015 compared to the prior year cash of ₱207.7 million at the back of higher cash flows from bank loans and subscriptions to the Parent Company's shares of stock which totalled ₱3,949.1 million. Operating income before working capital changes of the Group ballooned to ₱584.2 million in 2015 from ₱30.0 million in 2014. Because of these, the Group was able to decrease its operating liabilities by ₱1,282.5 million and invest in ₱2,523.1 million worth of fixed and long-term assets in 2015.
- Trade and other receivables increased by ₱85.3 million as of December 31, 2015 compared to the balance to the prior year. Advances and downpayments for importation of machinery and equipment still in transit were the main causes of the increase in the receivables account.
- Inventory climbed by ₱184.4 million as of December 31, 2015 compared to the prior year due to the higher metals inventory in bullion and stockpile and materials and supplies account.

Consolidated Noncurrent Assets

Total consolidated noncurrent assets grew by ₱2,844.0 million to ₱9,113.0 million as of December 31, 2015 from ₱6,269.0 million as of December 31, 2014 primarily due to the following:

- Property, plant and equipment account increased by ₱2,092.8 million as of December 31, 2015 due to acquisitions, constructions and mine development activities during the year.
- Deferred mine exploration intangible assets rose by ₱640.2 million as of December 31, 2015 as a result of continuous exploration of new areas of interest, step out drillings, and the inclusion of ISRI in the consolidation.

Consolidated Current Liabilities

Consolidated current liabilities were higher by ₱1,014.8 million to ₱5,940.0 million as of December 31, 2015 from ₱4,925.2 million as of December 31, 2014. The breakdown of the change in the consolidated current liabilities is detailed below.

- Due to related parties fell by ₱1,469.2 million as of December 31, 2015 on account of the settlement of a ₱1,859.2 million payable to Prime Metroline Holdings, Inc., one of the Group's related parties, for the purchase price of the MORE shares the Parent Company acquired in October 2014.
- The Parent Company has fully drawn a ₱2,250.0 million short-term bank loan granted in 2015.

Consolidated Noncurrent Liabilities

Consolidated noncurrent liabilities slightly increased by ₱29.8 million to ₱501.6 million as of December 31, 2015 from ₱531.4 million as of December 31, 2014 due to the following:

- Noncurrent portion of loans payable was reclassified from the ₱176.6 million balance in the prior year to current liabilities in 2015 as all of the remaining maturities and amortizations will become due within 12 months from the December 31, 2015 reporting date.
- Provision for retirement benefits rose by ₱55.0 million as of December 31, 2015 on account of additional provision for the year for current service costs.
- Increase in deferred income tax liabilities of ₱202.5 million was due to the recognition of future taxable effects on revaluation surplus on property, plant and equipment, and fair value increment on deferred exploration costs.

Consolidated Equity

Consolidated equity was higher by ₱2,542.4 million to ₱4,659.7 million as of December 31, 2015 from ₱2,117.3 million as of December 31, 2014. The breakdown of the change in the consolidated equity is discussed below.

- Subscriptions received during the year net of the related transactions costs amounted to ₱1,837.5 million.
- A reduction in the treasury shares amounting to ₱294.7 million as MORE transferred a portion of the Parent Company shares it held as part payment for the purchase price of ISRI acquired in 2015.
- Increase in deficit pertains to the net loss in 2014.
- Non-controlling interest pertains to the equity portion not owned by the Group. In this case, MORE has a 48% non-controlling interest in one of its subsidiaries, International Cleanenvironment Systems, Inc.

Key Performance and Financial Soundness Indicators

Tonness 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.

