APEXMINES

APEX MINING CO., INC.

June 3, 2009

DISCLOSURE DEPARTMENT
THE PHIL. STOCK EXCHANGE, INC.
4/F PSE Centre, Exchange Road
Ortigas Centre, Pasig City

Attention: MS. JANET A. ENCARNACION
Head, Disclosure Dept.

Dear Madam:

We are submitting herewith SEC Form 20-IS re: Definitive Information Statement Report.

Thank you.

Very truly yours,

ROSANNA A. PARICA
Asst. Corporate Information Officer

6th Floor, Manilabank Building, Ayala Avenue, Makati City 1200
Tel. Nos.: 818-1591, 810-0882 * FAX No.: 810-0887

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 24, 2009 at 3:00 in the afternoon at Valle Verde Country Club, Capt. Javier St., Bo. Ugong, Pasig City.

The agenda for the meeting is as follows:

1. Call to order;
2. Proof of Notice and Determination of Existence of Quorum;
3. Approval of the Minutes of the Stockholders Meeting held on June 25, 2008;
4. Message of the President & CEO;
5. Presentation and approval of the Financial Statements as of December 31, 2008 embodied in the 2008 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. Matters for Shareholders Approval:

    - Amendment to the Amended Articles of Incorporation and Amended Code of By-Laws increasing the numbers of directors from seven (8) to eight (9);

9. Appointment of External Auditor;
10. Other matters ;
11. Adjournment.

The Board has fixed the close of business hours on June 3, 2009 as the record date for the determination of stockholders entitled to notice of meeting and to vote at the specified election date.

By Order of the Board of Directors

(original signed)
DAVID B. PUYAT
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**: Unit 1704 17th Flr. Prestige Tower Cond.
   F. Ortigas Jr., 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 - **24 June 2009**
   Time - **3:00 p.m**.
   Place - **Valle Verde Country Club, Capt. Javier St., Bo. Ugong, Pasig City**

9. Approximate date on which the Information Statement is first to be sent or given to security holders - **3 June 2009**

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

Title of Each Class	Number of Shares
Class A	458,981,818
Class B	295,731,885

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

Date	:	24 June 2009
Time	:	3:00 P.M.
Place	:	Valle Verde Country Club, Capt. Javier St., Bo. Ugong, Pasig City
Principal office:		Unit 1704 17th Flr., Prestige Tower Cond., F. Ortigas Jr. Road, Ortigas Center, Pasig City

This information statement shall be first sent or given to the security holders on **3 June 2009.**

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

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. In the event that an action will give rise to the right of appraisal, a stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. The procedure outlined in Article X of the Corporation Code of the Philippines shall apply.

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.

Voting Securities and Principal Holders Thereof

As of March 31, 2009 there are 754,713,703 outstanding and voting common shares of stock of the Corporation which are further subdivided into 458,981,818 Class A shares and 295,731,885 Class B shares. Each share of stock is entitled to one vote.

All stockholders of record as of 3 June 2009 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.

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 March 31, 2009 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	%
A	MAPULA CREEK GOLD CORPORATION 8F Taipan Place, Emerald Avenue, Ortigas, Pasig City	same (direct ownership)	Filipino	338,729,592	44.88
B	CREW GOLD CORPORATION 837 W. Hastings St., . Vancouver, B.C.V6C 3N6 CANADA	Same (direct ownership)	Canadian	211,534,806	28.03
A & B	PCD NOMINEE CORPORATION GF MSE Bldg., Ayala Avenue, Makati City	PCD Participants	Filipino	153,165,080	20.29

* Atty. Deogracias G. Contreras has been authorized by the Board of Directors of Mapula Creek Gold Corporation and Mr. William LeClair for Crew Gold Corporation to exercise the voting power on behalf of the two Corporations and decide how all shares in the Corporation are to be voted.

** PCD Nominee, Corp. (PCNC) is 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 are PCD's participants who hold the shares on their behalf or in behalf of their clients. As of March 31, 2009, Angping & Associates Securities, Inc. owns on record 5,880,295 of which no beneficial owner owns more than 5% of the Company's stock. No other PCD participant owns on record or beneficially more than five (5%) of the Company's stock. PCD is a private company organized by the major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transaction in the Philippines.

Except for the beneficial owners mentioned above, there is no other person or group who is known to the Corporation to be the beneficial owner of more than 5% of its voting securities. There is also no voting trust agreement involving shares of the Corporation.

Security ownership of directors and management

The number of voting shares beneficially owned by directors and named executive officers as of 31 March 2009.

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percent of Class
A	DEOGRACIAS G. CONTRERAS, JR.	11,000 (direct)	Filipino	.00%
A	DAVID B. PUYAT	1 (direct)	Filipino	.00%
A	BAIVERTH DIABO	1 (direct)	Filipino	.00%
A	RODOLFO CRUZ	1,000 (direct)	Filipino	.00%
B	WILLIAM LECLAIR	10,001 (direct)	Canadian	.00%
B	SIMON BOOTH	10,001 (direct)	Australian	.00%
	All officers and directors as a group	32,004		.00%

On 24 August 2005, an international mining firm, Crew Gold Corporation, in consortium with Mapula Creek Gold Corporation, entered into a Share Purchase Agreement with the Corporation's majority stockholders for the sale and purchase of approximately 72.8% of the total issued and outstanding capital stock of the Corporation composed of 549,966,524 common shares broken down into 345,629,018 Class A common shares and 204,337,506 Class B common shares for a price of approximately US$6,600,000, subject to certain adjustments which translated to a purchase price of roughly PhP0.6724 per share. The closing of the transaction contemplated in the Share Purchase Agreement was, among others, conditioned upon compliance with the tender offer rules of the Securities Regulation Code and its implementing rules and regulations.

Pursuant to the Share Purchase Agreement, Crew Gold Corporation and Mapula Creek Gold Corporation may nominate their respective representatives to the Board of Directors of the Corporation in proportion to their respective equity interest resulting from the transaction contemplated in the Share Purchase Agreement and the tender offer.

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:

Name	Age	Citizenship	Position	Term	Business Experience For the past five(5) years	Relatives Up to the 4^{th} civil	Legal Proceed

						Degree	ings
DEOGRACIAS CONTRERAS, JR.	62	Filipino	Director since January 2006 and President & CEO since March 1, 2008	1 yr	VP-Legal & HR – Philex Mining Co. from 1996 to 2007	None	None
Neil Hepworth	50	British	Director since 2007	1 yr	VP-Operations of Crewgold Corp in 2008. VP-Operations – European Goldfields – 2005 to 2007	None	None
RODOLFO CRUZ	59	Filipino	Independent Director since January 2006 (Nominee)	1 yr	Consultant – US AID Consultant – FF Cruz Project Dev't Director – RAC Director – San Dominico Minerals	None	None
BAIVERTH M. DIABO	37	Filipino	Independent Director since October 2006 (Nominee)	1 yr	Asst. to the President & CEO – Eastern Shipping Lines – 1999 to present Business Controller – Kling Plantation Co., Inc. – 2003 to present Business Controller – Eastern Aqua Ventures, Inc. – 2003 to present Managing Director – Caliber Logistics Corp. – 2006 to present Head, Buss. Dev't – Allah Copper Phorphyry, Inc. – 2005 to present	None	None
WILLIAM LeClair	54	Canadian	Director since October 2006 (Nominee)	1 yr	Executive Vice President and Chief Financial Officer of Crew Gold Corp., Previously Chief Financial Officer of Hot House Growers Inc. from August 2003 to July 2006; prior thereto, Vice President of Burrard International Holdings Inc. (a private investment company)	None	None
DAVID B. PUYAT	40	Filipino	Corporate Secretary since January 2006	1 yr	Director – Apex Mining Co., -Dec 2000 to October 2006 Director – Zero One Holdings, Inc. Director – Southern Horizon Mining Corp. Corporate Secretary – ABP Holdings, Inc. Corporate Secretary, Director and Sr. Vice President – The Manila Banking Corporation	None	None
ROSANNA A. PARICA	43	Filipino	Admin. Manager and Assistant Corporate Secretary since September 2007	1 yr	Asst. Corp. Secretary- Mapula Creek gold Mining Corp.. Asst. Corp. Secretary – Teresa Crew Gold Corp..	None	None

Independent Director

Pursuant to Section 38 of the Securities Regulation Code, two (2) incumbent directors of the Corporation, namely Messrs. Baivert Diabo and Rodolfo Cruz, 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. Both Messrs. Diabo and Cruz possessed the qualifications and none of the disqualifications of an independent director.

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.

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 16 of the Audited Financial Statements for the year ended December 31, 2008.

Other than the foregoing, there is no transaction or proposed transaction undertaken or to be undertaken by the Corporation in which any director or executive officer was involved or had a direct or indirect material interest.

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.

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 Compensation Table
(Annual Compensation)

Compensation of Directors and Executive Officer				
	2009 (Estimated	2008	2007	2006
	Salary/Fee/Bonus	Salary/Fee/Bonus	Salary/Fee/Bonus	Salary/Fee/Bonus
Directors	180,000	711,000	270,000	500,000
Officers: William LeClair Chairman of the Board Joel D. Muyco President and CEO Deogracias G. Contreras, Jr. EVP and Gen. Counsel				
Total Officers		5,315,054	1,912,500	
All other officers & directors as a group unnamed				
Total Officers	1,661,238	5,315,054	1,912,500	1560,000
All other officers & directors as a group unnamed	500,000	3,500,780	3,783,000	390,000

(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 20,000.00 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.

Independent Public Accountant

The auditing firm of Isla Lipana & Co. with address at Philamlife Building, Paseo de Roxas, Makati City has been the Company's Independent Public Accountant since 2007 and is recommended for appointment for the current year.

For the fiscal year 2008, Mr. Rodel Acosta signed the Company's Audited Financial Statements for 2008, a copy of which is attached to this Information Statement. Mr. Acosta has been designated as the certifying partner of Isla Lipana & Co. for the Company, in compliance with SRC Rule 68.1 (3)(b)(IV).

Representatives of Isla Lipana & 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.

The Company's Audit Committee is composed of William LeClair (Chairman), David B. Puyat Armando Castanos and Baiverth Diabo (Independent Director).

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.

ISSUANCE AND EXCHANGE OF SECURITIES

Authorization or Issuance of Securities Other than for Exchange

There is no action to be taken with respect to the authorization or issuance of any securities.

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.

Financial and Other Information

Audited Financial Statements as of 31 December 2008, 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.

Mergers, Consolidations, Acquisitions and Similar Matters

There is no action intended to be taken with respect to any transaction involving the following: (1) the merger or consolidation of the Corporation into or with any other entity; (2) the acquisition by the Corporation or any of its stockholders of securities of another person or entity; (3) the acquisition by the Corporation of any other going business or of the assets thereof; (4) the sale or other transfer of all or any substantial part of the assets of the Corporation, and (5) the liquidation or dissolution of the Corporation.

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.

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.

<u>OTHER MATTERS</u>

Action with Respect to Reports

Actions to be taken will constitute the following:

(1) Presentation and approval of the financial statements for the fiscal year ending 31 December 2008, as embodied in the 2008 Annual Report;

(2) Approval of the Minutes of the Stockholders meeting held on 29 June 2008Approval of the minutes of Stockholders' Meeting held on June 25, 2008

(3) Ratification of the acts of directors, committees and officers of the corporation
(4) Appointment of Isla Lipana & Co. as external auditors
(5) Election of directors
(6) Amendment of Amended Articles of Incorporation and By-Laws increasing the number of directors from eight (8) to nine (9), Amendment of By-Laws to change the annual date of Stockholders' Meeting from last Wednesday of June to second Wednesday of June of each year

Matters Not Required to be Submitted

There is no action intended to be taken with respect to any matter which is not required to be submitted to a vote of the stockholders.

Amendments to Articles of Incorporation and By-Laws

Article Sixth of the Articles of Incorporation and Article III Section 2 of the Amended By-Laws have been amended by the Board of Directors to increase the number of Directors from eight (8) to nine (9). Majority of the Board of Directors decided to amend the number of directors to enhance efficiency of board actions.

Likewise, paragraph 2 of Article II of the Amended By-Laws has been amended by the Board of Directors to change the date of the Annual Stockholders' Meeting from last Wednesday fo June to second Wednesday of June of each year.

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.

Other Proposed Action

As of this date, there are no other matters which the Board of Directors intend to present or has reason to believe others will present at the meeting.

Voting Procedures

The affirmative vote of the stockholders representing at least two thirds (2/3rds) of the outstanding capital stock shall be required for the amendment of the Articles of Incorporation and By-Laws of the Corporation.

The votes required for the election and approval of the Corporation's external auditor, Isla Lipana & 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 25 June 2008;
(b) 2008 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. In light of the amendment of the Articles of Incorporation and By-laws increasing the number of directors from 7 to 8, therefore, 8 seats have to be filled.

Nominees for the Election of Directors are:

1. William LeClair
2. Rory Taylor

3. Neil Hepworth
4. Deogracias G. Contreras, Jr.
5. Fernando G. Agustin
6. David B. Puyat
7. Armando Castanos
8. Baivert Diabo (independent director)
9. Rodolfo Cruz (independent director)

Provided there is a quorum (majority of all stockholders in good standing), the candidates receiving the first eight 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) the Corporate Secretary or his official representative; (2) the official representative of the external auditor of the Corporation; and (3) the official representative of the 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.

Annual Report

A copy of 2008 Annual Report (SEC Form 17-A) will be provided free of charge upon written request addressed to:

MS. ROSS A. PARICA
Assistant Corporate Secretary
Apex Mining Co., Inc.
17/F Prestige Tower Condominium,
F. Ortigas Road, Ortigas Centre, Pasig City

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 03 June 2009.

APEX MINING CO., INC.
By:

ROSANNA A. PARICA
Asst. Corporate Secretary

MANAGEMENT DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS

Plan for 2009

The plan for 2009 focuses on generating cash flow by modestly increasing ounces gold production. The strategy is to increase ore production from stopes. This strategy becomes viable with the current ore blocked of the *419,000 tonnes at 5.0 gpt* as of *January 2009.* Furthermore, the ore blocked resource will allow Maco Operations to reduce its capital development cost for 2009.

The planned 550t/d average mine capacity for 2009 will be the milled tonnage at mine head of 5.20 g/t Au. Ore delivery to the mill plant will be sourced from the stopes and sub level ore development of Maligaya and Maria Inez/Sandy Mine areas.

