

## **PRESS RELEASE**

### **APEX MINING REPORTS HIGHER Q1 CASH OPERATING INCOME, LOWER NET EARNINGS**

#### **HIGHLIGHTS**

- Gold produced was 12,779 ounces, the highest recorded quarterly production to date, higher by 11% versus same period in 2015
- Silver produced was 61,085 ounces, a record quarterly production, higher by 18% than 2015
- Revenue for the quarter highest level to date, up 17% to P775 million in 2016 from P665 million in 2015
- Cash operating income of Maco mine up 24% to P248 million from P205 million last year
- Increased depreciation expense and interest charges combined with lower forex gain resulted in lower consolidated 1<sup>st</sup> quarter net income to P39 million this year from P100 million last year

Apex Mining Co., Inc. (APX) reported that in the first quarter of 2016, its Maco mine in Compostela Valley set a new production record over a quarter period, producing 12,779 ounces of gold and 61,085 ounces of silver, higher by 11% and 18%, respectively, over the 11,557 ounces of gold and 51,917 ounces of silver produced in the same quarter of 2015. The record metal production was the result of the record mill throughput of 89,494 tonnes this quarter, which is 15% higher than the 77,287 tonnes of ore milled a year ago.

Revenue for the quarter consequently registered as the highest level for the Company to date at P775 million, 17% higher than the revenue of P665 million in the same period last year. Metal prices averaged \$1,214 per ounce gold and \$15 per ounce silver in 2016, as compared to \$1,211 per ounce gold and \$17 per ounce silver in 2015.

The record production volume increased total cash production cost to P508 million from P441 million a year ago, although on a per unit basis this was lower at \$120 per tonne or \$802 per

ounce net of silver credit, as compared to \$130 per tonne or \$821 per ounce net of silver credit in 2015.

Cash income from operations amounted to P248 million in 2016, an increase of 21% from the P205 million cash operating income in 2015. Higher non-cash charges for depreciation from the equipment acquired last year and the additional milling capacity of the Maco mine to 1,500 tonnes a day, coupled with higher interest expense and lower foreign exchange gain, however, resulted in lower net income for the Parent Company at P51 million for the quarter. On consolidated basis, net income amounted to P39 million, 60% lower than the consolidated net income of P100 million in 2015.

“We are encouraged by the recent positive movements in metal prices with gold reaching a high of \$1,304 per ounce before settling at \$1,273 per ounce as we make this report. The price of silver has similarly moved, reaching a high of \$18 per ounce settling currently at \$17 per ounce. Should this uptrend continue and as we attain our goal of operating at 1,500 tonnes a day towards the middle of this year, we are confident that the Company will be reporting significant net earnings growth for the whole year period of 2016”, said Walter W. Brown, President and CEO.

The Company’s consolidated accounts include those of Monte Oro Resources & Energy, Inc. (MORE), a wholly-owned subsidiary acquired in October 2014. MORE has a processing plant located in Paracale, Jose Panganiban, Camarines Norte, through Paracale Gold Limited. MORE has other mining interests in other countries under Minas de Oro Mongol LLC (in Mongolia), National Prosperity Gold Production Group Ltd (in Myanmar), Monte Oro Mining Company, Ltd. and MORE Minerals SL (both in Sierra Leone), and the Gold Mines of Uganda Ltd. (in Uganda). MORE also owns 30% participating interests in Service Contract (SC) 72 for natural gas in the Sampaguita gas field offshore northwest of Palawan in the West Philippine Sea.

The accounts of Itogon-Suyoc Resources, Inc., a 98%-owned subsidiary, are also included in the 2016 consolidation, having been acquired by the Company in June 2015.