	2015	2014	Change
Tonnes mined	438,424	368,270	+19%
Mine grade (grams/tonne)	5.61	4.78	+17%
Tonnes milled	316,148	234,927	+35%
Mill head grade (g/t):			
Gold	5.42	4.68	+16%
Silver	33.96	29.19	+16%
Metal recovery:			
Gold	78%	81%	-4%
Silver	65%	72%	-10%
Metal production (oz)			
Gold	43,048	28,802	+49%
Silver	224,479	158,754	+41%

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	
		2015	2014
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	0.17:1	(0.08):1
Return on assets	$\frac{\text{Net income (loss)}}{\text{Total assets}}$	0.01:1	(0.05):1
Return on equity	$\frac{\text{Net income (loss)}}{\text{Total equity}}$	0.02:1	(0.18):1
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.33:1	0.26:1
Debt-to-equity	$\frac{\text{Total debts}}{\text{Total equity}}$	1.38:1	2.58:1
Asset-to-equity	$\frac{\text{Total assets}}{\text{Total equity}}$	2.38:1	3.58:1

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

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.

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 2015 and 2014, 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 ₱2.8 million for 2015 and ₱2.5 million for 2014.

Tax Fees

The total advisory tax fees paid for the year 2015 is P500,000.

All Other Fees

There were no other services rendered by the external auditors other than the usual audit services and advisory tax fees 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 were 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 ISSUER

As of 31 March 2016, the positions, names, ages and citizenship of all directors and executive officers of the Company are, as follows:

Position	Name	Age	Citizenship
Directors:			
Chairman of the Board	Ramon Y. Sy	85	Filipino
Executive Director	Walter W. Brown	76	Filipino
Executive Director	Modesto B. Bermudez	75	Filipino
Executive Director	Graciano P. Yumul, Jr.	56	Filipino
Executive Director	Noel V. Tanglao	58	Filipino
Independent Director	Dennis A. Uy	42	Filipino
Independent Director	Joselito H. Sibayan	57	Filipino
Officers:			
Chairman of the Board	Ramon Y. Sy	85	Filipino
President and CEO	Walter W. Brown	76	Filipino
SVP-Projects Development	Modesto B. Bermudez	75	Filipino
EVP-Geology, Exploration and Operations	Graciano P. Yumul, Jr.	56	Filipino
EVP-Corporate Affairs	Noel V. Tanglao	58	Filipino
VP/Resident Manager	Gil A. Marvilla	66	Filipino
VP/Asst. Resident Manager for Operations	Rodolfo C. Ramos	72	Filipino
VP/Asst. Resident Manager for Admin. and Finance	Rosemarie F. Padilla	52	Filipino
Treasurer	Renato N. Migrino	66	Filipino
Corporate Secretary/Compliance Officer/Corp. Info Officer	Rosanna A. Parica	50	Filipino
Asst. Corporate Secretary	Silverio Benny Tan	59	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:

RAMON Y. SY, 84, Filipino, Executive Director

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. Also, he is a Director of Itogon-Suyoc Resources, Inc.

WALTER W. BROWN, 76, Filipino, Executive Director

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), Monte Oro Resources & Energy, Inc. (MORE, Inc.) – Sierra Leone (Africa) and Itogon-Suyoc Resources, Inc.

MODESTO B. BERMUDEZ, 75, Filipino, Executive Director

Mr. Bermudez was elected as Director to fill the seventh seat. He is currently the Senior Vice President for Projects Development. Also, he is the Director and President of CRAU Mineral Resources Corporation. He has forty seven (47) years involvement in the Philippine Mining Industry inclusive of six years stint in real property development and construction. In the former, experience and responsibilities covered the whole spectrum of the natural resource industry from exploration, development, mining engineering, mining & beneficiation of a range of minerals including gold, copper, pyrite, nickel sulphide & laterite, manganese and chromite in both operational & managerial capacity with local & foreign-owned companies. The last involved the largest underground metallurgical chromite operation in the country. In the latter, associated work covered rock quarry operation, deepwell drilling & water distribution, horizontal and vertical development of real estate project most notably the Xavier Estates Multiland Development of ABCI in Cagayan de Oro. In 2015, he was elected and appointed as Director and President of Itogon-Suyoc Resources, Inc.