A gold vein source includes Bonanza Main Vein, Bonanza Split and the Masara Vein for the Maligaya area. In Maria Inez/Sandy area, on the other hand, gold vein source includes Sandy Main Vein and Sandy South Vein.

The ore production schedule and mine development plan is based on the latest resource update that was established by the Apex Geological staff based from additional data generated from underground development and from additional resource definition drilling completed since the publication of the February 2007 Mineral Resource Report.

Stoping method adapted was bench mining in horizontal slices for the first six meters and using backfill. Long-hole drilling for the remaining 6 meters pillar and mined by retreating from the ends. For the Horizontal slice mining, we projected a standard of 35 tons per day productivity while the long-hole retreat method at 45 tons per day.

Ore development on the sub-levels assumed a 40 meters advance per month and waste development on declines and crosscuts at 50 meters per month advance.

Capital underground development for 2009 covers the continuation of the development that covers the 700m L530 Decline towards the existing Masarita drifts for gravity drainage to eliminate the high risk of mine flooding.

Process improvement studies are continuously conducted to mitigate restricting factors in attaining the planned production. These factors includes the dewatering system, equipment availability and utilization, poor ground condition, ventilation system, knowledge, skills and attitude of our underground personnel, and the complex nature of our vein systems.

We are in the process of implementing a new exploration strategy, which focus on opportunities in close proximity to our existing operations. Exploration staff has continued to generate exciting targets for our future growth.

We are confident that with the dedicated Maco Operations workforce, we will continue to advance our strategy and achieve our 2009 planned production and financial targets.

Mine Development and Production Performance for 2008

The intensified development for 2008 achieved a total aggregate of 5,993 meters of underground opening at a size of 3m x 3.5m. Out of the total meterage advanced, on-vein development attained a total of 2,918 meters to identify payable ore shoot along the strike length of the vein. Meanwhile, off-vein development achieved a total of 3,075 meters for access roadway as well as for services such as ventilation, drainage, haulage-way and re-mucking bays.

The Maco mine productions have attained a total of 162,925 tons with a grade of 5.2 g/t of gold ores from development drives along the strike length of the veins and from trial (test) stopes. While 81,501 tons of waste materials generated from off-vein development were stockpiled at the surface and later reclaimed, hauled back onto the underground for backfilling voids generated during the conduct of trial (test) stope or production.

Mill operations and outlook for 2009 and beyond

The plant was able to process a total of 171,760 tonnes, at an average rate of 508 tonnes/day in 2008, which is double the tonnage of 2007. At higher tonnage, grade, recovery and plant availability, ounces gold produced doubled as well from 7,228 oz in 2007 to 21,618 oz in 2008.

For 2009, the Mill is currently focusing on further optimizing its operations in terms of tonnage, recovery, availability and cost. Close control of Mill parameters are being established. Process flow is also being reviewed to identify areas for improvement. Carbon regeneration kiln will be installed to ensure optimum performance of activated carbon used in the adsorption tanks.

Construction of fine ore bin and conversion of cyanide detoxification tanks to leach tanks to achieve 600-700 tons per day for Q3 2009 are ongoing. The new tailings facility has been completed in 2008. Raising the dam by 5 meters to accommodate tailings up to mid-2010 is also ongoing.

Employment and administration

Apex's top priorities for employment are residents of host and nearby barangays including adjacent municipalities. Based on employment statistics, 56% of the labor force belongs to the four impact barangays (9% are IP's or Indigenous People); 13% are residents of Maco, the host municipality; 26% are Mindanao residents; and 5% have been hired from Luzon and Visayas.

Since the services of two labor contractors were no longer extended, the company engaged the services of the newly accredited Indigenous People owned agency, the so-called SIMMCO Agency (Sumpaw ng Inangsabong Mansaka Multi-Purpose Cooperative) effective July 2008. They catered manpower requirements for intermittent activities and temporary projects. After a few months, they extended their services by organizing an employee's canteen inside the campus catering both regular and casual employees.

To make the company's operation sustainable in the years ahead, we find ways to reduce cost which include labor cost, thus, in February 2008; a manpower reduction program was implemented, affecting 10% of its workforce.

Employee's satisfaction has always been one of our major concerns. In June 16, 2008, Apex implemented the new minimum daily wage of P265.00/day (in accordance with Wage Order No. RB 11-15 for Region X1). 165 of our Minimum Wage Earners were recipients of such circular which has more or less boosted their morale. Moreover, on the last quarter of 2008 the Wage and Salary Administration Guidelines was finalized and implemented in order to manage the wages and salaries and to maintain a realistic and equitable relationship among the different jobs in the company, as well as establish a salary structure that is competitive within the mining industry, followed by the Multi-Skilling Scheme to grant incentive to multi-skilled Mine Division employees.

It was in July 2008 that the company adopted a self-administered hospitalization scheme subsequent to the expiration of contract with a private health care provider to cater to the medical and hospitalization benefits of our employees and their legal dependents subject to certain limits and exclusions. We have two accredited hospitals in Tagum City: Bishop Joseph Regan Memorial Hospital and Tagum Doctors' Hospital, Inc. and four accredited hospitals in Davao City: Ricardo Limso General Hospital, Brokenshire Memorial Hospital, Inc., Medical Mission Group Hospital, and Davao Adventist Hospital.

After the establishment of the Training and Development department last February 2008, we now have 40 National Certificate (NCII) holders on different technical competencies and 8 in-house TESDA Assessors.

On September 6 and 7, 2008, a mudslide hit a populated portion of barangay Masara. The project was affected since the road were impassable and residents were advised to evacuate the area. The company extended its wholehearted support by sending general workers and equipment such as backhoe and loader to retrieve bodies of the victims. It also provided food and financial assistance to residents and families of the victims. Employees who had lost their homes were also accommodated in company quarters.

Results of Operations for the years ended December 31, 2008, 2007 and 2006

The Corporation incurred a net loss of Php343,671,099 for the year ended December 31, 2008. As of the same date, the Company has accumulated deficit of Php1,240,402,585 while current liabilities exceeded current assets by Php2,298,185,074.

The reported capital deficiency amounting to Php425,055,643 as of December 31, 2008 (2007-Php81,341,532) mainly arising from the accumulation of expenditures prior to start of commercial operations and expenditures related to the Company's takeover of milling operations from Teresa Crewgold Phils., Inc., an affiliate, effective January 31, 2008. These expenditures did not qualify for capitalization under the Company's current policy on deferred exploration and development costs. The Company believes that profits to be generated during commercial operations will be able to gradually reduce the deficit subject to uncertainties including changes in market prices of gold and silver, fluctuations of exchange rate and ability to convert resources into reserves.

In 2007, the Company revalued its property, plant and equipment based on estimated fair values as indicated in the independent appraiser's report dated December 13, 2007. Accordingly, the Company recognized net increase of P2,999,524 which was directly credited to the revaluation surplus, net of deferred taxes amounting to P1,285,510. Fair value was determined based on asset's depreciated replacement cost, which is equal to the estimated amount of amount needed to acquire in like kind and in new condition an asset or group of assets, taking into consideration current prices of materials, labor, overhead and all incidental costs associated with the asset's acquisition and installation in place.

In December 2007, the Company entered into an Agreement with Sta. Clara International Corporation for the construction of the Maco Tailings Management Facility Phase I (facility) and ancillary works within the Company's mining area covered by the approved MPSA. The agreement provides for the contractor to furnish, deliver, place and complete any and all necessary materials, labor, plant, tools, appliances and equipment, supplies, utilities, transportation, superintendence, supervision and all other structures for the construction of said facility. As of December 31, 2008, the facility has been completed.

In March 2008, several mining equipments were destroyed by fire. These assets has remaining net book value of P14.9 million which were written off and recognized as losses as part of general and administrative expenses in the Financial Statements. amount of money needed to acquire in like kind and in new condition an asset or group of assets, taking into consideration current prices of materials, labor, overhead and all incidental costs associated with the asset's acquisition and installation in

In December 2008, the Company reclassified carious machineries and equipments such as drills and loader trucks with net book value of P111.4 million as assets held for sale, which have been determined will no longer be used in current operations. Correspondingly, the Company recognized impairment loss of P27.6 million in order to bring down its carrying amount to estimated fair value net of costs to sell. The impairment loss is shown as part of general and administrative expenses.

As of December 31, 2006 and 2005, the Company has determined that certain items of its property, plant and equipment amounting to P244,142,324 and P115,090,800 with accumulated depreciation of P216,819,601 and P107,833,560, respectively,were no longer existing. Accordingly, the cost (including the appraisal increase) and accumulated depreciation were removed from the accounts and the related losses amounting to P9,184,265, P112 and P4,476 for the years ended December 31, 2006,2005 and 2004, respectively, were recognized in the statements of income. Correspondingly, the related revaluation surplus, net of the related deferred income tax liability was credited to deficit.

In 2007, Mapula transferred materials and various mining equipment to the Company amounting to P105,429,967 and P9,456,988, respectively, in connection with the rehabilitation of the Company's plant and facilities as part of the Company's development plan to put the mine into commercial operations in 2009. Further, 642 employees of Mapula were transferred to the Company. Accordingly, salaries and other employee related costs from date of transfer were recognized by the Company.

In December 2007, the Board of Directors of Teresa Crew Gold (Philippines), Inc. (Teresa), subsidiary of a shareholder, authorized the transfer of various machines and equipment amounting to P517,012,449 in accordance with the continuous development undertaken by the Company of the Maco Mines project.

Shareholders and affiliate provide continuous advances to finance the Company's rehabilitation and refurbishing of the mine project and pre-commercial activities. These advances are non-interest bearing and considered payable on demand.
As of December 31, 2008, advances from Crew Gold, which are denominated in US Dollar, amounted to $15,369,281 (2007 - $7,758,120). Advances from Mapula Creek Gold Corporation amounted to P734,586,295 as of December 31, 2008 (2007 – 320,587,400), while total advances from Teresa Crewgold Phils., Inc. amounted to 946,536,256 as of December 31, 2008 (2007 – 823,488,568).

Capital deficiency amounting to P425,055,643 as of December 31, 2008 (2007-P81,341,532) mainly arising from the accumulation of expenditures prior to start of commercial operations and expenditures related to the Company's takeover of milling operations from Teresa effective January 31, 2008. These expenditures did not qualify for capitalization under the Company's current policy on deferred exploration and development costs. The Company believes that profits to be generated during commercial operations will be able to gradually reduce the deficit subject to uncertainties including changes in market prices of gold and silver, fluctuations of exchange rate and ability to convert resources into reserves. The Corporation incurred a net loss of PhP45,706,086 for the year ended 31 December 2005. As of the same date, the Corporation had accumulated deficit of PhP1,036,766,256 while current liabilities exceeded current assets by more than PhP86.2 million.

Results of Operations for the First Quarter of 2009

Plant and Infrastructure

During 2007 and the early part of 2008 the 500 tpd pilot plant operated on development ore while the technical review of the mill expansion and mine plan continued. The plant has shown that it can operate at rates of up to 700 tpd, but not yet on a regular sustainable basis.

Flotation studies that were originally started to reduce the amount of cyanacides in the ore including, copper, lead and zinc have been deferred based on poor base metal prices and concerns over the market for these concentrates.

As a technical and environmental achievement, the new starter dam and first phase of the tailings management facility was completed in 2008. This facility will support production through Q3 2009. The second phase is scheduled to start in Q2 2009 and will be funded from Maco's own production cash flows, with the timing of the third phase dependent upon further evaluation of the tailings consumed in the mine backfilling process.

Operations

The experience gained in 2006 and 2007 led to a much better understanding of the orebody and identified issues including ground conditions, gas and water management that were originally not foreseen.

A study to review the stoping methods indicated that under ideal conditions, the maximum production peaks at 1,900 tpd when multiple vein systems are being mined simultaneously. A production rate of 1,000 tpd to 1,500 tpd was considered potentially achievable on an ongoing basis, based on normal expectations regarding the confidence in resources and the physical mining conditions. This expectation has been downgraded further based on disappointing results from the review of the published resources. The delays in development caused by the flash flooding and difficult ground conditions (which have hampered the completion of the 530 level dewatering drive) have resulted in the ramp up to an expected 700tpd being delayed until 2010.

Ore mined in the quarter ended March 31, 2009 was 30,798 tonnes at an average grade of 5.8 g/t (quarter ended March 31, 2008 – 27,373 tonnes at 5.0 g/t). The Maco plant processed 28,068 tonnes at 4.9 g/t in the quarter ended March 31, 2009 (quarter ended March 31, 2008 – 39,472 tonnes at 4.3 g/t).

Gold produced in the quarter ended March 31, 2009 was 3,758 oz (quarter ended March 31, 2008 – 5,030 oz) and gold sold in the quarter ended March 31, 2009 was 4,056 oz (quarter ended March 31, 2008 – gold sold of 3,476 oz). Production in the ended March 31, 2009 was adversely affected by a flashflood that hit the mine in mid-January, partly flooding the underground workings, which reduced production due to unavailability of workplaces.

Maco also recovered a total 8,244 oz of silver in the ended March 31, 2009 (quarter ended March 31, 2008 - 17,913 oz).

Updated Resources

The updated ore resources estimate for the Maco Mine shows a marginal increase in Indicated ore resource tonnage and a substantial decrease in inferred resource tonnage compared to the previously published estimates released in February 2007.

- The Inferred Resource category has decreased from 9.6 million tonnes at 6.0 g/t Au to 1.3 million tonnes at 4.8 g/t Au.
- The Indicated Resource category has increased from 1.46 million tonnes at 6.5 g/t Au to 1.51 million tonnes at 6.6 g/t Au.

The reduction in the 2009 updated inferred ore resource estimate compared to the 2007 inferred ore resource statement is the result of the current project geological staff estimating the Maco inferred ore resource based on more recent experience of the ore shoot behaviour at Maco and more critical observations on the behaviour of the individual veins that have been developed at the Maco Mine since the commencement of the mining operation. In the light of these observations, the results of the inferred ore resource definition drilling have been reinterpreted.

This updated resource estimate has been reviewed for technical correctness by Mr. Tomas D. Malihan, a registered Competent Person with the Geological Society of the Philippines. Mr. Malihan, who has extensive experience in epithermal gold vein systems, and who shares the cautious approach adopted by the Geological Staff and confirms the validity and soundness of this estimate. Mr Malihan is also a ‘Qualified Person’ within the meaning of the Philippine Mineral Reporting Code. Mr. Malihan is not in any manner employed by Apex Mining Co., Inc. or Crew Gold Corporation. .

