



# APEX MINING CO., INC.

04 June 2013

**PHILIPPINE STOCK EXCHANGE, INC.**

Disclosure Department  
Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **Ms. Janet Encarnacion**  
Head, Disclosure Dept.

Dear Ms. Encarnacion:

We are submitting herewith Amended SEC Form 17-Q for the quarter ended March 31, 2013. The interim financial statements were revised to capitalize the project expansion costs which were initially expensed out.

Thank you.

Very truly yours,

**ROSANNA A. PARICA**

Corporate Information Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q/A-1

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

For the quarterly period ended: **March 31, 2013**

Commission Identification Number: **40621** 3. BIR Tax Identification No. **000-284-138**

Exact Name of Registrant as specified in its charter: **APEX MINING CO., INC.**

Province, country or other jurisdiction of incorporation or organization : **PHILIPPINES**

Industry Classification Code : (SEC Use Only)

Address of registrant's principal office: **U1704 17<sup>th</sup> Flr, Prestige Tower Cond., F. Ortigas Jr. Road, Ortigas Center, Pasig City**

Postal Code: **1605**

Telephone number, including area code: Tel # **706-2805** Fax # **706-2804**

Former name, former address and former fiscal year, if changed since last report. **NA**

Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding or amount of Debt Outstanding
CLASS A	1,070,758,198
CLASS B	593,807,092

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

Yes  No  Phil. Stock Exchange - listed 1,466,516,426 million shares (P1.00) par value

Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by 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 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

## **PART I FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

Please see attached Unaudited Financial Statements for the period March 31, 2013.

### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

#### Geology and Exploration

Exploration in MPSA 225 was focused on near-mine extensions of the veins. Two (2) LM55 rigs and one (1) Kempe rig are operating underground to assess these extensions. The first LM55 is targeting Masara and Bonanza Hanging Wall Split from L590 and the other LM55 rig is drilling to assess the extensions of Sandy Main Vein at the Malumon Gap.

The Kempe Rig, however, was used to target and verify the continuities of Masara Vein and Bibak Vein at L500. Below are the significant intercepts of the drill holes drilled during the quarter.

Hole ID	From	To	Sample Width (meter)	Au ppm	Vein Target
AMA-500-004	13.80	18.10	4.30	4.170	Masara
AMA-500-004	46.10	46.70	0.60	12.987	Masara
AMA-500-005	0.70	4.30	3.60	2.80	Masara
AMA-500-005	6.65	7.15	0.50	2.731	Masara
AMA-500-005	8.90	10.70	1.80	2.031	Masara
AMA-500-006	16.50	22.30	5.80	4.280	Masara
AMA-500-007	0	4.10	4.10	2.666	Bibak
AMA-500-007	6.80	9.05	1.95	8.838	Bibak
AMA-500-007	17.30	21.70	4.40	14.231	Bibak
AMA-500-007	22.60	28.00	5.40	2.603	Bibak
AMA-500-007	30.40	32.55	2.15	2.780	Bibak
AMA-500-007	34.90	36.80	1.90	3.233	Bibak
AMA-500-007	37.80	43.05	5.25	1.536	Bibak
ASA-590-005	115.40	116.40	1.00	2.58	Masara/BHWS
ASA-590-005	245.00	245.40	0.40	4.46	Masara/BHWS
ASA-590-005	269.20	270.20	1.00	5.04	Masara/BHWS

## Mine Operations

The Mine produced a total 57,876 tonnes of gold ores with an average mine grade of 5.04 grams per tonne. Ore extraction was focused on the active vein systems, such as Bonanza, Masara, Bibak and Sandy north veins at Mine East (Maligaya Area). Sandy & Maria Inez at Mine Others (Malumon) is currently under temporary suspension pending completion of Surface Slope Stabilization Project to ensure safety of mine personnel who will be assigned in the Sandy-Maria Inez underground operations. The Don Calixto, Don Fernando and Wagas veins (at Mine West) are undergoing access rehabilitation and development as sources of additional ore production by the 3<sup>rd</sup> quarter of the year.

Mine waste development recorded a total advance of 1,408 meters composed of 885 meters of primary and 523 meters of secondary. Mine development on ore (on vein) was advanced with a total of 817 meters.

The mine has been upgrading the power infrastructure like the mine power sub-stations at surface and underground to be able to handle increasing electrical load. To improve general environment underground, the mine, also, completed the preparation of identified areas where mine air exhaust surface ventilation facilities will be constructed. A brand new additional Arkbro Raise Climber is due to arrive and to be commissioned before the end of May this year.

In preparation for the safe underground mining operations of Sandy and Maria Inez veins, the company instituted a Surface Slope Stabilization Project to mitigate the risk of water and mud entering the underground through surface holes-out and sink holes during ore extraction employing sublevel caving. This project is still on-going and expected to be completed by the end of 3<sup>rd</sup> quarter of this year.

