

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, 2016 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 30, 2015;
4. Report of the Chairman of the Board;
5. Approval of the Financial Statements as of December 31, 2015 embodied in the 2015 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. Quasi-Reorganization;
10. Other matters;
11. Adjournment.

The Board has fixed the close of business hours on May 31, 2016 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 2016**
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 - **09 June 2016**

10. Securities registered pursuant to Sections 8 & 12 of the Code

<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 2016

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 **09 June 2016**.

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

Item 2. Dissenters' Right of Appraisal

There are no corporate actions that will be taken up at the Annual Stockholders' Meeting for which a stockholder may exercise the right of appraisal.

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, 2016 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 31 May 2016 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, 2016 are:

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	Enrique K. Razon, Jr., Controlling Shareholder ¹	Filipino	2,511,329,207	40.32
Common	PCD NOMINEE CORP. Ayala Avenue, Makati City	PCD Participants ²	Filipino	850,028,221	13.64
Common	MINDANAO GOLD LTD. Suite 10.3, 10F Rohas Perkasa West Wing 8 Jalan Perak, 50450, Kuala Lumpur Malaysia	Mindanao Gold Ltd. ³	Malaysian	597,051,165	9.59
Common	LAKELAND VILLAGE HOLDINGS, INC. 18F Liberty Center, 104 H.V. Dela Costa St. Makati City	Jose Eduardo Alarilla, Controlling Shareholder ⁴	Filipino	474,613,599	7.62
Common	DEVONCOURT ESTATES INC. 18F Liberty Center, 104 H.V. Dela Costa St. Makati City	Jose Eduardo Alarilla, Controlling Shareholder ⁵	Filipino	423,904,339	6.80
Common	A. BROWN COMPANY INC. Xavier Estates Uptown, Airport Road, Balulang, Cagayan de Oro City	Various ⁶	Filipino	388,694,698	6.24

¹ Prime Metroline Holdings, Inc. (PMHI) is represented by Mr. Enrique K. Razon, Jr. who can exercise voting power on behalf of PMHI and decide how all its shares in the Corporation are to be voted.

² PCD Nominee Corp. (PCNC), a wholly owned subsidiary of Philippine Central Depository Inc. (“PCD”), is the registered owner of the shares in the books of the Company’s transfer agent. The beneficial owner of such shares is PCD’s participants who hold the shares on their behalf or in behalf of their clients.

³ Mindanao Gold Limited (MGL) is represented by Mr. Noel V. Tanglao who can exercise voting power on behalf of MGL and decide how all its shares in the Corporation are to be voted.

⁴ Lakeland Village Holdings, Inc. (LVHI) is represented by Mr. Jose Eduardo Alarilla who can exercise voting power on behalf of LVHI and decide how all its shares in the Corporation are to be voted.

⁵ Devoncourt Estates Inc. (DEI) is represented by Mr. Jose Eduardo Alarilla who can exercise voting power on behalf of DEI and decide how all its shares in the Corporation are to be voted.

⁶ A. Brown Company Inc. (ABCI) is represented by Mr. Walter W. Brown who can exercise voting power on behalf of ABCI and decide how all its shares in the Corporation are to be voted.

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.

The total shares owned by foreigners as of April 30, 2016 is 657,300,142 or 10.55% 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 2016.

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	20,010,000	Filipino	0.32%
	All officers and directors as a group unnamed	148,200,016		