Financials

The Company has commenced its commercial operations this January 2009. For the first quarter of 2009, the Company’s gross sales amounted to P152.8 million. However, it still posted a net loss of P58.3 million as of the end of the quarter.

As of first quarter of 2009, total current assets of the Company amounted to P426.6 million which has a 6.5% decline than the P429.4 balance as of the beginning of the year. The decrease was primarily because of the decreases in cash and inventories. Current liabilities increased by P34.6 million from P2,811,467,245 as of the end of December 31, 2008 to P2,846,145,504 as of the end of March 31, 2009.

Net cash used for operating activities for the quarter ended 2009 amounted to P24.0 million compared to last year’s first quarter amounting to P137.9 million. The decrease is primarily due to the decrease in Prepayments, increases in Inventory and Receivables, and the decrease in Accounts Payable and Accrued Expenses. Net cash used in investing activities which includes additions on Property, Plant and Equipment, Non-Current Assets and Exploration Expenditures were lower at P13,802,434 as compared to invested last year amounting to P35,432,325.

Net cash provided by financing activities also posted a decrease at P36,932,261 this 2009 compared to P95,751,078 in 2008.

Top Five (5) Key Performance Indicators

1. Tonnes Milled and Ore Grade – indicates the amount of ore taken for processing

2. EBITDA – Earnings before Interest, Taxes, Depreciation and Amortization – calculated as net income before interest, income tax expenses, amortization and depreciation: provides investors with a tool for determining the ability of the Corporation to generate cash from operations to cover financial charges and income taxes; it is also a measure to evaluate the Corporation's ability to service its debts.
3. EPS – Earnings per Share – net income attribute to each share of common stock
4. Debt-to-Equity-Ratio – an indication of how leveraged the Corporation is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total debt by stockholders equity.
5. Current Ratio – measurement of liquidity, calculated by dividing total current assets by the total current liabilities. It is an indicator of the Corporation's short term debt paying ability. The higher the ratio, the more liquid the Corporation.

The Corporation cannot determine yet the above stated top five (5) key performance indicators as the Corporation suffered losses for the past years.

Other Qualitative and Quantitative Factors

The Corporation has no off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created during the financial year 2008 and until the third quarter of 2007 (the "interim period").

The Corporation is subject to liquidity risk which represents the risk that difficulty may be encountered in raising funds to meet its commitments associated with financial obligation and daily cash flow requirement. This may arise from the Corporation's inability to quickly convert its non-cash financial assets into cash when needed. As part of its liquidity program, the Corporation conducts regular monitoring of projected and actual cash flow information.

Other than the foregoing, there are no material commitments, events or uncertainties that will have a material impact on the Corporation's liquidity.

Further, the Corporation does not know of any trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The Corporation did not make any material commitments for capital expenditures that would have and important impact on its liquidity.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. The financial statements have been prepared in accordance with the Philippine accounting standards (PAS) and Philippine Financial Reporting Standards (PFRS) issued by the Accounting Standards Council (ASC) of the Philippines. The 2005 Financial Statement is the Corporation's first annual financial statement prepared in compliance with PFRS.

The ASC approved the issuance of new and revised accounting standards, which are based on the revised International Accounting Standards (IAS) and new International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The ASC has renamed the standards that it issued to correspond better with the issuance of the IASB. PAS correspond to adopted IAS while PFRS correspond to adopted IFRS. Previously, standards issued by the ASC were referred to as Statement of Financial Accounting Standards (SFAS).

The ASC issued new and revised PAS to conform to the IAS issued by the International Accounting Standards Committee. The Corporation adopted the following PAS which became effective on January 2005.

i. PAS 19 – Employees Benefits
ii. PAS 32 – Financial Instruments: Disclosure and Presentation
iii. PAS 39 – Financial Instruments: Recognition and Measurement

The Corporation has no significant seasonality or cyclicality in its business operations that would have a material effect on the financial condition or results of operations.

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

There are no issuances, repurchases, and repayments of debt and equity securities during the financial year 2005 and the interim period.

Segment reporting is not applicable to the Corporation.

There are no material events subsequent to the end of the interim period that have not been reflected in the unaudited financial statements for the interim period.

There are no changes in the composition of the Corporation during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discounting operations.

There are no changes in contingent liabilities or contingent assets since the last annual balance sheet.

The Corporation is not aware of any event that may trigger direct contingent financial obligations that is material to the Corporation including any default or acceleration of an obligation.

There are no material contingencies and any other events or transactions that are material to an understanding of the interim period.

The accounts that registered material changes of five percent (5%) or more and the causes thereof are as follows:

BALANCE SHEET

	December 31, 2008 (AUDITED)	December 31, 2007 (AUDITED)	increase(decrease) Php	%	explanation
ASSETS					
Current Assets					
Cash	27,304,116	82,130,961	(54,826,845)	-66.76%	additonal payments made for exploration & dev't
Receivables	21,008,555	55,927,409	(34,918,854)	-62.44%	decrease in advances made to employees & suppliers
Inventories	164,602,468	223,649,457	(59,046,989)	-26.40%	increase in materials used for exploration and dev't
Prepayments	216,551,613	150,077,790	66,473,823	44.29%	increase in life & non-life insurance expenditures during the year
	429,466,752	511,785,617	(82,318,865)		
Non-current assets held for sale	83,815,420		83,815,420	100.00%	idle equipments for sale during the year

Total current assets	**513,282,172**	**511,785,617**	**1,496,555**		
Non-current Assets					
Property, plant and equipment, net	619,653,330	718,641,257	(98,987,927)	-13.77%	disposal of equipments during the year
Deferred exploration and development costs	1,281,008,900	1,038,139,671	242,869,229	23.39%	increase in exploration & dev't costs
Other assets	14,325,217	10,087,840	4,237,377	42.00%	additonal deposits made for MGB mine rehabilitation & monitoring fund
Total Non-current assets	**1,914,987,447**	**1,766,868,768**	**148,118,679**		
TOTAL ASSETS	**2,428,269,619**	**2,278,654,385**	**149,615,234**		
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilites					
Accounts payable and accrued expenses	103,804,264	131,855,029	(28,050,765)	-21.27%	increase in payments of oustanding payables
Advances from stockholdrs and affiliates	2,624,500,778	2,102,077,882	522,422,896	24.85%	additonal advances from affiliates alloted to development
Due to PJS Investments Corporation	83,162,204	83,238,927	(76,723)	-0.09%	partial payments of advances
Total current liabilities	**2,811,467,246**	**2,317,171,838**	**494,295,408**		
Non-Current Liabilities					
Deferred Tax Liability	23,331,584	31,257,484	(7,925,900)	-25.36%	decrease in deferred income tax benefit
Accrued Retirement Payable	11,931,871	5,638,214	6,293,657	111.63%	increase in retirement expense due to additional employees
Provision for reforestation costs	6,594,561	5,928,381	666,180	11.24%	accreation of interest for the year
	41,858,016	**42,824,079**	**(966,063)**		
Total Liabilities	**2,853,325,262**	**2,359,995,917**	**493,329,345**		
Stockholders' Equity					
Capital Stock	756,682,170	756,682,170	0	0.00%	
Capital inexcess of par value	4,224,410	4,224,410	0	0.00%	
Revaluation surplus	54,440,362	56,232,348	(1,791,986)	-3.19%	revaluation surplus attributed to disposal of equipments
Deficit	(1,240,402,585)	(898,480,460)	(341,922,125)	38.06%	
Total stockholders' Equity	**(425,055,643)**	**(81,341,532)**	**(343,714,111)**		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**2,428,269,619**	**2,278,654,385**	**149,615,234**		

The term “material” in the preceding paragraph refers to changes or items amounting to five percent [5%] of the relevant accounts or such lower amount which Apex deems material on the basis of other factors.

The Corporation is not aware of any trends, events or uncertainties that would have a material impact on the net income of the Corporation from continuing operations.

There are no significant elements of income or loss that did not arise from the Corporation’s continuing operations.

Information on Independent Accountant and Other Related Matter

1. Aggregate fees billed for the last two (2) years of Audit fee is P4,512,483.00.

   a) Audit professional fees were subjected to 12% VAT;
   b) No other fees except for the regular audit service fee; and
   c) 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.

MARKET PRICE AND DIVIDENDS

(1) Market Information

(a) The Corporation's common equity is traded at the Philippine Stock Exchange.

High and Low Market Prices of Shares

	A Shares	A Shares	B Shares	B Shares
	High	Low	High	Low
2007 Jan – Mar	6.60	5.2	5.4	4.90
Apr – Jun	6.70	5.70	6.80	5.70
Jul – Sep	5.70	4.50	5.70	4.50
Oct – Dec	6.60	5.60	6.40	5.60
2008 Jan - Mar	5.5	4.8	5.6	5.5
Apr - Jun	No transaction	No transaction	No transaction	No transaction
Jul- Sep	No transaction	No transaction	No transaction	No transaction
Oct - Dec	1.1	1.1	1.12	1.1
2009 Jan - Mar	3.1	3.0	3.1	3.0

The price information as of the close of the latest practicable trading date, 30 April 2009, is PhP2.95 both for Class A and Class B.

(2) Holders

The authorized capital stock of the Corporation is Eight Hundred Million (800,000,000) Shares at P1.00 par value. The said capital is divided into 480,000,000 Class A shares and 320,000,000 Class B shares. The Corporation has a total of 2,900 stockholders as of 31 December 2008.

As of 31 December 2008, the top twenty (20) stockholders of Apex are as follows:

Name of Stockholder	Total Number of Shares	% of Ownership
Mapula Creek Gold Corporation	338,729,592	44.88 %
Crew Gold Corporation	211,534,806	28.03%
PCD Nominee Corporation	152,307,230	20.18%
PCD Nominee Corporation (Non-Filipino)	24,388,420	3.23%
Rexlon Industrial Corporation	1,006,525	0.13%
Alfonso Luis G. Tan	800,000	0.10%
Cualoping Sec. Corporation	781,680	0.10%
Cualoping Sec. Corporation	771,438	0.10%
Seaboard Eastern Insurance Co., Inc.	584,930	0.07%
Lucio W. Yan &/or Clara Yan	485,525	0.06%
Jalandoni, Jayme, Adams & Co., Inc.	484,892	0.06%
Ignacio Ortigas	311,665	0.04%
Ansaldo, Godinez & Co., Inc.	304,448	0.04%
Prudential Sec., Inc.	295,385	0.03%
F. Yap Sec., Inc.	281,509	0.03%
JRT Sec. Corp.	233,749	0.03%
David Go Securities	230,494	0.03%

A.N. Ty	211,875	0.02%
Fernando Gonzales	202,488	0.02%
First Integrated Capital Sec. Inc. (201204)	200,000	0.02%

Dividends

No dividends were declared or issued in 2008 and 2007.

Recent Sale of Unregistered Securities

The Corporation did not sell unregistered or exempt securities. Neither did it issue securities constituting an exempt transaction for the last three years.

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. Hence there are no compelling reasons to cause the amendment of the Manual at this time.

COVER SHEET

4 0 6 2 1

S.E.C. Registration Number

A P E X M I N I N G C O M P A N Y I N C

(Company's Full Name)

17TH F L R P R E S T I G E T O W E R C O N D.

O R T I G A S C E N T E R P A S I G C I T Y

(Business Address: No. Street City/Town//Province)

ROSANNA A. PARICA

Contact Person

706-2805

Company Telephone Number

1 2	3 1	SEC FORM 17-A	0 6	2 4
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

2,900

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OFTHE SECURITIES REGULATION CODE AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended **December 31, 2008**

2. SEC Identification Number **40621**

3. BIR Tax Identification No. **000-284-138**

4. Exact Name of issuer as specified in its charter: **Apex Mining Co., Inc.**

5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only) Industry Classification Code

7. **Unit 1704 17th Floor, Prestige Tower Cond., F. Ortigas Jr. Road, Ortigas Center, Pasig City** **1605**
Address of principal office : Postal Code

8. **(632) 7062805/7062806**
Issuer's telephone number, including area code

9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 & 8 of the RSA :

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Class A	**458,981,818**
Class B	**295,731,882**

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [X] No [ ] Philippine Stock Exchange 756,918,238 shares (Php1.00 per share par value)

12. Check whether the issuer:

a.) has filed all reports to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports.)

Yes [X] No [ ]

b) has been subject to such filing requirements for the past 90 days.

Yes [ ] No [X]

13. Not Applicable

14. Not Applicable

PART I BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Company Profile

Apex Mining Co.Inc. ("Company') is a Philippine registered corporation that is principally engaged in the business of mining gold, silver, copper, lead and other precious metals. It was incorporated on February 26, 1970. The Company shares is listed in the Philippine Stock Exchange. As December 31, 2008, the Company has 2,900 (2007 – 2,638) shareholders, each holding at least 100 shares.

Crew Gold Corporation (Crew Gold), the ultimate parent company and an entity incorporated and doing business in Canada, and its associated Philippine company, Mapula Creek Gold Corporation (Mapula), owns 28.03% and 44.88% of the Company's shares, respectively, by virtue of the Share Purchase Agreement (SPA) entered into by both Crew Gold and Mapula with the previous majority shareholder (Puyat Group) on August 24, 2005. The SPA involved the sale and transfer of a total of 549,966,524 shares for $6,600,000. Pursuant to the SPA, the Puyat divested fully its shareholdings in the Company. In relation thereof, on December 23, 2005, Crew Gold and PJS Investment Corporation, an entity owned by the Puyat Group, agreed that certain liabilities as of December 31, 2005 amounting to P83.2 million be assigned to the latter in order to facilitate the investment of Crew Gold into the Company.

Products

The Maco-Masara-gold-silver veins consist of two major systems – a central one comprising the major veins being mined by Apex, along with a few undeveloped veins, and a second peripheral system, with most of the veins following the northwestern half of the Masara-Amacan caldera rim and nearly paralleling the larger Masara phorphyry-copper deposits of Mapula, Kurayao and Teresa. Most veins of the latter system are with the North Davao claims; only the Don Manuel vein and its Northern extension, the Mapula vein, lie within the Apex western claim limit.