As of the end of the 1<sup>st</sup> quarter, the mine operations newly acquired 36 units trackless equipment was commissioned for deployment. Also, the mine training department successfully completed the implementation of the training project for trackless equipment operator skill's training for mine personnel as well as from surface personnel wanting to work in the mine.

MINE OPERATIONS HIGHLIGHTS 1st QUARTER 2013					
		YTD	JAN	FEB	MAR
<b>Mine Operations</b>					
Development					
Ore development	Meters	817	231	296	290
Waste development	Meters	1,408	574	508	326
Production					
Ore production	Tonnes	57,876	16,816	21,049	20,011
	Grade gpt	5.04	3.40	4.70	6.80
Waste mined	Tonnes	130,829	43,329	39,544	47,956
Total ore + waste mined	Tonnes	188,710	60,148	60,598	67,974

## Mill Report

PRODUCTION HIGHLIGHTS 1st QUARTER 2013					
		YTD	JAN	FEB	MAR
<b>Mill Plant Operations</b>					
Ore Milled	Tons	62,437	24,038	18,756	19,643
Calculated Mill Head Grades	g/t Au	3.10	2.70	3.35	3.36
	g/t Ag	19.16	17.63	20.68	19.57
Mill Recovery	Au, %	79.90%	77.70%	81.36%	81.19%
	Ag, %	73.01%	71.55%	69.71%	77.96%
Metal Production (Ounces)	oz Au	5,184	1,857	1,621	1,706

	oz Ag	<b>27,642</b>	10,107	8,409	9,126
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*Table 1. Mill Production 1<sup>st</sup> Quarter 2013*

For first quarter of 2013, average throughput based on calendar days was 679 TPD, which is almost the same as in the third and fourth quarter of 2012 (674 and 688TPD, respectively). Based on operating days, the Mill attained an actual rate of **790 TPD**. Throughput was affected by repair of jaw crusher (February 10-13, 2013) and ball mill gear reducer and motor replacement (March 23-27, 2013).

Mine grade average for the quarter was only **3.10 gpt Au** and 19.16 gpt Ag. This lower grade affected overall gold production and there was a decrease from 6,380 oz Au from third quarter and 5,984 oz Au during the fourth quarter of 2012 to **5,184 oz Au** in the first quarter of 2013.

For the new 3000 TPD plant, foundation for jaw crusher and SAG Mill area are almost complete. CIL and detox tanks have been erected. Tailings pipes installation is ongoing. Mill perimeter enlargement was also completed.

### **CORPORATE SOCIAL RESPONSIBILITY**

Apex Mining Co., Inc. is strongly committed to its responsibility to the community. It generously complies with its Social Development and Management Plan (SDMP).

In fact, accomplishments for the 1st Quarter (January – March 2013) are as follows:

For **HEALTH & SANITATION PROGRAM**, a total of **PhP 169,049.00** was assisted for the patients' medicines, blood-letting program and fuel consumption for the emergency service request from the mine site to Tagum City hospitals.

For the **SOCIAL DEVELOPMENT AND RESPONSIVE EDUCATION**, **PhP 198,000.00** was contributed for the following: Two and Four-Year-Course Scholarship Grants, Alternative Learning System Program and students' transportation.

Moreover, for **SUSTAINABLE LIVELIHOOD PROGRAM**, **PhP 167,430.00** was provided for the farmers' field school training on cacao production and the 3-Day-Bookkeeping Training for the women entrepreneurs along Masara Lines.

Furthermore, **INFRASTRUCTURE PROJECTS** like road rehabilitation in Barangay Tagbaros, New Leyte and Teresa; as well as riprapping at Purok 2, Lim-ao in Barangay Teresa – with a total cost of **PhP 140,600.00**.

In addition, there were other community development projects such as support to barangay, schools and religious group activities like Kasalan ng Bayan. These all costed **PhP 91,682.00**.

Also, **PhP 428,100.00** was the total expenditures for **INFORMATION AND EDUCATION CAMPAIGN**, covering the symposia on environmental awareness and constant information drive on mining potentials.

Lastly, on top of SDMP are initiatives such as scholarship grants to deserving high school students, from generous Apex employees and monthly rice donations to the Home for the Aged and quarterly to the orphanage in Tagum City.

## FINANCIALS

### Statement of Income

For the three-month period ended March 31, 2013, the Company's sales amounted to P402 million, a decrease of 10% or P43 million over the same period last year due to lower foreign exchange rates in the translation of dollar revenues and, in part, due to lower realized gold and silver prices.

