



## Item 9(b)

Please be find below the Company's press release on the results of operations and financials for the 2<sup>nd</sup> Quarter of 2016:

### APEX MINING FIRST HALF INCOME UP BY 60%

#### HIGHLIGHTS

- **Six months revenue 42% higher than same period in 2015**
- **Milling tonnage higher by 34% although gold grade at 5 grams per tonne lower by 10%**
- **Gold produced at 26,577 ounces higher by 31%**
- **Silver produced at 140,317 ounces higher by 31%**
- **Parent Company net income of P156 million this first half period higher by 46% compared to last year**
- **Consolidated net income of P133 million higher by 60%**

Apex Mining Co., Inc. (APX) consolidated net income for the first half of 2016 amounted to P133 million, 60% higher than the consolidated net income of P82 million reported in 2015. Parent Company net income amounted to P156 million, 46% higher compared to last year.

Consolidated net income for the second quarter this year amounted to P94 million, a turn around from the loss of P19 million same quarter last year. Parent Company net income for the second quarter period amounted to P105 million, as compared to the P5 million net income reported in 2015.

The higher net earnings were mainly brought about by the new production record established by the Maco mine this period. The mine milled 203,476 tonnes of ore, 34% more as compared to the 152,136 tonnes of ore milled in 2015, averaging close to 1,400 tonnes of ore per day in the second quarter this year from 1,100 tonnes of ore per day in the same quarter last year. The improved milling throughput is a result of the Company's continuing efforts to attain its objective of milling at the rate of 1,500 tonnes per day by the early part of the second half of 2016. This objective was, however, achieved earlier at the end of June 2016 when the Maco mill actually run at the rate of 1,525 tonnes that day.

In spite of lower ore grades this period of 5.0 grams of gold per tonne and 31.7 grams of silver per tonne as compared to 5.6 grams of gold per tonne and 32.4 grams of silver per tonne a year ago, the higher tonnage resulted in higher and new record levels of metal outputs. Gold production reached 26,577 ounces, 31% higher than the 20,334 ounces produced in 2015. Silver produced was 140,317 ounces, 31% higher than the 107,036 ounces produced in 2015. Improved mill recoveries averaged 81% for gold and 68% for silver this year, as compared to last year's recoveries of 78% and 65%, also contributed to the higher metal outputs during the first half of this year.

As metal prices began to recover towards the second quarter, the gold price for the Maco mine's first half period averaged \$1,247 per ounce, 3% higher than the average of last year at \$1,215 per ounce. The silver price remained at the same level as last year at \$17 per ounce. The higher volume outputs

and gold price combined to generate the highest revenue level thus far in the Company's history. Revenue amounted to P1.7 billion this year, an increase of 42% from the revenue of P1.2 billion last year. The weaker peso this year which averaged at P46.96 from P44.45 per U.S. dollar last year also contributed to the increase in revenue.

"The general weakening of the U.S. dollar against gold and the British vote to exit the European Union provided the impetus for the gold price to move favorably for the gold producers," said Walter W. Brown, President and CEO. "While we have seen the gold price rise to \$1,375 per ounce as its highest level in the past months or so, it still has yet to break the \$1,400 resistance level. As we speak, the gold price stands at \$1334.5 per ounce. We would be pleased if the metal price would move up, nevertheless at this level, we expect the Company's earnings for the year to be significantly higher than the income reported for the whole of last year". Silver price reached a high some \$20 per ounce, staying at \$19.7 per ounce currently.

The higher milling tonnage increased cash operating cost to P1.0 billion for the six months period, 30% higher than the cash operating cost of P793 million a year ago. On per tonne of ore milled basis, however, cash operating cost has gone down to \$107 per tonne from \$117 per tonne in 2015. Similarly, on a per ounce basis, cash operating cost net of silver credits has gone down to \$732 per ounce from \$792 per ounce in 2015. Cash operating income amounted to P597 million in 2016, an increase of 72% from the cash operating income of P347 million in 2015.

In May of this year, the Company's 98%-owned subsidiary, Itogon-Suyoc Resources, Inc., made its first shipment for 558 ounces of incidental gold produced in the rehabilitation of the Sangilo mine in Itogon, Benguet. Since the Company's acquisition of this subsidiary in June 2015, rehabilitation of the Sangilo mine progressed with the mill about set to run at the initial rate of 75 tonnes a day. "While this is still way below the 1,400 tonnes per day operation that the mine is gearing itself to achieve in 2019, it is solid proof of the engineering capability of the mine's technical staff to make the mine fully operational in due time," said Mr. Brown.

The Maco mine is currently in the process of securing its ISO 14001 certification, with the first stage of the review of the mine's processes completed In July 2016. The second stage is scheduled for mid-August 2016, after which the certification is for issuance by Certification International Philippines, Inc., an affiliate of Certification International U.K. Ltd. of Britain. The audit by the Department of Environment and Natural Resources was conducted last August 4 to 7, 2016.

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

The Company's consolidated accounts also 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 a decision released by the Permanent Court of Arbitration in the Hague on July 12, 2016 on the maritime case filed by the Philippines against China, the Tribunal ruled that the Reed Bank (Recto Bank) in the disputed area of the West

Philippine Sea where SC 72 is located is within the Philippines' Exclusive Economic Zone (EEZ) as defined under the United Nation's Convention on the Law of the Sea (UNCLOS). Depending on the Philippine government's guidance on the matter, this development could possibly lead to the resumption of activities in SC 72.

## **SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**APEX MINING CO., INC.**  
Registrant

Date: 09 August 2016

**ROSANNA A. PARICA**  
Corporate Secretary