Income from the sale of metals is recognized upon delivery and in accordance with the pricing and other terms of the covering agreements with buyers. The price of metals is determined based on the London gold AM or Canadian dollar. Proceeds from the sale of metals during development phase are deducted from deferred exploration and development costs.

Gold-Silver Veins

The Maco-Masara gold-silver veins consist of two major systems – a central one comprising the major veins being mined by Apex, along with a few undeveloped veins; and a second peripheral system, with most of the veins following the northwestern half of the Masara-Amacan caldera rim and nearly paralleling the larger Masara porphyry-copper deposits of Mapula, Kurayao and Teresa.

Most veins of the latter system are within the North Davao claims; only the Don Manuel vein and its northern extension, the Mapula vein, lie within the Apex western claim limit.

Porphyry Copper Deposit

The Maco-Masara porphyry copper deposits are situated within four kilometers west of a three-kilometer surface area stock, one of at least four such satellite bodies near a batholitic pluton farther to the east. The Amacan porphyry copper deposit lies closer at 2.5 kilometers, and east of this stock, but both Masara and Amacan deposits are near the periphery of the Masara-Amacan caldera. Only one orebody in Maco is significant in terms of size – Mapula – with reserves of 78 million tonnes averaging 0.4 % cu and 0.37 g/t Au. The rest do not exceed five million tonnes in the aggregate, with the Kurayao orebody a fair second to Mapula and contributing 80% of this tonnage.

The deposits are found either within or at the contact of ore-bearing apophyses and bosses (sub-satellites) of the satellite stock. These "mini stocks" are hosted in the volcanics and volcanic wackes, members of the Masara formation. The porphyry-copper-related mini stocks are, with a few exceptions, elongate along preferred axes with length/width ratios averaging 4:1 and manifesting as short stubby dikes. The majority of Masara mini stocks and their accompanying porphyry copper deposits generally run accurately convex westward, at the westernmost portion of Apex claims where they are concentrated and are parallel to the westernmost arc of the Masara- Amacan caldera rim. The smaller deposits farther from the caldera rim and towards its center are irregular or roughly elliptical in shape where the regional peripheral ring fault zone exerts far less influence than the local, near-central fracture system.

Sources and Availability of Raw Materials

The Company obtained its operating supplies from various suppliers both from local and abroad including the supply of energy which is principally sourced from National Power Corporation under a long-term contract.

Employees

The Company has 945 employees as of December 31, 2008 (2007 – 646).

Government Regulations and Approvals

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved te Company's Mineral Production Sharing Agreement (MPSA) covering 670.02 hectares situated in Maco, Compostela Valley. On June 25, 2007, MGB approved the Company's second MPSA covering an additional 1,558.5 hectares near the same area.

The Company was registered with the Board of Investments (BOI) on July 11, 2008 as a new product of gold, silver bullion, copper concentrates with gold, silver, zinc and lead values on a non-pioneer status under the 1987 Omnibus Investment Code. Under this registration, the company is entitled to certain fiscal and non-fiscal incentives including four (4) year income tax holiday from start of commercial operations, which can be further extended for another three (3) years subject to compliance with certain conditions, simplified customs procedures, additional deduction for labor expense, and unrestricted use of consigned equipment for a period of ten (10) years. The Company is required to maintain a base equity of at least 25% upon start of commercial operations after achieving target production volume requirements.

Compliance with Environmental Laws

The Company was adjudged first runner up in the category "Best Mining Forest in the Philippines for 2008" during the PMSEA convention in Baguio City.

Our efforts towards responsible mining and environmental protection from the mountains to the sea have proved highly effective. Programs have included the establishment of an Apex demonstration farm which serves as the source of seedling dispersal in the community and a hub of intensive reforestation research on the mangium (indigenous acacia) species. The Company established a satellite nursery in the coastal community of the Province of Compostela Valley to propagate mangroves in compliance with the Memorandum of Agreement covering the "Adopt a Mangrove Forest" project that Apex entered into with the Department of Environment and Natural Resources in June 2007.

Compliance with government regulations with respect to the environment includes regular visits from the Multipartite Monitoring Team which evaluates company activities and ensures they remain well within the range of allowable activities for the region. Solid waste management includes the impact barangays of the area. A regular waste collector is assigned and a sanitary landfill site close to the Tailings Management Facility has been constructed.

Related Party Transactions

Part III Item 12 discusses related party transactions

Major Business Risks

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and cash flow and fair value interest risk), credit risk, and liquidity risk. The Company has no formal risk management program that focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance, which management believes will be more relevant upon commencement of commercial operations; however complies with written policies as authorized by the Board of Directors and aligned with risk management program as carried out by Crew Gold, who is responsible for the review of risk exposures and implementing risk reduction strategies for its entities. Accordingly, the Company's risk management program will cover specific areas such as foreign exchange and interest rate risks in line with management's strategies of addressing fluctuations of foreign exchange rates and identifying alternative sources of funding that will yield minimum charges to the Company.

(a) Market risk

(i) Price risk

The Company is not exposed to significant price risk due to the absence of material equity investments classified as either available-for-sale or at fair value through profit or loss wherein changes to fair value are directly recognized through equity and operations, respectively. Furthermore, the associated future cash flows from the Company's outstanding receivable arising from sale of gold and silver dore as of balance date are not expected to fluctuate from changes in market price of gold and silver and are determined to be fixed based on the settlement rate agreed into by the Company and third party refining entity.

The Company is not subject to commodity price risk.

(ii) Currency risk

The Company is exposed to currency risk arising from the effect of fluctuations in foreign exchange rates mainly on its US Dollar denominated assets and liabilities. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Management has initially assessed impact of fluctuations in the exchange rate to future profits to be minimal as payment of advances will be sourced from results of commercial operations mainly through sales proceeds which are denominated in the same foreign currency.

At December 31, 2008, if the US Dollar had weakened/strengthened by 2.7% (2007-7.7%) against the Philippine peso with all oter variables held constant, post-tax profit for the year would have been P19,419,500 (2007-P23,419,252) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of US Dollar denominated cash, receivables, accounts payable and advance from shareholder and affiliate. The rate is based on average forecast exchange by leading international financial constitutions as of December 31, 2008 and 2007.

(iii) Cash flow and fair value interest risk

As the Company has no significant interest bearing financial assets and liabilities, the Company's profit or loss and operating cash flows are substantially independent of changes in the market interest rates.

(b) Credit risk

Credit risk arises from cash for its deposits in banks as well as credit exposure to debtor on outstanding receivables. For banks, the Company only enters into deposit arrangements with either universal or commercial banks, which are considered the first and second top tier banks, respectively, in terms of capitalization as categorized by the Philippine Banking System.

The Company has no significant concentration of credit risk nonwithstanding that deliveries of gold and silver dore are only made to one foreign refining entity since all corresponding receivables have been fully settled as of December 31, 2008 and 2007. In addition, selection of appropriate buyers is performed by Crew Gold based on thorough evaluation on the credit standing including liquidity and history of defaults, if any.

Safeguards are implemented to ascertain that no additional deliveries are made to these entities pending resolution of any disagreement resulting from previous deliveries.

Credit risk on advances to officers and suppliers extends only to balances that are expected to be collected in cash, which as of December 31, 2008 and 2007 have been fully provided with allowance.

© Liquidity risk

The Company's shareholders continuously provide financial assistance through advances in order to support daily working capital requirements as well as planned future exploration and development activities. In addition, the Company may generate funding from equity contributions through additional public offering and share options as permitted by its registration and by-laws upon approval and authorization of the Board of Directors through a majority vote and of the shareholders owning or representing at least two-thirds (2/3) of the outstanding share capital. Management believes that the relative shot turnover of receivable arising from deliveries of gold and silver dore proceeds from sale of assets held for sale will provide sufficient cash flows for working capital requirements particularly ability to settle current liabilities as they fall due.

As of December 31, 2008, outstanding accounts payable and accrued expenses excluding payable to government agencies amounting to P90.8 million are expected to be settled within 12 months from balance sheet date (2007-P126.1 million). Advances from shareholders and affiliate and amount due to PJS Investment Corporation are deemed payable on demand and subordinate to third party creditors of the Company.

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern in order to continuously provide funding for daily operations prior to the commencement of commercial operations and comply with capital restrictions and requirements as imposed by regulatory bodies including limitations on ownership over the Company's different types of shares and requisites for actual lisitng and trading of additional shares, if any. Moreover, the Company continually aims to protect the investing public through transparency and implementation of adequate measures in order to address reported deficiency. Capital pertains to equity excluding reserve from revaluation of fixed assets and advances from parent company.

The Company, being in the development stage, is not yet required to maintain a fixed base equity ratio despite its registration with the BOI which only commences upon start of commercial operations. Furthermore, the Company does not have outstanding borrowings as of December 31, 2008 and 2007, which provides for positive and negative undertakings on its capital.

Item 2 PROPERTIES

A majority of the Company's properties are composed of buildings, other land improvements, machinery and equipment, furniture and office equipment. These are located in Bo. Masara, Maco, Compostela Valley.

The Company owns real property where its Davao City office is situated.

The Company leases its office in Pasig City for Philippine Pesos: Seventy Three Thousand per month. . Apart from the foregoing, Apex does not lease any other property.

Item 3. LEGAL PROCEEDINGS

The Company is involved in various legal proceedings, claims and liabilities arising from the ordinary course of business. The Company's management and legal counsels are of the opinion that the amount of the ultimate liability, if any, will not have a material adverse effect on the financial position and performance of the Company..

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters brought to a vote of the stockholders of Apex as of December 31, 2008.
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PART II OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET FOR REGISTRANT COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

The Company's common shares are traded at the Philippine Stock Exchange. The high and low sales prices for each quarter within the last two (2) years and the interim period of January to March 2009 are, as follows:

	A Shares	A Shares	B Shares	B Shares
	High	Low	High	Low
2007 Jan – Mar	6.60	5.2	5.4	4.90
Apr – Jun	6.70	5.70	6.80	5.70
Jul – Sep	5.70	4.50	5.70	4.50
Oct – Dec	6.60	5.60	6.40	5.60
2008 Jan - Mar	5.5	4.8	5.6	5.5
Apr - Jun	No transaction	No transaction	No transaction	No transaction
Jul- Sep	No transaction	No transaction	No transaction	No transaction
Oct - Dec	1.1	1.1	1.12	1.1
2009 Jan - Mar	3.1	3.0	3.1	3.0

Holders

As of 31 December 2008, the Company has 2,900 shareholders with Seven Hundred Fifty-Four Million Seven Hundred Thirteen Thousand Seven Hundred Three (754,713,703) common shares divided into Four Hundred Fifty-Eight Million Nine Hundred Eighty-One Thousand Eight Hundred Eighteen (458,981,818) Class A shares and Two Hundred Ninety-Five Million Seven Hundred Thirty-One Thousand Eight Hundred Eighty-Five

As of 31 December 2008, the top twenty (20) stockholders of Apex are as follows:

Name of Stockholder	Total Number of Shares	Percentage of Ownership
Mapula Creek Gold Corporation	338,729,592	44.88 %
Crew Gold Corporation	211,534,806	28.03%
PCD Nominee Corporation	152,307,230	20.18%
PCD Nominee Corporation (Non-Filipino)	24,388,420	3.23%
Rexlon Industrial Corporation	1,006,525	0.13%
Alfonso Luis G. Tan	800,000	0.10%
Cualoping Sec. Corporation	781,680	0.10%
Cualoping Sec. Corporation	771,438	0.10%
Seaboard Eastern Insurance Co., Inc.	584,930	0.07%
Lucio W. Yan &/or Clara Yan	485,525	0.06%
Jalandoni, Jayme, Adams & Co., Inc.	484,892	0.06%
Ignacio Ortigas	311,665	0.04%
Ansaldo, Godinez & Co., Inc.	304,448	0.04%
Prudential Sec., Inc.	295,385	0.03%
F. Yap Sec., Inc.	281,509	0.03%
JRT Sec. Corp.	233,749	0.03%
David Go Securities	230,494	0.03%
A.N. Ty	211,875	0.02%
Fernando Gonzales	202,488	0.02%
First Integrated Capital Sec. Inc. (201204)	200,000	0.02%

Dividends

The Company did not declare any cash dividends on each class of its common equity for 2007, 2008 and the interim period of January to March 2009.

The Company has not established any restriction that would limit the ability to pay dividends on common equity. The Company does not have any plans of setting any restrictions on the matter in the immediate future.

Recent Sales of Unregistered or Exempt Securities

No securities were sold by the Company within the past three years which were not registered under the Code. There was no sale of reacquired securities during the same period.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the years ended December 31, 2008, 2007 and 2006

Information on the Company's results of operations and financial condition presented in the Consolidated Financial Statements and accompanying Notes to the Consolidated Financial Statements in Part IV, Exhibits and Schedules are incorporated hereto by reference.

The Corporation incurred a net loss of Php343,671,099 for the year ended December 31, 2008. As of the same date, the Company has accumulated deficit of Php1,240,402,585 while current liabilities exceeded current assets by Php2,298,185,074.

The reported capital deficiency amounting to Php425,055,643 as of December 31, 2008 (2007-Php81,341,532) mainly arising from the accumulation of expenditures prior to start of commercial operations and expenditures related to the Company's takeover of milling operations from Teresa Crewgold Phils., Inc., an affiliate, effective January 31, 2008. These expenditures did not qualify for capitalization under the Company's current policy on deferred exploration and development costs. The Company believes that profits to be generated during commercial operations will be able to gradually reduce the deficit subject to uncertainties including changes in market prices of gold and silver, fluctuations of exchange rate and ability to convert resources into reserves.

In 2007, the Company revalued its property, plant and equipment based on estimated fair values as indicated in the independent appraiser's report dated December 13, 2007. Accordingly, the Company recognized net increase of P2,999,524 which was directly credited to the revaluation surplus, net of deferred taxes amounting to P1,285,510. Fair value was determined based on asset's depreciated replacement cost, which is equal to the estimated amount of amount needed to acquire in like kind and in new condition an asset or group of assets, taking into consideration current prices of materials, labor, overhead and all incidental costs associated with the asset's acquisition and installation in place.

In December 2007, the Company entered into an Agreement with Sta. Clara International Corporation for the construction of the Maco Tailings Management Facility Phase I (facility) and ancillary works within the Company's mining area covered by the approved MPSA. The agreement provides for the contractor to furnish, deliver, place and complete any and all necessary materials, labor, plant, tools, appliances and equipment, supplies, utilities, transportation, superintendence, supervision and all other structures for the construction of said facility. As of December 31, 2008, the facility has been completed.