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 th civil Degree	Legal Proce- e- dings
RAMON Y. SY	85	Filipino	Director since October 21, 2013 Chairman of the Board since June 16, 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
WALTER W. BROWN	77	Filipino	Director/President and 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
MODESTO B. BERMUDEZ	75	Filipino	Director/SVP for Projects Development Since 2014 up to present (Nominee)	1 yr	2013 to Aug 2014 – SVP Opts and Resident Manager – Apex Mining co., Inc. Present – President – CRAU Mineral Resources Corp. 2012 to present – SVP for Mining Opts. – Prime Metroline Holdings, Inc. 1996 to 2001 – President/Director - Northmin Mining & Devt Corp. 1987 to 2003 – President – Acoje Mining Co., Inc.	None	None
GRACIANO P. YUMUL, JR.	56	Filipino	Director/EVP for Geology, Exploration and Operations (Nominee)		2012 to present – EVP – Monte Oro Resources and Energy, Inc. 2012 to 2013 – EVP and Director - Atok Big Wedge Company, Inc. 2006 to 2012 – Undersecretary of Research and Devt – DOST 2006 to 2012 – Supervising Undersecretary – PAG-ASA/PHIVOLCS 1990 to 2012 - Professor/Director – NIGS, UP Diliman	None	None
NOEL V. TANGLAO	58	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
DENNIS A. UY	42	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
JOSELITO H. SIBAYAN	57	Filipino	Independent Director since June 16, 2014 (Nominee)		2005 to present – President and CEO – Mabuhay Capital Corp, 1998 to 2005 – Vice Chairman, Investment Banking and Country Manager - Credit Suisse First Boston 1997 to 1998 – Executive Director and Chief Representative – Natwest Markets 1995 to 1997 – Head – Director of Int'l Fixed Income Sales – Natwest Market London UK 1993 to 1994 – SVP, Head of Int'l Fixed Income Sales - Natwest Markets 1988 to 1993 – Director, Head of Int'l Bond Sales – Deutsche Bank Capital Corporation 1987 to 1988 – Associate, Int'l Fixed Income – Merrill Lynch Capital Market	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, 2016. 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 three (3) members, namely, Ramon Y. Sy, Walter W. Brown and Joselito H. Sibayan 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 13 of the Audited Financial Statements for the year ended December 31, 2015.

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 and up to this date.

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 Most Compensated Officers:

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

The following is the breakdown of the aggregate amount of compensation paid to the President and the above named executive officers in 2014, 2015 and estimated amount in 2016:

<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

The following is the breakdown of the aggregate amount of compensation paid in 2014, 2015 and estimated amount in 2016 to all directors and officers as a group unnamed:

ALL DIRECTORS & OFFICERS AS A GROUP

<u>Year</u>	<u>Salary</u>	<u>Bonus</u>
2016 (Estimated)	P78.24 million	P6.00 million
2015 (Actual)	66.00 million	9.56 million
2014 (Actual)	62.42 million	6.30 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 2015, Mr. Jose Pepito Zabat III signed the Company's Audited Financial Statements for 2015, a copy of which is attached to this Information Statement. Mr. Zabat III 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, 2015 the Company's Audit Committee is composed of Dennis A. Uy (Chairman), Noel V. Tanglao and Joselito H. Sibayan.

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 for the year 2015 is P500,000.

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 2015 and 2014 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

1) On March 12, 2015, the Corporation issued 1.86 billion shares to Prime Metroline Holdings, Inc. (PMHI) out of unissued capital stock at an issue price equivalent to its par value of P1.00 per share.

2) On February 3, 2015, the Corporation issued 2.50 billion shares out of the unissued capital stock at an issue price of P1.00 per share.

On January 12, 2015, the Corporation's application for the increase in its authorized capital stock was duly approved by the Securities and Exchange Commission.

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 2015, 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

1) There is no action intended to be taken with respect to merger or acquisition of the Corporation into or with any other entity.

2) a) On September 11, 2014, the Board of Directors of Apex Mining Co., Inc. (the "Corporation") has approved the purchase for cash by the Corporation of all the outstanding capital stock of Monte Oro Resources Corp. (MORE) consisting of 5,122,161,096 shares at par value of P1.00 per share. The acquisition will be funded as follows: (a) from the cash to be raised in the issuance of 2,500,000,000 new shares from the increase in capital stock of the Corporation which was approved by the Securities and Exchange Commission on January 12, 2015, at the issue price of the par value of P1.00 per shares; (2) from cash upon the issuance of 1,859,247,827 new shares from the unissued capital stock of the Corporation at the issue price of the par value of P1.00 per share; © about P762 million will be paid from cash in MORE.

Details of the above transaction was reported to the Securities and Exchange Commission (SEC) last October 13, 2014 and attached hereto as Annex A.