GRACIANO P. YUMUL, 56, Filipino, Executive Director

Dr. Yumul was elected as Directors last July 20, 2012. He is a multi-awarded researcher and administrator. He earned his BS Degree in Geology from the University of the Philippines. He earned his masters and doctoral degrees in Geology majoring in Igneous Petrology at the University of Tokyo. He also took postdoctoral degrees as a Fellow at the University of Bretagne Occidentale in France. He was named Outstanding Young Scientist in Geology by NAST, recipient of UPD Chancellor's Awards for Outstanding Researchers, Outstanding Teacher and Administrator, Philippine Jaycee's Young Filipino Awardee in Science and Technology. He was elected as Director of Itogon-Suyoc Resources, Inc. last June 24, 2015.

NOEL V. TANGLAO, 58, Filipino, Executive Director

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.

DENNIS A. UY, 42, Filipino, Independent Director

Mr. Uy was elected as Director of the Company last March 19, 2013. Mr. Uy, Filipino, 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.

JOSELITO H. SIBAYAN, 57, Filipino, Independent Director

Mr. Sibayan became Independent Director of the Company last June 16, 2014. He is the President and CEO of Mabuhay Capital Corporation, a firm which provides financial advisory services and capital raising solutions to its clients. Prior to forming Mabuhay Capital, he was Vice Chairman of Investment Banking-Philippines and Philippine Country Manager for Credit Suisse First Boston (CSFB). He has spent 27 years in investment banking. He is an Independent Director of SM Prime Holdings, Inc. (a publicly listed company), Director of Philippine Postal Savings Bank. He obtained his MBA from the University of California in Los Angeles and his B.S. Chemical Engineering from De La Salle University-Manila.

Officers

Ramon Y. Sy - Chairman of the Board, refer to his profile above

Walter W. Brown - President and CEO, refer to his profile above

Modesto B. Bermudez – SVP for Projects Development, refer to his profile above

Graciano P. Yumul, Jr., - EVP for Geology, Exploration and Operations, refer to his profile above

Noel V. Tanglao - EVP for Corporate Services, refer to his profile above

GIL A. MARVILA, 66, Filipino, SVP-Resident Manager

Gil A. Marvilla is presently the Vice President and Resident Manager of the Company. Prior to his current post, he acted as the Country Manager of Monte Oro Mining Co., Ltd. based in Sierra Leone, South Africa. In 2007, he was the Country Manager for Philex Mining's project in Madagascar. His professional expertise was also involved in several mining projects of Brixton Energy & Mining Corporation and Lascogon Mining Corporation. In the field of finance, he became the Chief Finance Officer of Monte Oro Resources & Energy, Inc. from 2006 to 2007. He was also the Managing Director and VP for Finance & Administration in PT Brown Indonesia and A Brown Co., Inc.

RODOLFO C. RAMOS, 72, Filipino, VP-Asst. Resident Manager for Operations

Engr. Rodolfo C. Ramos was appointed as VP-Asst. Resident Manager for Operations of the Company effective 02 November 2015. He received a degree in Mining Engineering from the Mapua Institute of Technology. A licensed engineer, he supervised various large scale surface mining in Benguet and Zambales. He was also involved in exploration and mining operations in Misamis Oriental and Dinagat Islands. Having extensive knowledge and vast experience in the field, he acted as consultant for several mining operations. He was Senior Mining Engineer for a gold project in Myanmar for Monte Oro Resources and Energy, Inc. and later on part of the technical team of Prime Metroline Holdings, Inc. for a project in Bicol Region, Philippines.

ROSEMARIE F. PADILA, 52, Filipino, VP-Asst. Resident Manager for Finance

Ms. Padilla rejoined the Company on February 1, 2014. Before this, she was the Company's Risk Division Manager from 2009 to 2011 then afterwards joined Greenstone Resources Corporation as Administration Superintendent. She has more than 18 years of progressive industry experience in Mining Finance. She has held positions as Budget Manager and Finance Manager of Philex Mining Corp.; Financial Controller in Olympus Pacific Minerals Ltd. Vietnam and Masbate Gold Project.