In March 2008, several mining equipments were destroyed by fire. These assets has remaining net book value of P14.9 million which were written off and recognized as losses as part of general and administrative expenses in the Financial Statements. amount of money needed to acquire in like kind and in new condition an asset or group of assets, taking into consideration current prices of materials, labor, overhead and all incidental costs associated with the asset's acquisition and installation in

In December 2008, the Company reclassified carious machineries and equipments such as drills and loader trucks with net book value of P111.4 million as assets held for sale, which have been determined will no longer be used in current operations. Correspondingly, the Company recognized impairment loss of P27.6 million in order to bring down its carrying amount to estimated fair value net of costs to sell. The impairment loss is shown as part of general and administrative expenses.

As of December 31, 2006 and 2005, the Company has determined that certain items of its property, plant and equipment amounting to P244,142,324 and P115,090,800 with accumulated depreciation of P216,819,601 and P107,833,560, respectively,were no longer existing. Accordingly, the cost (including the appraisal increase) and accumulated depreciation were removed from the accounts and the related losses amounting to P9,184,265, P112 and P4,476 for the years ended December 31, 2006,2005 and 2004, respectively, were recognized in the statements of income. Correspondingly, the related revaluation surplus, net of the related deferred income tax liability was credited to deficit.

In 2007, Mapula transferred materials and various mining equipment to the Company amounting to P105,429,967 and P9,456,988, respectively, in connection with the rehabilitation of the Company's plant and facilities as part of the Company's development plan to put the mine into commercial operations in 2009. Further, 642 employees of Mapula were transferred to the Company. Accordingly, salaries and other employee related costs from date of transfer were recognized by the Company.

In December 2007, the Board of Directors of Teresa Crew Gold (Philippines), Inc. (Teresa), subsidiary of a shareholder, authorized the transfer of various machines and equipment amounting to P517,012,449 in accordance with the continuous development undertaken by the Company of the Maco Mines project.

Shareholders and affiliate provide continuous advances to finance the Company's rehabilitation and refurbishing of the mine project and pre-commercial activities. These advances are non-interest bearing and considered payable on demand.

As of December 31, 2008, advances from Crew Gold, which are denominated in US Dollar, amounted to $15,369,281 (2007 - $7,758,120). Advances from Mapula Creek Gold Corporation amounted to P734,586,295 as of December 31, 2008 (2007 – 320,587,400), while total advances from Teresa Crewgold Phils., Inc. amounted to 946,536,256 as of December 31, 2008 (2007 – 823,488,568).

Capital deficiency amounting to P425,055,643 as of December 31, 2008 (2007-P81,341,532) mainly arising from the accumulation of expenditures prior to start of commercial operations and expenditures related to the Company's takeover of milling operations from Teresa effective January 31, 2008. These expenditures did not qualify for capitalization under the Company's current policy on deferred exploration and development costs. The Company believes that profits to be generated during commercial operations will be able to gradually reduce the deficit subject to uncertainties including changes in market prices of gold and silver, fluctuations of exchange rate and ability to convert resources into reserves.

Other Qualitative and Quantitative Factors

The Corporation has no off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created during the financial year 2006 and until the third quarter of 2007 (the "interim period").

(i) Apex is not aware of any trends, events or uncertainties that will have a material impact on Apex's liquidity;

(ii) Apex is not aware of any events that may trigger direct contingent financial obligations that is material to Apex, including any default or acceleration of an obligation;

(iii) Apex did not create any material off-balance sheet transactions, arrangements, obligations and other relationships of Apex with unconsolidated entities or other persons created during 2005;

(iv) in 2008, Apex did not make any material commitments for capital expenditures that would have an important impact on Apex's liquidity;

(v) Apex is not aware of any trends, events or uncertainties that would have a material impact on the net income of Apex from continuing operations;

(vi) there are no significant elements of income or loss that did not arise from Apex's continuing operations;

(vii) the accounts that registered material changes of 5% or more and the causes thereof (the term "material" in this section shall refer to changes or items amounting to 5% of the relevant accounts or such lower amount, which Apex deems material on the basis of other factors) are, as follows: and

(viii) Apex is not aware of any seasonal aspects that had a material effect on the financial condition of the result of operations of Apex.

Item 7. FINANCIAL STATEMENTS

Please refer to the attach Audited Financial Statements of the Company for the fiscal year ended 31 December 2008 and the accompanying schedules in compliance with SRC Rule 68, as amended.

Item 8. CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURES

There are no changes and disagreements with accountants and financial disclosures.

PART III CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXCUTIVE OFFICERS OF THE ISSUER

As of 31 December 2008, the positions, names, ages and citizenship of all executive officers of the Company are, as follows:

Position	Name	Age	Citizenship
Chairman of the Board	William LeClair	56	Canadian
Director	Neil Hepworth		South African
Director	Deogracias G. Contreras, Jr.	62	Filipino
Director	David B. Puyat	40	Filipino
Independent Director	Baiverth Diabo	36	Filipino
Independent Director	Rodolfo Cruz	59	Filipino
President and CEO	Deogracias G. Contreras, Jr.	62	Filipino
VP – Resident Manager	Fernando G. Agustin	51	Filipino
Treasurer	Rodolfo G. Bravo	38	Filipino
Corporate Secretary	David B. Puyat	40	Filipino
Asst. Corporate Secretary	Rosanna A. Parica	42	Filipino

<u>Directors</u>

The following are the present directors of the Company whose terms of office are for one (1) year or until their successors are elected and qualified:

WILLIAM LeCLAIR

He became a Director of the Company since October 2006. He is also currently the Executive Vice President and Chief Financial Officer of Crew Gold Corporation. Previously, he's the Chief Financial Officer of Hot House Growers, Inc. from August 2003 to July 2006. Prior thereto, he was Vice President of Burrard International Holdings, Inc.

NEIL HEPWORTH

Mr. Hepworth was elected as Director of the Company in 2007. Neil has been Vice President - Operations of Crew Gold Corporation since May 2007 and assumed group operational responsibility for the LEFA project in May 2008. Neil has nearly 30 years' experience in mining, initially in geotechnical consulting for all aspects of mining, including tailings dam design, mine backfill systems, underground mining optimization and open pit stability. He was Vice President – Operations for European Goldfields before he joined Crew.

DEOGRACIAS G. CONTRERAS, JR.

He was elected as a Director in 2006. He was also appointed as EVP and General Counsel in June 2007. Before joining the Company, he was previously Vice President for Legal and HR at Philex Mining Co. He was previously also the Executive Vice President of the Chamber of Mines of the Philippines.

FERNANDO G. AGUSTIN

He is the Vice President – Resident Manager of the Company since 2007. Mr. Agustin is a mining engineer by profession and has 30 years of experience in the mining industry, and a wealth of knowledge of underground block cave and vein mining operations. He was the former Vice President for Operations of Philex Mining Corporation and General Manager of Republic Aggregate Company Inc. before joining Apex. Also. He was Project Manager of the Copper Project of Lepanto Consolidated Mining Company.

BAIVERTH DIABO

He was appointed as Independent Director of the Company since October 2006. He is also Asst. to the President and CEO of Eastern Shipping Lines, Business Controller of King Plantation Co., Inc. , Business Controller of Eastern Aqua Ventures, Inc., Managing Director of Caliber Logistics Corporation, Head Business Development of Allah Copper Phorphyry, Inc., Asst. to the President of Saranggani Cocotech Corp., Asst. to the President of Eastship Container Terminal, Inc.

RODOLFO CRUZ

He is the Director of the Company since January 2006. He is also a Consultant of US AID, Consultant of FF Cruz Project Dev't, Director of RAC, Director of San Dominico Minerals.

DAVID B. PUYAT

He is a Director of the Company since September 2007 and Corporate Secretary since January 2006. Previously, he became a Director of the Company from December 2000 to October 2006. Also, he is a Director of Zero One Holdings, Inc., Director of Southern Horizon Mining Corporation, Corporate Secretary of ABP Holdings, Inc.; Corporate Secretary, Director and Sr. Vice President of The Manila Banking Corporation.

ROSANNA A. PARICA

She is the Asst. Corporate Secretary of the Company since September 2007. She is also Asst. Corporate Secretary of Mapula Creek Gold Corporation and Teresa Crew Gold Phils., Inc. As of present, she is the Administrative Manager of the Company based in Pasig office. She's formerly the Senior Accountant of the Company from 1988 up to 2006. Also, she is the Chief Accountant of Zero One Holdings, Inc., Southern Horizon Mining Corp., Mina del Oriente, Firstland Countrywide Dev't Corp., Jake Mining Corporation and Southland Mining Corp. from 1996 up to 2005.

RODOLFO G. BRAVO

He became the Treasurer of the Company on September 2007. He is also the Head of Finance of the Company since 2006. His professional experience started as Audit supervisor of Sycip,Gorres, Velayo and Co. (1989-1994), Audit Manager – Digital Telecommunications Phils., Inc. (1994-2001), Comptroller, Vice President for Comptrollership – Digitel Mobile Phils. Inc. (Sun Cellular) (2001-2004), and Vice President for Finance and Execom member – KFC and Mister Donut Food Corporation (2004-2006).

The members of the board of directors of Apex are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

The members of the board are elected annually at their annual stockholders and the corporate officers are elected or appointed by the board to serve for a term of one (1) year and until the election or appointment as the case may be and qualification of their successors.

Significant Employees

Apex is not aware of any employee who is not an executive officer named above but is expected to make a significant contribution to the business of Apex.

Family Relationships

There are no family relationships among the officers of Apex.

Involvement in Certain Legal Proceedings

To the knowledge and information of Apex, none of its present members of the board of directors and its executive officers are presently or during the last five (5) years involved in any material proceeding, affecting, involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere. To the knowledge of Apex, none of the members of its board of directors and executive officers has been convicted by final judgment of any offense punishable by laws of the Republic of the Philippines or of the laws of any other country.

Item 10 EXECUTIVE COMPENSATION

The executive officers of Apex are regular employees of the Company 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 Company may approve and extend to the managerial, supervisory and regular employees.

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid during the ensuing fiscal year to the executive officers, other officers and members of the board of directors of Apex are, as follows:

Summary Compensation Table
(Annual Compensation)

Compensation of Directors and Executive Officer				
	2009 (Estimated	2008	2007	2006
	Salary/Fee/Bonus	Salary/Fee/Bonus	Salary/Fee/Bonus	Salary/Fee/Bonus
Directors	140,000	420,,000	711,000	270,000

Officers: William LeClair Chairman of the Board Deogracias G. Contreras, Jr. President and CEO Fernando G. Agustin VP-Resident Manager				
Total Officers	2,481,856	9,125,000	5,315,054	1,912,500
All other officers & directors as a group unnamed	1,845,666	5,537,000	3,500,780	3,783,000

Compensation of Members of the Board of Directors

The members of the board of directors of the Company are paid Philippine Pesos Twenty Thousand (Php20,000.00) 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.

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

The contractual relationship between the executive officers and Apex are employer-employee in nature. The remuneration they receive from the Company is solely in the form of salaries and bonuses.

Warrants and Options Outstanding: Repricing

The chief executive officer and other executive officers of the Company do not hold any outstanding warrants or options.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

As of 31 December 2008, the following owned at least five percent (5%) of the issued and outstanding shares of the Company:

Title of Class	Name and address of record owner and relationship with issuer	Name of beneficial owner and relationship with record owner	Citizenship	Number of shares held	%
A	MAPULA CREEK GOLD CORPORATION 8F Taipan Place, Emerald Avenue, Ortigas, Pasig City	same (direct ownership)	Filipino	338,729,592	44.88
B	CREW GOLD CORPORATION 837 W. Hastings St., . Vancouver, B.C.V6C 3N6 CANADA	same (direct ownership)	Canadian	211,534,806	28.03

Atty. Deogracias G. Contreras, Jr. has been authorized by the Board of Directors of Mapula Creek Gold Corporation and Crew Gold Corporation to exercise the voting power on behalf of the two Corporations and decide how all shares in the Corporation are to be voted.

Except for the beneficial owners mentioned above, there is no other person or group who is known to the

Company to be the beneficial owner of more than five percent (5%) of its voting securities. There is also no voting trust agreement involving shares of the Company.

Security Ownership of the Members of the Board of Directors and Management

The number of voting shares beneficially owned by the members of the board of directors and named executive officers as of 31 December 2008 are, as follows:

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percent of Class
A	DEOGRACIAS CONTRERAS JR.	1,000	Filipino	.00%
A	RODOLFO CRUZ	1,000	Filipino	.00%
A	BAIVERTH DIABO	1	Filipino	.00%
B	WILLIAM LECLAIR	1	Canadian	.00%
A	DAVID B. PUYAT	1	Filipino	.00%
	All officers and directors as a group	19,.345		.00%

The Company is not aware of any voting trust agreement or similar agreement in which a stockholder of five (5%) or more of the Company shares is a party to.

Item 12. CERTAIN RELATIONS AND RELATED TRANSACTION

In 2008, for purposes of complying with certain requirements of the new majority shareholder, Crew Gold Corporation, the Corporation assigned certain existing liabilities to PJS Investments Corporation. Mr. David B. Puyat, the Corporate Secretary, is a majority shareholder of PJS Investments Corporation.

Other than the foregoing, there is no transaction or proposed transaction undertaken or to be undertaken by the Corporation in which any director or executive officer was involved or had a direct or indirect material interest.

PART IV CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

The Company has adopted a corporate governance evaluation and self-rating system which was approved by the board of directors. The Corporate Governance Compliance Officer, in coordination with other officers of Apex, measures and determines the level of compliance of Apex, the members of its board of directors, corporate officers, and other employees with the provisions of Apex's Manual of Corporate Governance and other relevant laws, rules and regulations relating to corporate governance.

The Corporate Governance Compliance Officer monitors compliance with Apex's corporate governance standards and, together with the board of directors, reviews other leading practices (both within and outside the industry) which may be adopted by Apex. However, as of 31 December 2008, there were no concrete plans to improve Apex's corporate governance.