Realized gold price per ounce for the three-month period ended March 31, 2013, 2012 and 2011 averaged \$1,616, \$1,672 and \$1,398, respectively, while volume of gold shipped for the period totaled 5,733 oz., 5,612 oz. and 6,283 oz. respectively.

Realized silver price per ounce for the three-month period ended March 31, 2013, 2012 and 2011 averaged \$30.0, \$32.1 and \$33.3, respectively, while volume of gold shipped for the period totaled 30,311 oz., 24,465 oz. and 30,426 oz. respectively.

Weighted average foreign exchange rate of US\$1.0 to Philippine Peso used for the three-month period ended March 31, 2013, 2012 and 2011 were P40.71, P43.14 and P44.29 respectively.

Analysis of the price, volume and exchange rate variance of the comparative three-month period revealed that the P43 million decrease in revenue was caused by a decrease of 5.6% in exchange rate or an equivalent of P43.6 million and a decrease of 3.6% in the realized price for gold and silver or P16.6million. The exchange rate and realized price impact was slightly offset by an increase of P16.8 million in the volume shipped for both metals.

Cost of sales incurred for the three-month period ended March 31, 2013 amounted to P283 million or ₱4 million lower than the P287 million amount incurred in the same period last year. The increase was mostly brought about by the net movement in the following expenses:

- Materials and supplies decreased by P4.7 million in spite of the increased volume sold for the three-month ended March 31, 2013 compared to the same period last year. The decrease was due to the result of continuous improvement in inventory monitoring and operations. Majority of the issuances of materials and supplies was for the on-going exploration and development activities. These issuances are presented in the balance sheet as deferred mine exploration and development costs and will be subsequently transferred to mine and mining properties upon start of operation and then expense by way of depletion charges.
- Rent decreased by P9.1 million in the three-month period ended March 31, 2013 compared to the rent of the same period last year due to transfer of rented equipment and machinery from mine and mill operations to exploration activities. Amounts pertaining to rent were consequently capitalized to deferred exploration and mine development cost account.
- The above decreases were offset by the P12.7 million increase in depreciation, depletion and amortization increased due to significant purchases of property and equipment.

General and administrative expenses for the three-month period ended March 31, 2013 amounted to P145 million or 25% higher than the P117 million incurred in the same period last year. The increase was mostly attributed to increase of P10.3 million in depreciation, depletion and amortization related to acquisitions of property and equipment, P8.0 million increase in personnel costs due to migration to new salary scheme thereby resulting to salary increases. Contributions to the increase in general and administrative expenses also came from materials and supplies (P1.5million), rent of (P4.5 million), contract services (P6.3 million) and others (P0.5 million). A slight decrease in utilities and marketing expenses of a combined P2.5 million occurred from period to period.

Other income and expenses include P3 million foreign exchange gains (three-month period March 31, 2012 - P8 million foreign exchange gains). These pertain to differences in the foreign exchange rate used in the recognition and settlement of various receivables and payables, as well as translation of foreign currency-denominated related party accounts. The gain was offset by a P5.3 million loss on disposal of property and equipment.

Net income (loss) for the three-month period ended March 31, 2013, 2012 and 2011 amounted to (P29.2 million), P50.2 million and (P50.5 million), respectively. Full year net income (loss) in 2012 and 2011 amounted to P56.8 million and (P39.8 million), respectively.

As mentioned above, the reason for the net loss incurred in the 1<sup>st</sup> quarter of 2013 was mainly attributable to the decrease in revenue on the impact of the strengthening of the Philippine peso against the US dollar, as well as the decrease in realized prices of gold and silver, and increase in depreciation, depletion and amortization.

#### Statement of Financial Position

Cash at March 31, 2013 amounted to P30.2 million compared to P52.9 million as of December 31, 2012.

Accounts receivable from sale of gold and silver amounted to P83.1 million as of March 31, 2013 and P370.1 million as of December 31, 2012. No provision was made for March 31, 2012 balance as the amount is current and one-hundred percent (100%) collectible.

Inventories amounted to P571.6 million as of March 31, 2013, lower than the P598.5 million balance at December 31, 2012 due to materials issuance for the expansion project of the Company and unsold gold bullion and in-circuit at month end.

Other current assets increased by P134.1 million due to input VAT – deferred and incurred - from importations made during the three-month period ended March 31, 2013, and additional prepaid expenses and capitalized costs related to the expansion project, which is yet to be operational.

Book values of property, plant and equipment increased by P515.6 million from P3.7 billion as of December 31, 2012 to P4.2 billion as of March 31, 2013 due to expenditures for mill expansion and various acquisition of mining machinery and equipment.