The Corporation issued a total of 4,359,247,827 common shares to Monte Oro subscribers last February 3, 2015. Out of the said 4,359,247,827 shares, a total of 2.5 billion shares were issued out of the increase in support of the Corporation's increase in authorized capital stock. Further, the 1,859,247,827 shares were issued to Prime Metroline Holdings, Inc. out of the unissued portion of the Corporation's authorized capital stock.

The total 4.4 billion shares was approved for listing by the Philippine Stock Exchange on May 27, 2016 and are subject to the required 180-day lock up period. An Escrow Agreement was executed on May 23, 2016 to implement the required lock up.

b) On June 24, 2015, the Company acquired 98% of the total outstanding capital stock of ISRI consisting of 24.50 billion shares, with par value of P0.01 per share for a total consideration of P182.67

million consisting of P32.67 million cash and P150.00 million in the Company's shares held by Monte Oro Resources Corp. for a purchase price of P0.007456 per share.

- 3) There is no action to be taken with respect to acquisition by the Corporation of any other going business or of the assets thereof.
- 4) There is no action to be taken with respect to sale/other transfer of all or any substantial part of the assets of the registrant.
- 5) There is no action to be taken with respect to 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

Management seeks the approval/ratification by the stockholders of the following which will be considered and acted upon in the meeting:

1) Minutes of the 2015 Annual Stockholders' Meeting with the following items:

- a. Approval of the minutes of Stockholders' Meeting held last June 16, 2014
- b. Approval of the Audited Financial Statement as of December 31, 2014
- c. Approval of the ratification of the acts of directors, committees and officers of the Corporation
- d. Election of the following directors for a term of one (1) year

Name	Citizenship	Address
1 Ramon Y. Sy	Filipino	c/o Apex Mining Co., Inc. – 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
2 Walter W. Brown	Filipino	c/o Apex Mining Co., Inc. – 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
3 Modesto B. Bermudez	Filipino	c/o Apex Mining Co., Inc. – 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
4 Graciano P. Yumul, Jr.	Filipino	c/o Apex Mining Co., Inc. – 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
5 Noel V. Tanglao	Filipino	c/o Apex Mining Co., Inc. – 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
6 Dennis A. Uy	Filipino	c/o Apex Mining Co., Inc. – 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
7 Joselito H. Sibayan	Filipino	c/o Apex Mining Co., Inc. – 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City

- e. Appointment of Sycip Gorres Velayo & Co. (SGV & Co.) as external auditors of the Company.

2) The following matters shall be submitted for approval at the Annual Stockholders' Meeting of the Corporation on June 30, 2016:

- a. Approval of the Minutes of the Stockholders Meeting held on June 30, 2015;
- b. Report of the Chairman of the Board;
- c. Approval of the Financial Statements as of December 31, 2015 embodied in the 2015 Annual Report;
- d. Approval of the ratification of the acts of directors, committees and officers of the Corporation;
- e. Election of Directors;
- f. Appointment of External Auditors;
- g. Quasi-Reorganization
- h. Other Matters

Item 16. Matters Not Required to be Submitted

For the past several years, the Corporation has been consistently losing and thus accumulating deficit in its stockholders equity account. Since October 2013, when the new management took over, the Corporation now turned around and started to reflect net earnings since 2015. To reflect this change in the Corporation's situation, management decided to do the quasi-reorganization to eliminate the impression of continuing losses from prior year's operations as well as to improve the Corporation's balance sheet.

On May 11, 2016, the Board of Directors of the Corporation approved its plan to eliminate from its Parent Company Balance Sheet as of March 31, 2016 the Deficit of P2,959,743,932 against the Additional Paid-in Capital of P3,027,029,976.

Termed as Quasi-Reorganization or Equity Restructuring, the application of the deficit against additional paid-in capital will be undertaken via the following steps:

1. presentation of the plan to the stockholders' on June 30, 2016 for approval;
2. submission of approved restructuring plan to the Securities and Exchange Commission for filing and approval;
3. upon approval thereof by the SEC, implement the plan via an accounting entry in the Corporation's books of accounts by offsetting the deficit (a debit balance) against the additional paid-in capital (a credit balance). The end result will make the deficit a zero balance and leave the additional paid-in capital with a balance of P67,286,044.