PART V EXHIBITS AND SCHEDULES

Item 14 EXHIBITS AND REPORTS ON SEC FORM 17-C

(A) Exhibits and Exhibit Index

Statement of Management Responsibility for Financial Statements
Report of Independent Auditors
Audited Consolidated Financial Statements and Notes for the year ended December 31, 2008
Schedule E. Other Assets
Schedule G. Indebtedness to Related Parties
Schedule I. Capital Stock

(B) Reports on SEC Form 17-C

Date	Items Reported
January 17	Appointment of Atty. Deogracias G. Contreras as President and CEO of the Company, change of principal Address and change of contact numbers
April 10	Resignation of Mr. Joel D. Muyco as member of the Board and President/CEO of the Company, appointment of Neil Hepworth as new director and replacement of Mr. Muyco, appointment of Mr. Armando Castanos as new director
May 16	Notice and Agenda for 25 June 2008 Stockholders' Meeting
June 25	Organizational Meeting, Board approval on the Amendment Of Article III Section 2 in the Amended By-Laws and Article Sixth in the Amended Articles of Incorporation, results of June 25, 2008 Stockholders' Meeting
December 2	Disclosure on additional requirements for the Interim Financial Statements for the Quarter ended September 30, 2008
December 22	Announcement of Company's commencement of commercial production on January 1, 2009

COVER SHEET

4	0	6	2	1					

S.E.C. Registration Number

APEX MINING COMPANY INC.

(Company's Full Name)

UNIT 1704, 17F PRESTIGE TOWER
CONDOMINIUM F. ORTIGAS JR. ROAD
ORTIGAS, PASIG CITY

(Business Address: No. Street City/Town/Province)

ROSANNA PARICA
Contact Person

Company Telephone Number

1	2		3	1

Month *Day*
Fiscal Year

A F S
FORM TYPE

0	6		3	0

Month *Day*
Annual Meeting

Secondary License Type, If Applicable

C R M D
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

2,919
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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LT-ASSISTANCE DIVISION II

Remarks – pls. use black ink for scanning purposes

APEX MINING CO., INC.

FINANCIAL STATEMENTS WITH SUPPLEMENTARY SCHEDULES
FOR THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2008

TABLE OF CONTENTS

FIRST SECTION

SECOND SECTION

FIRST SECTION

Isla Lipana & Co.

A member firm of PRICEWATERHOUSECOOPERS

Isla Lipana & Co.
29th Floor Philamlife Tower
8767 Paseo de Roxas
1226 Makati City, Philippines
Telephone +63 (2) 845 2728
Facsimile +63 (2) 845 2806
www.pwc.com

Independent Auditor's Report

To the Board of Dircctors and Shareholdcrs of
Apex Mining Co., Inc.
Unit 1704, 17th Floor Prestigc Towcr
F. Ortigas Jr. Road, Ortigas Center
Pasig City

Report on the financial statemcnts

We have audited the accompanying financial statements of Apex Mining Co., Inc. which eomprise thc balance sheets as of Deeember 31, 2008 and 2007 and the statements of income, changes in equity and cash flows for the years then ended, and a summary of signifieant accounting polieies and othcr explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and the fair presentation of these financial statements in aeeordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implemcnting and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate aceounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the cntity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Isla Lipana & Co.

Independent Auditor's Report
To the Board of Directors and Shareholders of
Apex Mining Co., Inc.
Page 2

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Apex Mining Co., Inc. as of December 31, 2008 and 2007 and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Other matter

The financial statements of Apex Mining Co., Ine. for the year ended December 31, 2006 were audited by other independent auditors whose report dated April 11, 2007 expressed an unqualified opinion on those statements.

Report on other legal and regulatory requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information shown on Schedules E, G and I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjeeted to the auditing procedures applied in the audit of the basic financial statements. The information on Sehedules E, G and I, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Rodelio C. Acosta
Partner
CPA Cert. No. 53756
P.T.R. No. 1579211; issued on January 13, 2009 at Makati City
SEC A.N. (individual) as general auditors 0054-AR-1
SEC A.N. (firm) as gencral auditors 0009-FR-1
T.I.N. 182-934-430
BIR A.N. 08-000745-18-2007; issued on August 24, 2007; effective until August 24, 2010
BOA/PRC Registration No. 0142; effective until December 31, 2010

Makati City
April 14, 2009

APR 1 5 2009
LT-ASSISTANCE DIVISION

APEX MINING CO., INC.

BALANCE SHEETS
DECEMBER 31, 2008 AND 2007
(All amounts in Philippine Pesos)

	Notes	2008	2007
ASSETS			
Current assets			
Cash	5	P 27,304,116	P 82,130,961
Receivables, net	6	21,008,555	55,927,409
Inventories	7	164,602,468	223,649,457
Prepayments and other current assets	8	216,551,613	150,077,790
		429,466,752	511,785,617
Non-current assets held for sale	10	83,815,420	-
Total current assets		513,282,172	511,785,617
Non-current assets			
Property, plant and equipment, net	10	619,653,330	718,641,257
Deferred exploration and development costs	9	1,281,008,900	1,038,139,671
Other assets		14,325,217	10,087,840
Total non-current assets		1,914,987,447	1,766,868,768
Total assets		P2,428,269,619	P2,278,654,385
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11	P 103,804,264	P 131,855,029
Advances from shareholders and affiliate	16	2,624,500,778	2,102,077,882
Due to PJS Investment Corporation	1	83,162,204	83,238,927
Total current liabilities		2,811,467,246	2,317,171,838
Non-current liabilities			
Deferred income tax	12	23,331,584	31,257,484
Accrued retirement benefits	13	11,931,871	5,638,214
Provision for reforestation costs	9	6,594,561	5,928,381
Total non-current liabilities		41,858,016	42,824,079
Total liabilities		2,853,325,262	2,359,995,917
Equity			
Share capital	14	756,682,170	756,682,170
Share premium		4,224,410	4,224,410
Revaluation surplus	10	54,440,362	56,232,348
Deficit		(1,240,402,585)	(898,480,460)
Capital deficiency	1	(425,055,643)	(81,341,532)
Total liabilities and equity		P2,428,269,619	P2,278,654,385

The notes on pages 1 to 32 are an integral part of these financial statements.

APEX MINING CO., INC.

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(With comparative figures for the year ended December 31, 2006)
(All amounts in Philippine Peso)

	Notes	2008	2007	2006
Income				
Interest income	5	P 59,137	P 11,166	P 77,911
Gain on sale of property, plant and equipment	10	213,750	-	-
Other income		677,085	-	-
		949,972	11,166	77,911
Expenses				
General and administrative expenses	17	(259,911,275)	(50,100,170)	(57,174,852)
Interest expense	9	(666,180)	(598,750)	(283,286)
		(260,577,455)	(50,698,920)	(57,458,138)
Other income (expense)				
Foreign exchange (loss) gain, net		(91,951,082)	24,047,055	5,288,717
Loss before income tax		(351,578,565)	(26,640,699)	(52,091,510)
Benefit from (Provision for) income tax				
Current		-	-	(15,582)
Deferred		7,907,466	(4,497,834)	(1,813,141)
	12	7,907,466	(4,497,834)	(1,828,723)
Net loss for the year		P(343,671,099)	P(31,138,533)	P(53,920,233)
Loss per share				
Basic and diluted	15	P (0.45)	P (0.04)	P (0.07)

The notes on pages 1 to 32 are an integral part of these financial statements.

APEX MINING CO., INC.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(With comparative figures for the year ended December 31, 2006)
(All amounts in Philippine Peso)

	Share capital	Share premium	Revaluation surplus	Deficit	Total
Notes	14		10		
Balances at January 1, 2006	P756,682,170	P4,224,410	P 22,433,406	P (816,770,315)	P (33,430,329)
Net income recognized directly in equity					
Appraisal increase, net of reversal	-	-	30,210,857	-	30,210,857
Transfer of portion of revaluation surplus absorbed through depreciation, net of tax	-	-	(1,460,903)	1,460,903	-
	-	-	28,749,954	1,460,903	30,210,857
Net loss for the year	-	-	-	(53,920,233)	(53,920,233)
Total recognized income and expense for 2006	-	-	28,749,954	(52,459,330)	(23,709,376)
Balances at December 31, 2006	756,682,170	4,224,410	51,183,360	(869,229,645)	(57,139,705)
Net income recognized directly in equity					
Appraisal increase	-	-	2,999,524	-	2,999,524
Transfer of portion of revaluation surplus absorbed through depreciation, net of tax	-	-	(1,887,718)	1,887,718	-
Increase in revaluation surplus due to change in deferred income tax rate	-	-	3,937,182	-	3,937,182
	-	-	5,048,988	1,887,718	6,936,706
Net loss for the year	-	-	-	(31,138,533)	(31,138,533)
Total recognized income and expense for 2007	-	-	5,048,988	(29,250,815)	(24,201,827)
Balances at December 31, 2007	756,682,170	4,224,410	56,232,348	(898,480,460)	(81,341,532)
Net income (expense) recognized directly in equity					
Transfer of portion of revaluation surplus absorbed through depreciation, net of tax	-	-	(1,748,974)	1,748,974	-
Disposal of property, plant and equipment, net of tax	-	-	(43,012)	-	(43,012)
	-	-	(1,791,986)	1,748,974	(43,012)
Net loss for the year	-	-	-	(343,671,099)	(343,671,099)
Total recognized expense for 2008	-	-	(1,791,986)	(341,922,125)	(344,714,111)
Balances at December 31, 2008	P756,682,170	P4,224,410	P 54,440,362	P(1,240,402,585)	P(425,055,643)

The notes on pages 1 to 32 are an integral part of these financial statements.

APEX MINING CO., INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(With comparative figures for the year ended December 31, 2006)
(All amounts in Philippine Pesos)

	Notes	2008	2007	2006
Cash flows from operating activities				
Loss before income tax		P(351,578,565)	P (26,640,699)	P (52,091,510)
Adjustments for:				
Loss on write-off of property, plant and equipment	17	14,892,559	-	13,620,689
Unrealized foreign exchange loss (gain), net		85,090,997	(23,593,055)	(5,288,717)
Impairment loss on assets held for sale	17	27,553,672	-	-
Depreciation and amortization	17	7,007,115	10,931,432	4,436,715
Retirement benefits expense	13	7,962,254	5,312,414	325,800
Gain on sale of property, plant and equipment	10	(213,750)	-	-
Interest expense	9	666,180	598,750	283,286
Interest income		(59,137)	(11,166)	(77,911)
Operating loss before working capital changes		(208,678,675)	(33,402,324)	(38,791,648)
Changes in working capital:				
Receivables, net	6	32,501,942	(54,495,236)	-
Inventories	7	59,046,989	(223,649,457)	-
Prepayments and other current assets	8	(66,473,823)	(150,026,519)	(2,887)
Accounts payable and accrued liabilities	11	(28,027,327)	125,048,894	3,457,749
Retirement benefits paid	13	(1,668,597)	-	-
Net cash absorbed by operations		(213,299,491)	(336,524,642)	(35,336,786)
Interest received		59,137	11,166	77,911
Income taxes paid		-	-	(15,582)
Net cash used in operating activities		(213,240,354)	(336,513,476)	(35,274,457)
Cash flows from investing activities				
Acquisition of property, plant and equipment	10	(170,546,001)	(699,092,027)	(49,978,150)
Proceeds from sale of property, plant and equipment	10	500,000	-	-
Increase in deferred exploration and development cost	9	(83,793,431)	(603,753,448)	(310,839,208)
Increase in other assets		(4,237,377)	(10,087,840)	-
Net cash used in investing activities		(258,076,809)	(1,312,933,315)	(360,817,358)
Cash flows from financing activity				
Net increase in advances from shareholders and affiliate	16	417,001,320	1,729,583,476	397,648,952
Effect of exchange rate in cash		(511,002)	191,280	-
Net (decrease) increase in cash for the year		(54,826,845)	80,327,965	1,557,137
Cash at beginning of the year		82,130,961	1,802,996	245,859
Cash at end of the year	5	P 27,304,116	P 82,130,961	P 1,802,996
Supplemental schedule of non-cash activity				
Depreciation capitalized to deferred exploration and development cost	10	P154,274,403	P 104,394,353	P 14,160,850

The notes on pages 1 to 32 are an integral part of these financial statements.

APEX MINING CO., INC.

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007
(With comparative figures for the year ended December 31, 2006)
(In the Notes, all amounts are shown in Philippine Pesos unless otherwise stated)

Note 1 - General information

(a) Company background and operations

Apex Mining Co., Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 26, 1970 primarily to carry on the business of mining, milling, concentrating, converting, smelting, treating, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in gold, silver, copper, lead, zinc brass, iron, steel and all kinds of ores, metals and minerals.

On March 7, 1974, the Company listed its shares in the Philippine Stock Exchange (PSE) and attained status of being a public company on the same date. The Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code, which, among others, defines a public corporation as any corporation with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities. As of December 31, 2008, the Company has 2,900 shareholders (2007 - 2,638) each holding at least 100 shares.

Crew Gold Corporation (Crew Gold), the ultimate parent company and an entity incorporated and doing business in Canada, and its associated Philippine company, Mapula Creek Gold Corporation (Mapula), owns 28.03% and 44.88% of the Company's shares, respectively, by virtue of the Share Purchase Agreement (SPA) entered into by both Crew Gold and Mapula with the previous majority shareholder (Puyat Group) on August 24, 2005. The SPA involved the sale and transfer of a total of 549,966,524 shares (including 459,524,591 of the unlisted shares) for $6,600,000. Pursuant to the SPA, the Puyat Group divested fully its shareholdings in the Company. The SPA also provides, among others, the termination of all existing mine operating agreements of the Company. In relation thereof, on December 23, 2005, Crew Gold and PJS Investment Corporation, an entity owned by the Puyat Group, agreed that certain liabilities as of December 31, 2005 amounting to P83.2 million be assigned to the latter in order to facilitate the investment of Crew Gold into the Company.

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved the Company's Mineral Production Sharing Agreement (MPSA) covering 679.02 hectares situated in Maco, Compostela Valley (currently called Maco Mines but previously referred to as Masara Mines). On June 25, 2007, MGB approved the Company's second MPSA covering an additional 1,558.5 hectares near the same area.

On December 17, 2008, the Company entered into a service contract with local cooperatives composed of the indigenous people and local government units of Masara Mines to explore the Sagaysagay vein discovered within the area of its second MPSA. For the year ended December 31, 2008, total exploration costs incurred in relation to the service contract included as part of deferred exploration and development cost in the balance sheets amounted to P4,625,684 (2007 - nil) (Note 9).