On-going exploration and development of additional veins discovered within the area resulted in a higher deferred mine and development cost amounting to P1.1 billion as of March 31, 2013 compared to P965.6 million as of December 31, 2012. Mine and mine properties registered a P48.2 million decrease as of March 31, 2013 from P662.2 million balance as of December 31, 2012 due to depletion charges.

Accounts payable and accrued liabilities increased by P548.1 million to P1.2 billion as of March 31, 2013 from the P637.5 million balance as of December 31, 2012 due to increased payables from contractors and suppliers for the expansion project and purchases for operations.

Due to related parties decreased by P22.3 million due to payments made during the three-month period ended March 31, 2013.

Deficit as of March 31, 2013 amounted to P1.91 billion after the effect of P29.2 million net loss from P1.88 billion as of December 31, 2012.

Net cash provided by operating activities for the three-month period ended March 31, 2013, 2012 and 2011 amounted to P720.0 million, P227.5 million and P35.5 million, respectively. This represents the Company's ability to generate cash from operations despite the net losses.

Cash used in investing activities amounted to P722.4 million, P189.9 million and P91.4 million for the three-month period ended March 31, 2013, 2012 and 2011, respectively, pertains to cash acquisitions of property, plant and equipment, and expenditures for exploration and mine development activities.

Net increase (decrease) in amounts due to related parties amounted to (20.4 million), (39.7 million) and 56.9 million for the three-month period ended March 31, 2013, 2012 and 2011, respectively. Transactions with related parties in the normal course of business pertain to purchases of highly specialized equipment and payments of outstanding working capital advances used in earlier years.

**Material Changes for 2013 First Quarter vs. December 31, 2012 Balance Sheet**

	MARCH 31, 2013	DECEMBER 31, 2012	Change		Narratives
			Amount	%	
<b>Current Assets</b>					
Cash	30,154,246	52,923,378	(22,769,132)	43%	
Receivables	444,229,175	617,685,238	(173,456,063)	28%	Collection from Metalor for the quarter, application of advances to suppliers to progress billings
Inventories	571,645,653	598,511,428	(26,865,775)	4%	Decreased due to material issuance and assets in warehouse transferred to PPE
Due from ASVI	32,806,391	34,738,559	(1,932,168)	6%	
Other Current Assets	264,743,768	130,600,582	104,971,057	-100%	Increase in prepaid expenses, Def Input & Input Taxes Receivables due to importations for expansion project during the quarter
<b>Total current assets</b>	<b>1,343,579,233</b>	<b>1,434,459,186</b>	<b>90,879,953</b>		
<b>Property and Equipment - Net</b>	<b>1,441,264,466</b>	<b>915,175,677</b>	<b>(526,088,789)</b>		
Land & Land Improvements	-	-	0	0%	
Roads and Bridges	98,342,670	98,342,670	0	0%	
Dams and Diversions	417,927,845	417,927,845	0	0%	
Exploration & Drilling Equipt.	74,560,943	85,849,843	(11,288,900)	13%	Disposal of various drill rigs
Mine Machineries & Equipt.	395,906,062	395,045,062	861,000	0%	Addition of Leica, Total Station Survey equipment
Mill Machineries & Equipt.	962,581,532	961,400,537	1,180,995	0%	Cost of Feeder Belt
Assay & Met Lab. Equipt.	46,152,907	46,152,907	0	0%	
Power Gen. & Elect'IEquipt	368,743,396	365,713,690	3,029,706	-1%	Transformer & Circuit Breaker costs
Pumps & Motors	139,379,789	123,451,486	15,928,302	-13%	Various acquisition of submersibles and induction motors
Heavy Mobile Equipment	1,213,857,888	736,064,296	477,793,592	-65%	Acquisition of various HMEs(LPT-176; LHD-100K; JUMBO-144M; DRILL RIG-96M; SCOOPTRAM-13M)
Transportation Equipment	84,275,552	63,618,745	20,656,807	-32%	9 Toyota Pick ups & 6 Fortuners
Communication Equipment	3,988,782	4,261,907	(273,125)	6%	
Computing Equipment	11,617,243	11,617,243	0	0%	
Office Furniture & Equipment	519,768	519,768	0	0%	
Staff house Furn. & Fixtures	390,000	390,000	0	0%	
Buildings and Structures	139,535,808	190,127,168	(50,591,360)	27%	Various building disposals (Training, Mine Mech & Repair Shop, Motorpool, Machine/Electrical shop)
Small Tools & Equipment	16,953,380	16,603,380	350,000	-2%	
PPE in Progress	276,222,494	218,264,485	57,958,009	-27%	Project constructions 39M, Dam 7m, other facilities improvement as well as equipment rehab 9M
ARO - Equipment	1,100,432	1,100,432	0	0%	
<b>PPE at Cost</b>	<b>4,252,056,490</b>	<b>3,736,451,464</b>	<b>515,605,026</b>	<b>-14%</b>	
<b>Accumulated Depreciation</b>	<b>2,810,792,024</b>	<b>2,821,275,787</b>	<b>(10,483,763)</b>	<b>0%</b>	Net effect between depreciation for the quarter and various old building demolitions, ST3.5 and drill rigs devalued