RENATO N. MIGRIÑO, 66, Filipino, Treasurer

Mr. Migriño was appointed as Treasurer of the Company on January 28, 2015. Currently, he is also the Treasurer of A. Brown Company Inc. and Itogon-Suyoc Resources, Inc. Prior to his joining the Company, he was Treasurer, Chief Financial Officer, Senior Vice President for Finance, and Compliance Officer of Philex Mining Corporation, Director and Chief Financial Officer of Philex Gold Inc., and Director of Philex Petroleum Corporation. FEC Resources, Inc., Silangan Mindanao Mining Co., Inc., Brixton Energy & Mining Corporation and Lascogon Mining Corporation. He was also formerly Senior Vice President & Controller of Benguet Corporation. He is a Director of Mabuhay Vinyl Corporation since September 2005.

**ROSANNA A. PARICA, 50, Filipino, Corporate Secretary/Corporate Information Officer/
Compliance Officer**

Ms. Parica serves as the Corporate Secretary, Corporate Information Officer and Compliance Officer of the Company since May 20, 2010. She is also the Corporate Secretary of Mapula Creek Gold Corporation. Apart from the above, she is the Administrative Manager of the Company based in the Head office of the Company. In December 2015, she was appointed as Ass. Corporate Secretary of Itogon-Suyoc Resources, Inc. She's been with the Company for almost 30 years now. She was formerly the Senior Accountant of the Company from 1988 up to 2006. Also, she was the Chief Accountant of Zero One Holdings, Inc., Southern Horizon Mining Corp., Mina del Oriente, Firstland Countrywide Dev't Corp., Jake Mining Corporation and Southland Mining Corp. from 1996 up to 2005.

SILVERIO BENNY J. TAN, 59, Filipino, Assistant Corporate Secretary

Atty. Tan was appointed as Assistant Corporate Secretary of the Company in December 2013. He is also the managing partner of the law firm Picazo Buyco Tan Fider & Santos. He is a director and corporate secretary of Prime Metroline Holdings, Inc., Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., Cyland Corp., OSA Industries Philippines Inc. and Negros Perfect Circles Food Corp. He is also a director of the following companies: Celestial Corporation, Skywide Assets Ltd., Monte Oro Minerals (SL) Ltd., and Dressline Holdings Inc. and its subsidiaries and affiliates. He is the corporate secretary of several companies including: Mapfre Insular Insurance Corporation, Sureste Properties, Inc., Bloomberry Resorts and Hotels Inc., Lakeland Village Holdings Inc., Devoncourt Estates Inc., Pilipinas Golf Tournaments, Inc. and Itogon Suyoc Resources, Inc. He is the assistant corporate secretary of ICTSI, ICTSI Ltd., and Monte Oro Resources & Energy, Inc.. Atty. Tan holds a Bachelor of Laws, cum laude, from the University of the Philippines College of Law and a Bachelor of Arts Major in Political Science, cum laude, from the University of the Philippines College Iloilo. Atty. Tan placed third in the 1982 Philippine Bar exams.

Significant Employees

There is no particular employee of the Company not an executive officer expected to make a significant contribution to the business on his own.

Family Relationships

There are no family relationships among the officers of the Company.

Involvement in Certain Legal Proceedings

To the knowledge and information of the Company, 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 the Company, 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 the Company are regular employees of the Company and are remunerated with a compensation package consisting of twelve (12) months base pay. They also receive whatever, if any, that the Board of Directors of the Company may approve and extend to its 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 the Company are, as follows:

SUMMARY OF COMPENSATION TABLE ANNUAL COMPENSATION

CEO and Top 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>
2016 (Estimated)	P76.00 million	P6.00 million
2015 (Actual)	61.44 million	9.56 million
2014 (Actual)	60.50 million	6.30 million

ALL DIRECTORS & OFFICERS AS A GROUP

<u>Year</u>	<u>Salary</u>	<u>Bonus</u>
2016 (Estimated)	P78.24 million	P 6.00 million
2015 (Actual)	66.00 million	9.56 million
2014 (Actual)	62.42.million	6.30 million

Compensation of Members of the Board of Directors

The members of the Board of Directors of the Company are paid P80,000 for each meeting (whether regular or special) of the board of the board or of 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 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 the Company are as that of an employer-employee. The remuneration the executive officers 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.