The Company was registered with the Board of Investments (BOI) on July 11, 2008 as a new producer of gold, silver bullion, copper concentrates with gold, silver, zinc and lead values on a non-pioneer status under the 1987 Omnibus Investment Code. Under this registration, the Company is entitled to eertain fiscal and non-fiscal incentives ineluding four (4) year income tax holiday from start of commercial operations, which can be further extended for another three (3) years subject to complianee with certain conditions, simplified customs procedures, additional deduction for labor expense, and unrestricted use of consigned equipment for a period of ten (10) years. The Company is required to maintain a base equity of at least 25% upon start of commercial operations as one of the conditions of the registration. On January 1, 2009, the Company commenced commercial operations after achieving target production volume requirements.

On January 17, 2008, the Company's registered business address, which is also its principal office, was changed to Unit 1704, 17/F Prestige Tower Condominium F. Ortigas Jr. Road, Ortigas, Pasig City as disclosed to the SEC and PSE. The Company has 945 employees as of Deeember 31, 2008 (2007 - 646).

(b) Capital deficiency

The financial statements havc been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal coursc of business; notwithstanding reported capital deficiency amounting to P425,055,643 as of December 31, 2008 (2007 -P81,341,532) mainly arising from the accumulation of expenditures prior to start of commercial operations and expenditures related to the Company's takeover of milling operations from Teresa effective January 31, 2008. These expenditures did not qualify for capitalization under the Company's current policy on deferred exploration and development costs (Note 2.8). The Company believes that profits to be generated during commercial operations will bc able to gradually reduce the deficit subject to uncertainties including changes in market prices of gold and silver, fluctuations of exchange rate and ability to convert resources into reserves. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

(c) Approval of the financial statements

The financial statements have been approved and authorized for issue by the Company's Board of Directors on April 14, 2009.

Note 2 - Summary of significant accounting policies

The principal accounting polieies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Apex Mining Co., Inc. have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Couneil (FRSC) and adopted by the SEC.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of property, plant and equipment and non-current assets held for sale.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Interpretations and amendments to existing standards effective on or after January 1, 2008

The Company adopted the following interpretations and amendments to existing standards which are effective for annual periods beginning on or after January 1, 2008:

- Philippine Interpretation IFRIC 11, PFRS 2 - Group and Treasury Share Transaetions, provides guidanee on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. The interpretatiou does not have an impact on the Company's financial statements as the Company has no share-based transaction.

- Philippine Interpretation IFRIC 12, Service Concession Arrangements, applies to contractual arrangements whereby a private sector operator participates in the development, financing, operations and maintenance of infrastructure for publie sector services. The interpretation is not relevant because the Company does not provide for public seetor services.

- Philippine Interpretation IFRIC 14 - PAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, provides guidance on assessing the limit in PAS 19, Employee Benefits, on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or eontractual minimum funding requirement. The interpretation has no impact to the financial statements as the Company's retirement plan remains unfunded as of December 31, 2008 and 2007.

- Amendments to PAS 39 and PFRS 7, Reclassification of Financial Assets. The FRSC approved on October 29, 2008 the immediate adoption of amendments to IAS 39, Finaneial Instruments: Recognition and Measurement, and IFRS 7, Financial Instruments: Disclosures: Reclassification of Financial Assets, issued by the IASB as amendments to PAS 39 and PFRS 7. PAS 39 amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The amendments permit an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in rare circumstances or if the financial asset is no longer held for the purpose of selling or repurchasing it in the near term. Likewise, it also allows transfer from the available-for-sale category to the loans and receivables (if the financial asset had not been designated as available-for-sale), if the entity has the intention and ability to hold that finaneial asset for the foreseeable future. For Philippine financial reporting purposes, an entity shall apply those amendments from July 1, 2008 and any reclassification of a financial asset made in periods beginning on or after November 15, 2008 shall take effect only from the date of reclassification. These amendments did not have an impact on the Company's financial statements.

(b) Standards, amendments and interpretation to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2009 or later periods, but the Company has not early adopted:

- PAS 1 (Revised), Presentation of Financial Statements (effective from January 1, 2009), establishes the amendments to the presentation of information in the financial statements. The standard describes the "balance sheet" and the "cash flow statement" as the "statement of financial position" and "statement of cash flows" respectively. However, the use of other terms with clear meaning is allowed. It also requires the presentation of all non-owners changes in equity (i.e., comprehensive income) in a statement of comprehensive income or in a statement of profit or loss together with a statement of comprehensive income, separately from owner changes in equity. The standard also requires, as a minimum, the presentation of three statements of financial position (balance sheet) in a complete set of financial statements whenever there is a prior period adjustment or a reclassification of items in the financial statements--as at the end of the current period, the end of the comparative period and the beginning of the comparative period. In other cases, only two statements of financial position are required. Dividends recognized as distributions to owners and related per-share amounts should be presented on the face of the statement of changes in equity or in the notes and not on the face of the statement of comprehensive income or the face of the income statement. The Company will apply PAS 1 (Revised) starting January 1, 2009.

- PAS 23 (Amendment), Borrowing Costs (effective from January 1, 2009), requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Company will apply PAS 23 (Amended) from January 1, 2009 should there be qualifying assets at that time.

- PFRS 8, Operating Segments (effective from January 1, 2009), replaces PAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, Disclosures About Segments of an Enterprise and Related Information. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company will apply PFRS 8 from January 1, 2009, which is not expected to have material impact to the financial statements as management views the Company as only one business segment.

The following are the amendments to PFRS which contain amendments that result in accounting changes, presentation, recognition and measurement. It also includes amendments that are terminology or editorial changes only which have either minimal or no effect on accounting. These amendments are part of the International Accounting Standards Board's (IASB) annual improvements project published in May 2008.

- PAS 19, Employee Benefits (effective from January 1, 2009), the following are the amendments which are not expected to have significant impact when adopted by the Company:

    1. The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation;
    2. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent ~~that such costs~~ have been excluded from measurement of the defined benefit obligation;

3. The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered; and
4. PAS 37, Provisions, Contingent Liabilities and Contingent Assets, requires contingent liabilities to be disclosed, not recognized. PAS 19 has been amended to be consistent.

- PAS 23 (Amendment), Borrowing Costs (effective from January 1, 2009). The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in PAS 39, Financial Instruments: Recognition and Measurement. This eliminates the inconsistency of terms between PAS 39 and PAS 23. The amendment does not have any impact on the Company's current policy on borrowing costs.

- PAS 36 (Amendment), Impairment of Assets (effective from January 1, 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Company will apply PAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from January 1, 2009.

- PAS 38 (Amendment), Intangible Assets (effective from January 1, 2009). A prepayment may only be recognized in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The Company will apply PAS 38 (Amendment) from January 1, 2009, which is not expected to have material impact to the financial statements specifically on recorded intangible assets included as part of deferred exploration and development costs.

(c) *Standards, amendments, and interpretations to existing standards that are not yet effective and not relevant to the Company's operations*

The following standards, amendments and interpretations to existing standards have been published and are effective for accounting periods beginning on or January 1, 2009 or later periods but are not currently relevant to the Company's operations:

- PAS 27 (Revised), Consolidated and Separate Financial Statements (effective from July 1, 2009)
- PAS 32 (Amendment), Financial instruments: Presentation, and PAS 1 (Amendment), Presentation of Financial Statements - Puttable Financial Instruments and Obligations arising on Liquidation (effective from January 1, 2009)
- PAS 39 (Amendment), Eligible Hedged Items (effective from July 1, 2009)
- PFRS 1 (Amendment), First-time Adoption of PFRS and PAS 27, Consolidated and Separate Financial Statements (effective from July 1, 2009)
- PFRS 2 (Amendment), Share-based Payment (effective from January 1, 2009)
- PFRS 3 (Revised), Business Combinations (effective from July 1, 2009)
- Philippine Interpretation IFRIC 13, Customer Loyalty Program (effective from July 1, 2008),
- Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate (effective from January 1, 2012)
- Philippine Interpretation IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective from October 1, 2008)
- Philippine Interpretation IFRIC 17, Distributions of Non-cash Assets to Owners (effective from July 1, 2009)
- Philippine Interpretation IFRIC 18, Transfers of Assets from Customers (effective from July 1, 2009)

The following amendments are inclnded in IASB's annual improvements project published in May 2008 which management believes have either minimal or no effect on accounting:

- PAS 1 (Amendment), Presentation of Financial Statements (effective from January 1, 2009)
- PAS 16 (Amendment), Property, Plant and Equipment (and consequential amendment to PAS 7, Statement of Cash Flows) (effective from January 1, 2009)
- PAS 20 (Amendment), Accounting for Government Grants and Disclosure of Government Assistance (effective from January 1, 2009)
- PAS 27, Consolidated and Separate Financial Statements (effective from January 1, 2009)
- PAS 28 (Amendment), Investments in Associates (and consequential amendments to PAS 32, Financial Instruments: Presentation and PFRS 7, Financial instruments: Disclosures) (effective from January 1, 2009)
- PAS 29 (Amendment), Financial Reporting in Hyperinflationary Economies (effective from January 1, 2009)
- PAS 31 (Amendment), Interests in Joint Ventures (and consequential amendments to PAS 32 and PFRS 7) (effective from January 1, 2009)
- PAS 39 (Amendment), Financial Instruments: Recognition and Measurement (effective from January 1, 2009)
- PAS 40 (Amendment), Investment Property (and consequential amendments to PAS 16) (effective from January 1, 2009)
- PAS 41 (Amendment), Agriculture (effective from January 1, 2009)
- PFRS 5 (Amendment), Non-current Assets Held for Sale and Discontinued Operations (and consequential amendment to PFRS 1, First-time Adoption) (effective from July 1, 2009)

2.2 Cash

Cash includes cash on hand and deposits held at call with banks.

2.3 Receivables

Receivables arising from sale of metals with average credit term of 15 to 20 days and other receivables are recorded at fair value and subsequently measured at amortized cost using the effective juterest method less provision for impairment if any. The original invoice amount of receivables from sale of metals approximates its fair value, which were fully collected in 2008 and 2007.

Provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statements of income withio general and administrative expenses. When a receivable remains uncollectible after the Company has exerted all legal remedies, it is written-off against the allowance aceount for receivables. Subsequent recoveries of amounts previously written-off are credited against general and administrative expenses in the statements of income.

2.4 Financial assets

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for whicb the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. As of December 31, 2008 and 2007, the Company only holds financial assets classified as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, in which case, these are classified as non-current assets. The Company's loans and receivables comprise cash in banks and advances to officers and employees (Notes 2.2 and 2.3).

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Loans and receivables are carried at amortized cost using the effective interest method.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. For those carried at amortized cost, significant financial assets both in an individual and collective basis are tested for impairment if there are indicators of impairment. Impairment loss is recognized in the statements of income and the carrying amount of the asset is reduced through the use of an allowance.

2.5 Inventories

Inventories, which consist of ore stockpile, parts and supplies used in the Company's operations, are stated at the lower of cost and net realizable value. Costs of parts and supplies on hand and ore stockpile are determined at moving average and specific identification, respectively. Cost of parts and supplies comprises the invoice amount, freight, duties and taxes, and other costs incurred in bringing the inventories to their present location and condition; whereas cost of ore stockpile refers to accumulated expenditures incurred prior to actual processing. Cost excludes borrowing costs.

Materials in-transit are valued at invoice cost.

Net realizable value for ore stockpile is the selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. In the case of materials and supplies, net realizable value is the value of the inventories when sold at the condition at the balance sheet date or its estimated replacement cost.

2.6 Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell once their carrying amounts are determined to be recovered principally through a sales transaction rather than through continuing use. When the sale is expected to occur beyond one year, the entity shall measure the costs to sell at their present value. Any increase in the present value of the costs to sell that arises from the passage of time shall be presented as part of general and administrative expenses in the statements of income.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. The Company recognizes a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized.

The Company ceases depreciation and amortization upon classification of non-current assets as held for sale.

2.7 Property, plant and equipment

Following initial recognition at cost, property, plant and equipment are carried at revalued amounts, which represent the fair value at date of revaluation less any subsequent accumulated depreciation, depletion and impairment losses, if any.

Initial cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of income during the financial period in which they are incurred.

Valuations are performed frequently enough to ensure that the fair value of a revalued property, plant and equipment does not significantly differ from its carrying amount. The increase of the carrying amount of an asset as a result of a revaluation is credited directly to equity (under the heading 'revaluation surplus'), unless it reverses a revaluation decrease previously recognized as an expense, in which case it should be credited in the statements of income. A revaluation decrease should be charged directly against any related revaluation surplus, with any excess being recognized as an expense in the statements of income.

Deferred income tax is provided on the temporary differenee between the carrying amount of the revalued property, plant and equipment and its tax base. Any taxable temporary differences reflects the tax consequences that would follow from the reeovery of the earrying amount of the asset through sale (uon-depreciable assets) and through use (depreciable assets), using the applicable tax rate.

Each year, the Company may transfer from revaluation surplus reserve to retained earnings the difference between the depreciation charges calculated based ou the revalued amounts aud the depreciation eharge based on the assets' historical costs.

Construction-in-progress is stated at cost, which iucludes cost of construction, equipment and other direet costs. Construction-in-progress is uot depreciated uor depleted until such time as the relevant assets are completed and put into operational use.

Gains and losses on disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset. On disposal of the revalued asset, the relevant revaluation surplus included in equity is transferred directly to retained earnings.

The Company's retained earnings is restricted to the extent of the revaluation surplus recognized.

Depletion of mine and mining properties is ealculated using the units-of-produetion method based on estimated recoverable reserves. Depletion starts when the project commences commercial production operations.

Depreciatiou is eomputed using the straight-line method over the estimated useful lives of other property, plant and equipment as follows:

Type of asset	Estimated useful life in years
Building and improvements	10 to 20
Power equipment	10
Roads and bridges and land improvements	10
Mining and milling equipment	5
Exploration equipment and others	5

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

2.8 Deferred exploration and development costs

(a) Exploration costs

Deferred exploration costs represent capitalized expenditures related to the acquisition and exploration of mining properties. Exploration costs are stated at cost and are accumulated in respect of each identifiable area of interest. Such costs are only carried forward to the extent that they are expected to be recovered through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active work is continuing.

Accumulated costs in relation to an abandoned area are written off to the statements of income in the period in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The Company classifies deferred exploration costs as tangible or intangible according to the nature of the asset acquired or cost incurred and applies the classification consistently. Certain deferred exploration costs are treated as intangible (e.g. license and legal fees), whereas others are tangible (e.g. vehicles). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset.