(Forward)



Deferred Mine Explo & Dev't Costs	1,084,964,243	965,584,744	119,379,499	-12%	Masarita, Sandy, Bibak, Masara/Maligaya, Bonanza, Mapula, etc exploration & dev't costs for the quarter
Mine & Mine Properties	613,993,025	662,204,354	(48,211,329)	7%	Depletion charges for the quarter
Other Assets	50,343,916	57,861,742	(7,517,825)	13%	
<b>Total noncurrent assets</b>	<b>3,190,565,651</b>	<b>2,600,826,517</b>	<b>589,739,133</b>		
<b>Total Assets</b>	<b>4,534,144,884</b>	<b>4,035,285,703</b>	<b>498,859,181</b>		
<b>Current Liabilities</b>	<b>2,000,562,449</b>	<b>1,474,714,984</b>	<b>525,847,465</b>		
Accounts Payable & Accrued Liabilities	1,185,639,895	637,499,916	548,139,979	-86%	Increased purchases of goods and services for the quarter
Due (to) Mapula	164,006,679	169,124,638	(5,117,959)	3%	Labor & benefits to Mapula Interco
Due from (to) Mindanao Gold	650,915,875	668,090,429	(17,174,555)	3%	Loan payments plus revaluation effect for the Quarter
<b>Non-Current Liabilities</b>	<b>166,262,125</b>	<b>164,480,005</b>	<b>1,782,120</b>		
Deferred Tax Liability	37,769,623	37,769,623	0	0%	
Asset Retirement Obligation	82,790,453	82,790,453	0	0%	
Accrued Retirement Payable	45,702,049	43,919,929	1,782,120	-4%	Additional accrual (PAS 19)
<b>Total Liabilities</b>	<b>2,166,824,574</b>	<b>1,639,194,989</b>	<b>527,629,585</b>		
<b>Total Capital Stock</b>	<b>4,282,444,527</b>	<b>4,281,979,037</b>	<b>465,492</b>		
Capital Stock	1,664,565,290	1,664,565,290	0	0%	
Capital in excess of par value & Revaluation increment	2,562,127,456	2,561,661,966	465,490	0%	Capital stock-related transactions
Retained Earnings(Deficit)	(1,915,124,217)	(1,885,888,323)	(29,235,894)	-2%	
At beginning of the quarter	(1,885,888,323)	(1,885,888,323)	0	0%	
For the quarter	(29,235,894)	0	(29,235,894)		Net loss for the quarter
<b>Total equity</b>	<b>2,367,320,310</b>	<b>2,396,090,713</b>	<b>(28,770,404)</b>		
<b>Total Liabilities and Equity</b>	<b>4,534,144,884</b>	<b>4,035,285,703</b>	<b>498,859,181</b>		

## FREE CASH FLOW (FCF)

The company generated a positive (negative) FCF of (₱22.8 million), (₱2.0 million) and ₱1.0 million during the three-month period ended March 31, 2013, 2012 and 2011, respectively.

FCF is an indication of the Company's ability to generate cash from its operations, less its capital expenditures, to support its working capital requirements.

APEX MINING CO. INC.  
 UNAUDITED BALANCE SHEET  
 MARCH 31, 2013  
 (all in Philippine Pesos)