The foregoing quasi-reorganization or equity restructuring, being simply the application of additional paid-in capital against the deficit will not affect any of the other accounts in the Corporation's balance sheet, such as the Capital Stock and its pertinent composition such as par value and number of outstanding or issued shares.

Item 17. Amendment of Charter, Bylaws or Other Documents

There is no action intended to be taken with respect to this item.

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 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 30 June 2015;
- (b) 2015 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 seven 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) Rosanna Parica, Corporate Secretary or her official representative; (2) the official representative of SGV and Co., external auditors of the Corporation; and (3) the official representative of Banco de Oro Unibank Inc., 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 the 8thth day of June 2016.

APEX MINING CO., INC.

By:



ROSANNA A. PARICA
Corporate Secretary

MANAGEMENT REPORT TO STOCKHOLDERS

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.

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

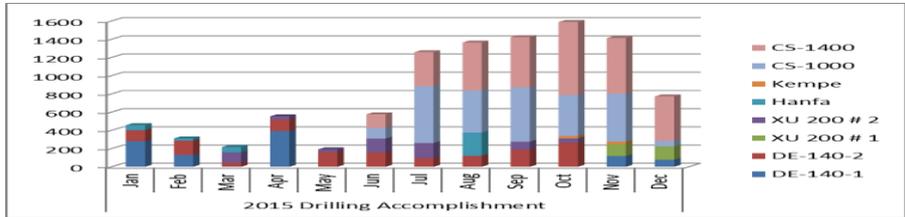
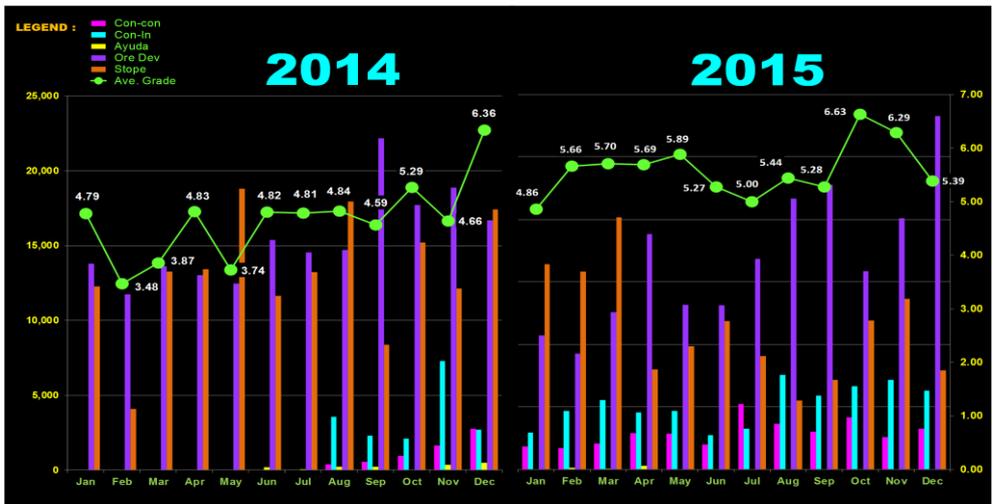


Figure 1: Underground and Surface Drilling meterage as of 2015.

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	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
NLTA (FAC)	9	0	3	6	0
LTA (Non-Fatal)	10	2	6	2	0
Property Damage	67	16	13	12	26

FINANCIALS

First Quarter 2016 and 2015

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”) was ₱39.4 million and ₱100.2 million in the first quarter of 2016 and 2015, respectively.

The Parent Company net income in the first quarter of 2016 amounted to ₱51.3 million compared to ₱105.0 million in the same period in 2015.

Consolidated Revenue

Consolidated revenue in the first quarter of 2016 amounted to ₱775.4 million, an increase of ₱110.0 million from the consolidated revenue of ₱665.4 million in the same period last year.