Item 10. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of 31 March 2016, 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	%
Common	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
Common	PCD NOMINEE CORP. GF MSE Bldg. Ayala Avenue, Makati City	PCD Participants	Filipino	849,808,221	13.64
Common	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	9.58
Common	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
Common	DEVONCOURT ESTATES INC. 18F Liberty Center, 104 H.V. Dela Costa St. Makati City	Devoncourt Estates Inc.	Filipino	423,904,339	6.80
Common	A. BROWN COMPANY INC. Xavier Estates Uptown, Airport Road, Balulang, Cagayan de Oro City	A. Brown Company Inc.	Filipino	388,694,698	6.24

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.

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 2016 are, as follows:

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	SILVERIO BENNY J. TAN	20,010,000	Filipino	0.32%

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 PARTY TRANSACTIONS

In the normal course of business, the Company transacted with companies that are considered related parties. A summary of the more significant transactions with related parties is shown in Note 15 of the audited financial statements for the year ended December 31, 2014.

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, 2015 and 2014, 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.

PART IV CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

The Company's Annual Corporate Governance Report (ACGR), under Exhibits in Part V, Item 14, is incorporate hereto by reference.

PART V EXHIBITS AND SCHEDULES

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, 2015
Schedule E. Other Assets
Schedule G. Indebtedness to Related Parties
Schedule I. Capital Stock
Annual Corporate Governance Report

(B) Reports on SEC Form 17-C

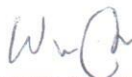
The following is a summary of submissions of SEC Form 17-C filed during the year 2015.

Date Filed	Particulars
February 2, 2015	Certification on Compliance with the Manual on Corporate Governance
May 15, 2015	Approval of Agenda for Annual Stockholders' Meeting for 2015
May 18, 2015	Press Release on the Results of Operations for the First Qtr of 2015
June 25, 2015	Company's Acquisition of Itogon-Suyoc Resources, Inc.
June 30, 2015	Results of Annual Stockholders' Meeting held on June 30, 2015
July 24, 2015	Organizational Meeting of the Board of Directors
August 19, 2015	Press Release on the Results of Operations as of Second Qtr of 2015
November 2, 2015	Promotions of Officers – Messrs. Gil Marvilla and Rodolfo Ramos
November 11, 2015	Press Release on the Results of Operations as of Third Qtr of 2015

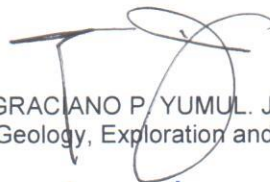
SIGNATURES

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 April 29, 2016.

By:



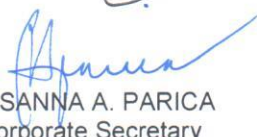
WALTER W. BROWN
President and CEO



GRACIANO P. YUMUL, JR.
EVP-Geology, Exploration and Operations



RENATO N. MIGRIÑO
Treasurer



ROSANNA A. PARICA
Corporate Secretary




MARION SAUL V. AGGARAO
Comptroller

APR 29 2016

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2016, affiant(s) exhibiting to me their respective valid identification nos., as follows:

<u>NAMES</u>	<u>Identification Nos.</u>
WALTER W. BROWN	TIN 123-918-226
GRACIANO P. YUMUL, JR.	TIN 126-427-230
RENATO N. MIGRIÑO	TIN 102-118-145
ROSANNA A. PARICA	TIN 119-040-615
MARION SAUL V. AGGARAO	TIN 266-525-298

Doc. No.: 28
Page No.: 6
Book No.: 18
Series of 2016.



ATTY. RICHARD ANOLIN
NOTARY PUBLIC until December 31, 2016
FOR CITY OF PASIG, PHILIPPINES
Notary Public
MR. LIFETIME REG. NO. 05-17-110 25 05/MLA.
PTR NO. 4972461 01/05/16 Mia.
Roll No. 33596
MCLE COMPLIANCE NO. IV-00208501 8/16/14
RODOLFO ANOLIN AND ASSOCIATES LAW OFFICE
2/F YMCA OF MARIÑA BLVD.
#350 ANTONIO VILLEGAS ST.,
ERMILA MARIÑA TEL. 925-6586
EMAIL ADD: atty.richardanolin@yahoo.com