	MARCH 31, 2013 (UNAUDITED)	DECEMBER 31, 2012 (AUDITED)
<b>Current Assets</b>		
Cash	30,154,248	52,923,378
Receivables	444,229,175	617,685,238
Inventories	571,645,653	598,511,428
Due from ASVI	32,806,391	34,738,559
Other Current Assets	264,743,768	130,600,582
<b>Total current assets</b>	<b>1,343,579,233</b>	<b>1,434,459,186</b>
<b>Property and Equipment - Net</b>	<b>1,441,264,466</b>	<b>915,175,677</b>
Land & Land Improvements	-	-
Roads and Bridges	98,342,670	98,342,670
Dams and Diversions	417,927,845	417,927,845
Exploration & Drilling Equipt.	74,560,943	85,849,843
Mine Machineries & Equipt.	395,906,062	395,045,062
Mill Machineries & Equipt.	962,581,532	961,400,537
Assay & Met Lab. Equipt.	46,152,907	46,152,907
Power Gen. & Elect'IEquipt	368,743,396	365,713,690
Pumps & Motors	139,379,789	123,451,486
Heavy Mobile Equipment	1,213,857,888	736,064,296
Transportation Equipment	84,275,552	63,618,745
Communication Equipment	3,988,782	4,261,907
Computing Equipment	11,617,243	11,617,243
Office Furniture & Equipment	519,768	519,768
Staff house Furn. & Fixtures	390,000	390,000
Buildings and Structures	139,535,808	190,127,168
Small Tools & Equipment	16,953,380	16,603,380
PPE in Progress	276,222,494	218,264,485
ARO - Equipment	1,100,432	1,100,432
<b>PPE at Cost</b>	<b>4,252,056,490</b>	<b>3,736,451,464</b>
<b>Accumulated Depreciation</b>	<b>2,810,792,024</b>	<b>2,821,275,787</b>
<b>Deferred Mine Explo &amp; Dev't Costs</b>	<b>1,084,964,243</b>	<b>965,584,744</b>
<b>Mine &amp; Mine Properties</b>	<b>613,993,025</b>	<b>662,204,354</b>
<b>Other Assets</b>	<b>50,343,916</b>	<b>57,861,742</b>
<b>Total noncurrent assets</b>	<b>3,190,565,651</b>	<b>2,600,826,517</b>
<b>Total Assets</b>	<b>4,534,144,884</b>	<b>4,035,285,703</b>

	MARCH 31, 2013 (UNAUDITED)	DECEMBER 31, 2012 (AUDITED)
<b>Current Liabilities</b>	<b>2,000,562,449</b>	<b>1,474,714,984</b>
Accounts Payable & Accrued Liabilities	1,185,639,895	637,499,916
Due (to) Mapula	164,006,679	169,124,638
Due from (to) Mindanao Gold	650,915,875	668,090,429
<b>Non-Current Liabilities</b>	<b>166,262,125</b>	<b>164,480,005</b>
Deferred Tax Liability	37,769,623	37,769,623
Asset Retirement Obligation	82,790,453	82,790,453
Accrued Retirement Payable	45,702,049	43,919,929
<b>Total Liabilities</b>	<b>2,166,824,574</b>	<b>1,639,194,989</b>
<b>Total Capital Stock</b>	<b>4,282,444,527</b>	<b>4,281,979,037</b>
Capital Stock	1,664,565,290	1,664,565,290
Capital in excess of par value & Revaluation increment	2,562,127,456 55,751,781	2,561,661,966 55,751,781
<b>Retained Earnings(Deficit)</b>	<b>(1,919,275,638)</b>	<b>(1,885,888,323)</b>
At beginning of the quarter	(1,885,888,323)	(1,885,888,323)
For the quarter	(29,235,894)	0
<b>Total equity</b>	<b>2,363,168,889</b>	<b>2,396,090,713</b>
<b>Total Liabilities and Equity</b>	<b>4,534,144,884</b>	<b>4,035,285,703</b>

APEX MINING CO. INC.  
 UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
 1<sup>ST</sup> QUARTER 2013  
 (all in Philippine Pesos)

	January to March 2013	January to March 2012	January to March 2011
<b><u>Revenue</u></b>			
Sale of Gold	366,537,341	409,090,381	388,425,020
Sale of Silver	35,379,904	36,245,803	43,433,758
	<b>401,917,244</b>	<b>445,336,184</b>	<b>431,858,778</b>
<b><u>Costs of Sales</u></b>			
Materials & Supplies	93,270,085	97,988,216	150,648,813
Depreciation, Depletion and Amortization	112,869,321	100,143,602	86,881,074
Salaries, allowances and employee benefits	25,831,566	23,330,463	24,875,648
Rent	13,290,419	22,435,896	84,468,979
Utilities	22,906,604	28,430,645	22,764,904
Marketing	3,508,261	4,567,190	2,755,366
Contract Service	3,816,062	1,462,935	1,079,529
Others	8,100,199	8,683,007	7,804,923
	<b>283,592,516</b>	<b>287,041,954</b>	<b>381,279,237</b>
<b>GROSS PROFIT</b>	<b>118,324,728</b>	<b>158,294,230</b>	<b>50,579,541</b>
<b><u>General &amp; Admin Expenses</u></b>			
Materials & Supplies	8,414,754	6,952,356	8,919,745
Depreciation, Depletion and Amortization	22,053,434	11,798,799	4,514,679
Salaries, allowances and employee benefits	36,989,611	28,962,253	28,930,765
Rent	12,821,910	8,255,056	6,853,816
Utilities	500,999	913,128	1,572,526
Marketing	1,375,426	3,433,104	
Contract Service	14,356,784	8,009,796	8,564,030
Others	48,748,872	48,262,213	42,688,872
	<b>145,261,789</b>	<b>116,586,705</b>	<b>102,044,432</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(26,937,060)</b>	<b>41,707,525</b>	<b>(51,464,891)</b>
<b><u>OTHER INCOME (EXPENSE)</u></b>			
Foreign Exchange gain	2,956,260	8,497,869	1,590,855
Interest & other income (expense)	(2,095)	31,954	(361,874)
Write Off of Inventories	-	-	(8,550)
Loss on Write-Off Fixed Asset	(5,251,343)		(207,083)
<b>Total</b>	<b>(2,297,178)</b>	<b>8,529,822</b>	<b>1,013,348</b>
Provision for Income tax	1,655		1,752
<b>NET INCOME (LOSS) FOR THE QUARTER</b>	<b>(29,235,896)</b>	<b>50,237,347</b>	<b>(50,453,295)</b>