Information on the Parent Company volume of gold produced and realized price in the first quarter of 2016 and 2015 is as follows:

	2016	2015	Change
Volume in ounces	12,779	11,557	+11%
Realized price per ounce	\$1,214	\$1,211	+0%

Information on the Parent Company volume of silver produced and realized price in the first quarter of 2016 and 2015 is as follows:

	2016	2015	Change
Volume in ounces	61,085	51,917	+18%
Realized price per ounce	\$15	\$17	-11%

An analysis of the consolidated revenue variance, which comprises of volume, price and exchange rate variances, between the comparative quarters ended March 31, 2016 and 2015 of the Group are as follows:

	Gold	Silver	Total
Volume	₱65,716,680	₱6,923,021	₱72,639,702
Price	1,663,434	(5,073,234)	(3,409,800)
Exchange rate	37,573,210	3,209,969	40,783,179
Total variance	₱104,953,324	₱5,059,756	₱110,013,081

The volume variance was brought about by higher tonnage of ore and better recovery albeit slightly lower grades in the first quarter of 2016 compared to the same period in 2015. Tonnes milled and recovery increased by 16% and 6%, respectively, while grades went down by 13%.

The continued strength of the USD attributed to the positive exchange rate variance of the consolidated revenues, which also weighed down on metal prices in 2016 as against 2015, resulting in the unfavorable price variance for silver, but a marginal positive price variance for gold.

Consolidated Cost of Production

Consolidated cost of production incurred in 2016 and 2015, all of which pertains solely to the Parent Company cost of production, amounted to ₱640.4 million and ₱519.2 million, respectively. A breakdown of the main components of consolidated cost of production in 2016 and 2015 follows:

- Materials used rose by 14% or ₱21.8 million in the first quarter of 2016 compared to 2015. The Parent Company milled 89,494 tonnes and 77,287 tonnes of ore in 2016 and 2015, respectively, that led to the increase in materials cost.
- Personnel cost went up by 14% or ₱15.8 million in the first quarter of 2016 compared to 2015 due to an increase in salary rates effective in February 2016.
- Depreciation, depletion and amortization expense increased by 50% or ₱55.0 million as a result of additional capital expenditures made in the middle of 2015 when the Parent Company was granted a bank loan to finance its capital and operating expenditures.
- Royalty and surface rights expense climbed 67% or ₱5.1 million as a result of the increased gross revenues and gross income of the Parent Company in the first quarter of 2016 compared to the same period last year.

Consolidated Excise Tax

Consolidated excise tax which pertains to the Parent Company's excise tax on revenue from metals produced, amounted to ₱13.0 million and ₱12.7 million in the first quarter of 2016 and 2015, respectively. The higher revenues in 2016 correspondingly resulted in higher excise tax for the period compared to 2015.

Consolidated General and Administrative Expense

Consolidated general and administrative expense in the first quarter of 2016 and 2015 amounted to ₱44.6 million and ₱37.2 million, respectively. The reasons for the increase in the consolidated G&A are the personnel cost due to the increased salary rates in the current period, taxes and licenses due to the one-time payment of the Parent Company of listing fees to the Philippine SEC in 2016, and the inclusion of Itogon-Suyoc Resources, Inc. (ISRI) in the consolidation since its acquisition by the Parent Company in June 2015.

Consolidated Other Income (Charges)

Consolidated other income (charges) is mainly comprised of interest expenses and net foreign exchange gains and losses. In the first quarter of 2016, interest expenses surged by 73% or ₱18.5 million compared to 2015 on account of an additional ₱2.3 billion bank loan granted to the Parent Company only in the second quarter of 2015. Net foreign exchange gains amounted to ₱13.1 million and ₱39.8 million in the first quarter of 2016 and 2015, respectively. The Group was in a net foreign currency-denominated financial liability position in both periods.

Consolidated Other Comprehensive Income

There were no items affecting consolidated other comprehensive income as of and for the first quarter ended March 31, 2016 and 2015.

Consolidated Statement of Financial Position

Consolidated Current Assets

Total consolidated current assets of the Group decreased by ₱314.4 million from ₱2.0 billion as of December 31, 2015 to ₱1.7 billion as of March 31, 2016 primarily due to the following:

- Though the Group generated ₱129.6 million in operating activities, cash fell by ₱220.3 million in the comparative periods essentially due to capital expenditures and payment of loans from creditors.
- Trade and other receivables went down by ₱62.7 million as advances and downpayments to suppliers and contractors were applied to current period billings and when the items for delivery were eventually received.
- Inventories were lower by ₱58.2 million mainly on account of lower materials and supplies.