APEX MINING CO. INC.  
 UNAUDITED STATEMENT OF CHANGES IN EQUITY  
 1<sup>ST</sup> QUARTER 2013  
 (all in Philippine Pesos)

	Three Months Ended March 31		
	2013	2012	2011
CAPITAL STOCK - P1 PAR VALUE	1,664,565,290	1,466,516,426	1,317,618,030
ADDITIONAL PAID-IN CAPITAL	2,562,127,456	1,919,180,270	1,503,380,955
REVALUATION INCREMENT	55,751,781	80,514,894	91,980,180
DEFICIT			
Beginning of quarter	(1,885,888,323)	(1,967,469,313)	(1,939,148,148)
Net loss for the quarter	(29,235,896)	50,237,347	(50,453,295)
End of period	(1,915,124,217)	(1,917,231,966)	(1,989,601,443)
<b>TOTAL EQUITY</b>	<b>2,367,320,310</b>	<b>1,548,979,624</b>	<b>923,377,723</b>

APEX MINING CO. INC.  
 UNAUDITED STATEMENT OF CASH FLOWS  
 1<sup>ST</sup> QUARTER 2013  
 (all in Philippine Pesos)

	Three Months Ended March 31		
	2013	2012	2011
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income (loss)	(29,235,894)	50,237,347	(50,453,295)
Depreciation, amortization and other non-cash expenses	134,922,755	111,967,631	40,617,161
<b>Operating income (loss) before changes in working capital</b>	<b>105,686,859</b>	<b>162,204,978</b>	<b>(9,836,134)</b>
Decrease (Increase) in receivables and advances	173,456,063	93,294,720	(11,438,010)
Decrease (Increase) in Inventory	26,865,775	(55,319,671)	(1,309,356)
Decrease (Increase) in prepayments	(134,143,186)	4,074,538	(322,138)
(Decrease) Increase in accounts payable and accrued expenses	548,139,979	23,291,602	58,382,636
<b>Net cash provided by (used in) operating activities</b>	<b>720,005,491</b>	<b>227,546,166</b>	<b>35,476,998</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	(610,552,603)	(86,987,298)	(42,829,488)
Decrease (Increase) in deferred mine exploration costs	(119,379,499)	(100,887,538)	(49,547,563)
Decrease (Increase) in other noncurrent assets	7,517,825	(1,954,920)	1,000,111
<b>Net cash provided by (used in) investing activities</b>	<b>(722,414,278)</b>	<b>(189,829,757)</b>	<b>(91,376,940)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase (decrease) in amounts of advances from affiliates	(20,360,346)	(39,701,146)	56,868,953
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(22,769,132)</b>	<b>(1,984,736)</b>	<b>969,012</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>52,923,378</b>	<b>53,550,286</b>	<b>17,859,662</b>
<b>CASH AT END OF PERIOD</b>	<b>30,154,246</b>	<b>51,565,549</b>	<b>18,828,674</b>

APEX MINING CO. INC.  
 UNAUDITED AGING OF ACCOUNTS RECEIVABLES  
 MARCH 31, 2013  
 (all in Philippine Pesos)

1) Aging of Accounts Receivable

Type of Accounts Receivable	Total	1 Month	2-3 Mos	4-6 Mos	7 Mos to 1 Year	1-3 Years	3-5 Years	5 Years Above	Past due accounts & items in litigation
a) Trade Receivables	83,118,497	83,118,497							
Less: Allow. For Doubtful Acct.									
Net Trade Receivable	83,118,497	83,118,497	-	-	-	-	-	-	-
b) Non-Trade Receivables									
1) Advances - Temp. Accom.	363,440,548	150,316,909	113,191,255	99,932,383					
Less: Allow. For Doubtful Acct.	(2,329,870)								
Net Non-Trade Receivables	361,110,678	150,316,909	113,191,255	99,932,383		-	-	-	-
<b>Net Receivables (a + b)</b>	<b><u>444,229,175</u></b>								

2) Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
a.) Accounts Receivable	receivable from customers/government	
b) Accounts Receivable-Others	cash advance to suppliers, officers and employees/SSS Claims	

3) Normal Operating Cycle: 1 year

**APEX MINING CO., INC.**

**NOTES TO UNAUDITED FINANCIAL STATEMENTS**

**March 31, 2013**

**1. Significant accounting policies**

The accompanying unaudited financial statements as of March 31, 2013 have been prepared in accordance with Philippine Financial Reporting Standards under the historical cost convention, consistent with the accounting policies adopted in the Company's audited financial statements for the year ended December 31, 2012, the accompanying notes to which may also apply and can be referred to for further information on these financial statements.