Consolidated Noncurrent Assets

Total consolidated noncurrent assets of the Group slightly grew by ₱166.9 million from ₱9.1 billion as of December 31, 2015 to ₱9.3 billion as of March 31, 2016 primarily due to acquisitions of fixed assets and expenditures for mine development.

Consolidated Current Liabilities

Consolidated current liabilities of the Group decreased by ₱186.9 million to the March 31, 2016 balance of ₱5.8 billion. The Group added ₱197.5 million in advances from related parties as of March 31, 2016, and with available cash generated from operations, was able to reduce supplier accounts and loans payable by a total of ₱379.0 million during the three-month period.

Consolidated Equity

Consolidated equity of the Group rose by ₱39.4 million as of March 31, 2016 due to the consolidated net income for the period.

Key Financial and Non-Financial Performance 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. Below are the mine and mill data that determine the production of the Maco mine of the Parent Company.

	Three-Month Period Ended March 31		
	2016	2015	Change
Tonnes mined	125,738	103,967	+21%
Mine grade (grams/tonne)	6.59	5.43	+21%
Tonnes milled	89,494	77,287	+16%
Mill head grade (g/t):			
Gold	5.42	6.20	-13%
Silver	32.34	39.20	-18%
Metal recovery:			
Gold	82%	77%	+6%
Silver	67%	60%	+12%
Metal production (oz)			

Gold	12,779	11,557	+11%
Silver	61,085	51,917	+18%

Financial Ratios

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

Financial Ratio	Formula	Three-Month Period Ended	
		March 31	
		2016	2015
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	0.17:1	0.21:1
Return on assets	$\frac{\text{Net income (loss)}}{\text{Total assets}}$	0.01:1	0.01:1
Return on equity	$\frac{\text{Net income (loss)}}{\text{Total equity}}$	0.01:1	0.02:1

Financial Ratio	Formula	March 31,	December
		2016	31, 2015
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.29:1	0.33:1
Debt-to-equity	$\frac{\text{Total debts}}{\text{Total equity}}$	1.33:1	1.38:1
Asset-to-equity	$\frac{\text{Total assets}}{\text{Total equity}}$	2.33:1	2.38:1

The lower gross profit margin, return on assets and return on equity can be attributable to the lower mill head grades in the first quarter of 2016 compared to the grades in the same period last year. Moreover, return on assets and return on equity decreased as the consolidated net income for the 2016 was lower than the prior period due to the increased interest expense from bank loans.

The utilization of its current assets for not only current liabilities, but also for capital expenditures resulted in a lower current ratio for the period. The lower debt-to-equity and asset-to-equity ratios resulted from the payment of liabilities partly from cash generated from operations.

Information on Independent Accountant and Other Related Matter

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

- Audit professional fees were subjected to 12% VAT;
- No other fees except for the regular audit service fee; and
- 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
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
2016 Jan - Mar	1.94	2.04

The price information as of the close of latest practicable date June 7, 2016 is P2.28 high and P2.22 low per common share.

(2) Holders

The authorized capital stock of the Corporation is Twelve Billion Eight Hundred Million Pesos (P12,800,000,000) divided into Twelve Billion Eight Hundred Million (12,800,000,000) common shares at P1.00 par value per share. The Corporation has a total of 2,808 stockholders as of 30 April 2016.

As of 30 April 2016, the top twenty (20) stockholders of Apex 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%

Dividends

No dividends were declared or issued in 2016 and 2015.

Recent Sale of Unregistered Securities

The Corporation implemented private placement transactions during the last three (3) fiscal years, as follows:

Year	Number of Shares Offered	Price per share	Basis of Exemption
2012	198,048,864	Php4.40	SRC Rule 10.1(k)
2013	31,290,323	Php2.79	SRC Rule 10.1(k)
2013	62,580,645	Php2.79	SRC Rule 10.1(k)
2015	2,500,000,000	Php1.00	SRC Rule 10.1(i)
2015	1,859,247,827	Php1.00	SRC Rule 10.1(k)

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 Amendments on its Annual Corporate Governance Report (ACGR) for 2015 is attached in SEC Form 17-A.

A COPY OF THE COMPANY'S 2015 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