**2. Current Assets**

1.1 Cash

Cash consist of cash on hand and in banks.

1.2. Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment. The account includes trade receivable, advances to suppliers and contractors, advances to officers and employees and other receivables.

1.3. Inventories

Inventories, which consist of gold and silver bullion, metal in circuit, ore stockpile, materials and supplies used in the Company's operations, are physically measured or estimated and valued at the lower of cost and net realizable value.

1.4 Prepayments

Prepayments are expenses paid in advance and recorded as asset before they are used or consumed, as the service or benefit will be received in the future. Prepayments expire and are recognized as expenses either with the passage of time or through use or consumption.

**3. Property, Plant and Equipment**

The company's property, plant and equipment are presented at revalued amounts, which represent the fair value at date of revaluation less any subsequent accumulated depreciation, depletion and impairment losses, if any, except for the construction in progress which is carried at cost.



#### **4. Other Non-Current Assets**

Other non-current assets include Mine & Mine Properties, Deferred Mine Exploration and Development Costs and Other assets. These are presented at historical costs and are depreciated or depleted if related to a mineable area using a reasonable allocation method, normally the units of production method.

#### **5. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. These are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### **6. Due to Related Parties**

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors, or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

In the normal course of business, transactions with related parties consist mainly of rendering of professional services, rentals, unsecured noninterest-bearing, short-term cash advances for working capital requirements of the Company, which are due and demandable.

#### **Merger with Teresa**

Pursuant to Sections 76 to 80 of the Corporation Code of the Philippines, the Board of Directors (BOD) and stockholders of the Company and Teresa (collectively referred to as "Constituent Corporations") at a meeting held on September 1, 2011 and August 1, 2011 of the BOD of the Company and Teresa, respectively, and at a meeting held on October 6, 2011 and September 15, 2011 of the stockholders of the Company and Teresa, respectively, approved the Plan of Merger (Merger) of the Constituent Corporations, the Company being the surviving corporation and Teresa being the absorbed Corporation.

An Articles and Plan of Merger was executed by the Constituent Corporations on October 7, 2011 for filing and approval by the SEC.

On December 1, 2011, the SEC approved the Articles and Plan of Merger. As indicated in the Articles and Plan of Merger, the Merger will be effective on the first day of the month immediately following the month in which approval for the Merger is obtained from the SEC (the "Effective Date of Merger").

The Merger became effective and was reflected in the Apex financial statements on January 1, 2012.

## **7. Cash Flow analyses**

Net cash provided by operating activities for the three-month period ended March 31, 2013, 2012 and 2011 amounted to P725.0 million, P227.5 million and P35.5 million, respectively. The increase during the period is primarily due to higher sales and collection of receivable and proper management of accounts payable and accrued expenses resulting from increased credit purchases.

Net cash used by investing activities for the three-month period ended March 31, 2013, 2012, and 2011 comprising of additions to property, plant and equipment, non-current assets and exploration expenditures, was P722.4 million, P189.9 million and P91.4 million, respectively. These were directly brought about by mill expansion purchases and deferred exploration and mine development cost expenditures.

Net cash used in financing activities for the three-month period ended March 31, 2013, 2012, and 2011 amounted to P20.4 million P39.7 million and P56.9 million, respectively. Transactions with related parties in the normal course of business pertain to purchases of highly specialized equipment and payments of outstanding working capital advances used in earlier years.

## **8. Reclassification**

There were changes made to the previously submitted 1st quarter of 2013 operations results. Costs related to project expansion that was previously expensed were capitalized to assets as the project has yet to commence. The project is scheduled to be finished in the 4th quarter of 2013.

**ART II - OTHER INFORMATION**

There are no other information for this interim period not previously reported in a report on SEC Form 17-C.

**SIGNATURES**

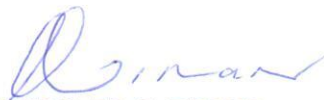
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**APEX MINING CO., INC.**

Registrant



**BAIVERTH DIABO**  
President



**RODOLFO G. BRAVO**  
VP-Finance/Treasurer