Deferred exploration costs are recognized and reclassified to deferred development costs when the technical feasibility and commercial viability of extracting the resources are demonstrable. Deferred exploration costs are assessed for impairment before reclassification.

(b) Development costs

Deferred development costs pertain to capitalized expenditures incurred to prove technical feasibility and commercial viability of any resources found and develop ore bodies. Development costs are stated at cost and are capitalized to the extent that these are directly attributable to an area of interest or those that can be reasonably allocated to an area of interest, which may include costs directly related to bringing assets to the location and condition for intended use and costs incurred, net of any revenue generated, during the commissioning period. These costs are capitalized until assets are already available for use or when the Company has already achieved commercial levels of production.

The carrying value of deferred exploration and development cost represents total expenditures incurred to date net of revenue from saleable material recognized during the pre-commercial production period. Deduction is only appropriate if it can clearly be shown that the production of the saleable material is directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Commercial production is deemed to have commenced when management determines that the completion of operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and that there are indicators that these operating results will be continued. Mine development costs incurred to maintain current production are included in operations.

Upon start of commercial operations, deferred development costs are capitalized as part of mine and mining properties and presented as a separate line item in the balance sheets. These costs are subject to depletion, which is computed using the units-of-production method based on estimated recoverable reserves.

(c) Impairment review

The Company reviews and evaluates its deferred costs and mining properties either individually or at the cash-generating unit level for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. To the extent that this occurs, the excess is fully provided in the financial period in which this is determined

The recoverability of these capitalized costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, and upon future profitable production.

Indication of potential impairment is considered to exist if the total estimated future undiscounted net cash flows are less than the carrying amount of the assets. Estimated undiscounted future net cash flows for properties in which a mineral resource has been identified are calculated using estimated future production, commodity prices, operating and capital costs and reclamation and closure costs. Undiscounted future cash flows for deferred exploration costs are estimated by reference to the timing of exploration and /or development work, work programs proposed, the exploration results achieved to date and the likely proceeds receivable if the Company sold specific properties to third parties.

If it is finally determined that the future net cash flows from the assets are less than the carrying value then an impairment loss is recorded with a charge to operations to the extent the carrying value exceeds discounted estimated future cash flows.

2.9 Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over their estimated useful lives of five (5) years. These are included as part of other assets in the balance sheets.

2.10 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.11 Current and deferred income tax

The current provision for income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

The Company reassesses at each balance sheet date the need to recognize a previously unrecognized deferred income tax asset.

2.12 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities 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.

2.13 Provisions

Provisions are recognized when: (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is more likely that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

The Company recognizes the estimated costs of reforestation of the areas disturbed during the development stage of the mining operation. The provision is discounted where material and the unwinding of the discount is included as part of interest expense. At the time of establishing the provision, the corresponding asset is capitalized where it gives rise to a future benefit and depreciated over future production from the mine to which it relates.

2.14 Share capital

Common shares are elassified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The excess of proeeeds from issuanee of shares over the par value of shares are credited to share premium.

2.15 Dividend distributiou

Dividend distribntion to the Company's shareholders is reeognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

2.16 Earnings/(loss) pcr share

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the net income/(loss) attributable to ordinary shareholders of the Company by the weighted average nunber of common shares ontstanding during the year, excluding common shares purchased by the Company and held as treasury shares.

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of common shares outstanding to assnme conversion of all dilutive potential common shares. The Company has no dilutive potential common shares.

2.17 Revenue, cost and expeuse recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

The Company recognizes revenue when the amount of revenue ean be reliably measured, it is possible that future economic benefits will flow into the entity and specific criteria have been met for each of the Company's activities as described below.

(a) Revenue

(i) Sale of metals

Income from the sale of metals is recognized upon delivery and in aecordance with the pricing and other terms of the covering agreements with buyers. The price of metals is determined based on the London gold AM or PM fixing net in US or Canadian Dollar. Proceeds from the sale of metals during development phase are deducted from deferred exploration and development eosts and are credited to operations upon start of commercial production.

(ii) Interest and other income

Interest income is recognized on a time-proportion basis using the effective interest method. Other income is recognized when earned.

(b) Costs and expenses

Costs and expenses are charged to operations when incurred. Interest expense is recognized on a time-proportion basis using the effective interest method.

2.18 Leases - Company as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of income on a straight-line basis over the period of the lease.

2.19 Employee benefits cost

Retirement cost and obligation are computed in accordance with Republic Act No. 7641, Retirement Pay Law, which is similar to that computed under a defined benefit pension plan. A defined benefit retirement plan is a retirement plan that defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on certain factors such as age, years of credited service, and compensation.

The retirement liability is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. In cases when the amount determined results in a surplus (being an excess of the fair value of the plan assets over the present value of the defined benefit obligation), the Company measures the resulting asset at the lower of (a) such amount determined, and (b) the total of any cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available to the Company in the form of refunds or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by the Company with an independent actuary engaged at least once every two years to perform an estimation of the defined benefit obligation using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past service costs are recognized immediately in the statements of income, unless the changes to the retirement plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

2.20 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of income.

2.21 Related party relationships and transactions

Related party relationship exists 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 enterprise, or between and/or among the reporting enterprises and its key management personnel, directors, or its shareholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.22 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. Management looks at the Company as one business segment operating in one geographical area.

2.23 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.24 Subsequent events

Post year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

2.25 Reclassification

Certain amounts in the statements of income were reclassified in line with the change in presentation from function to nature analysis of expenses, which is deemed more relevant as there were no necessary expense allocations to functional classifications prior to commencement of commercial operations. Accordingly, interest income for the years ended December 31, 2007 and 2006 amounting to P11,166 and P77,911, respectively, which were previously included as part of general and administrative expenses were presented as separate line items. Furthermore, interest expense amounting to P598,750 and P283,286 in 2007 and 2006, respectively, were presented as a separate line item within 'expenses' together with general and administrative expenses. Such reclassification did not impact previously reported net loss, loss per share, equity and cash flows in 2007 and 2006.

Note 3 - Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and cash flow and fair value interest risk), credit risk, and liquidity risk. The Company has no formal risk management program that focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance, which management believes will be more relevant upon commencement of commercial operations; however complies with written policies as authorized by the Board of Directors and aligned with risk management program as carried out by Crew Gold, who is responsible for the review of risk exposures and implementing risk reduction strategies for its entities. Accordingly, the Company's risk management program will cover specific areas such as foreign exchange and interest rate risks in line with management's strategies of addressing fluctuations of foreign exchange rates and identifying alternative sources of funding that will yield minimum charges to the Company.

(a) Market risk

(i) Price risk

The Company is not exposed to significant price risk due to the absence of material equity investments classified as either available-for-sale or at fair value through profit or loss wherein changes to fair value are directly recognized through equity and operations, respectively. Furthermore, the associated future cash flows from the Company's outstanding receivable arising from sale of gold and silver dore as of balance sheet date are not expected to fluctuate from changes in market price of gold and silver and are determined to be fixed based on the settlement rate agreed into by the Company and third party refining entity.

The Company is not subject to commodity price risk.

(ii) Currency risk

The Company is exposed to currency risk arising from the effect of fluctuations in foreign exchange rates mainly on its US Dollar denominated assets and liabilities. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Management has initially assessed impact of fluctuations in the exchange rate to future profits to be minimal as payment of advances will be sourced from results of commercial operations mainly through sales proceeds which are denominated in the same foreign currency.

At December 31, 2008, if the US Dollar had weakened/strengthened by 2.7% (2007 - 7.7%) against the Philippine peso with all other variables held constant, post-tax profit for the year would have been P19,419,500 (2007 - P23,419,252) higher/lower, mainly as a result of net foreign exchange gains/losses on translation of US Dollar denominated cash, receivables, accounts payable and advances from shareholder and affiliate. The rate is based on average forecast exchange by leading international financial institutions as of December 31, 2008 and 2007.

(iii) Cash flow and fair value interest risk

As the Company has no significant interest bearing financial assets and liabilities, the Company's profit or loss and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk arises from cash for its deposits in banks as well as credit exposure to debtor on outstanding receivables. For banks, the Company only enters into deposit arrangements with either universal or commercial banks, which are considered the first and second top tier banks, respectively, in terms of capitalization as categorized by the Philippine Banking System (Note 5).

The Company has no significant concentration of credit risk notwithstanding that deliveries of gold and silver dore are only made to one foreign refining entity since all corresponding receivables have been fully settled as of December 31, 2008 and 2007. In addition, selection of appropriate buyers is performed by Crew Gold based on thorough evaluation on the credit standing including liquidity and history of defaults, if any. Safeguards are implemented to ascertain that no additional deliveries are made to these entities pending resolution of any disagreement resulting from previous deliveries.

Credit risk on advances to officers and suppliers extends only to balances that are expected to be collected in cash, which as of December 31, 2008 and 2007 have been fully provided with an allowance.

(c) Liquidity risk

The Company's shareholders continuously provide financial assistance through advances in order to support daily working capital requirements as well as planned future exploration and development activities. In addition, the Company may generate funding from equity contributions through additional public offering and share options as permitted by its registration and by-laws upon approval and authorization of the Board of Directors through a majority vote and of the shareholders owning or representing at least two-thirds (2/3) of the outstanding share capital. Management believes that the relative short turnover of receivable arising from deliveries of gold and silver dore and proceeds from sale of assets held for sale will provide sufficient cash flows for working capital requirements particularly ability to settle current liabilities as they fall due.

As of December 31, 2008, outstanding accounts payable and accrued expenses excluding payable to government agencies amounting to P90.8 million are expected to be settled within 12 months from balance sheet date (2007 - P126.1 million). Advances from shareholders and affiliate and amount due to PJS Investment Corporation are deemed payable on demand and subordinate to third party creditors of the Company.

3.2 Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern in order to continuously provide funding for daily operations prior to the commencement of commercial operations and comply with capital restrictions and requirements as imposed by regulatory bodies including limitations on ownership over the Company's different types of shares and requisites for actual listing and trading of additional shares, if any. Moreover, the Company continually aims to protect the investing public through transparency and implementation of adequate measures in order to address reported deficiency. Capital pertains to equity excluding reserve from revaluation of fixed assets and advances from parent company.

The Company, being in the development stage, is not yet required to maintain a fixed base equity ratio despite its registration with the BOI which only commences upon start of commercial operations. Furthermore, the Company does not have outstanding borrowings as of December 31, 2008 and 2007, which provides for positive and negative undertakings on its capital.

3.3 Fair value estimation of financial assets and liabilities

Due to the short-term nature of the transactions, the carrying values of each financial asset and liability including cash, advances to officers and employees, accounts payable, accrued expenses, which excludes outstanding payables to government agencies, and advances from shareholders and affiliate as of the balance sheet date approximate their fair values. The Company does not hold financial instruments traded in active market which might be affected by quoted market prices at balance sheet date.

Note 4 - Critical accounting estimates, assumptions and judgments

Thc Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition. seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Critical accounting estimates and assumptions

(a) Fair value and estimation of useful lives and residual values of property, plant and equipment

The Company estimates the fair value, useful lives and residual values of property, plant and equipment based on the results of assessment of independent appraisers. Fair value and estimated useful lives of the property, plant and equipment are reviewed periodieally and are updated if expeetations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets. Managemcnt does not expect carrying amounts of fixed assets as of December 31, 2008 to materially vary in the succeeding year as the most recent revaluation adjustment was ouly recognized in 2007 based on appraisal report dated December 2007 covering all property, plant and equipment of the Company. Moreover, remaining property, plant and equipment as of December 31, 2008, other than those classified as held for sale, are expected to be realized through continued use under the current mining plan (Note 10).

(b) Estimation of provision for reforestation costs

The Company recognized a provision relatiug to estimated reforestation costs which is based on the technical assessmeut of the disturbed area and projected area to be disturbed, and is presented in the balance sheets as part of deferred exploration and development costs and under non-current liabilities. The provision is discounted based on prevailing market interest rates over the expected mine life and is not included in the sensitivity analysis of the Company since provision is expected to change upon eommencemeut of commercial operations in 2009, wherein management will perform reevaluation of the appropriate level of provision based on a new technical review and reassessment of environmental liabilities in accordance with its mining permit (Note 9).

(c) Estimation of retirement benefits

The determination of the Company's retirement obligation and employee benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actuarial gains and losses comprised of experience adjustments and ehanges in actuarial assumptions are appropriately considered in determining both present value of retirement obligation and fair value of plan assets. Consequently, management no longer performs analysis on projected changes in interest rates. The Company considers that it is impracticable to discuss with sufficient reliability the possible effects of sensitivities surrounding the actuarial assumptions at the balance sheet date. One or more of the actuarial assumptions may differ significantly and as a result, the actuarial present value of the retirement benefit obligation estimated at the balance sheet date may differ significantly from the amount reported (Note 13).

(d) Impairment of non-financial assets including inventory, property, plant and equipment and deferred exploration and development cost

The Company evaluates annually whether inventory, property and equipment and deferred exploration and development costs have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates on cost projections, gold and copper prices, foreign exchange rates and mineral reserves, which are determined based on approved mine plan, fluctuations in the market and assessment of either internal or third party geologists, who abide by certain methodologies that are generally accepted within the industry. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. As of December 31, 2008 and 2007, there were no impairment losses charged against inventory, property, plant and equipment and total deferred exploration and development costs (Notes 7, 9 and 10).

4.2 Critical judgments in applying the Company's accounting policies

(a) Functional currency

The Board of Directors considers the Philippine peso as the currency that most fairly represents the economic effect of the underlying transactions, events and conditions. The Philippine peso is the currency of the primary economic environment in which the Company operates. It is the currency in which the Company measures its performance and reports its results.

(b) Deferred income tax assets

Recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied. The Company assesses the recoverability of outstanding balances of deferred income tax assets up to the extent that is more likely than not it will be realized. Accordingly, the Company does not recognize deferred tax assets in respect of deductible temporary differences and unused tax losses, which are expected to be realized within the income tax holiday period (Note 12).

Note 5 - Cash

Cash at December 31 consist of

	2008	2007
Cash in bank	P 26,058,116	P 82,030,961
Cash on hand	1,246,000	100,000
	P 27,304,116	P 82,130,961

For the year ended December 31, 2008, cash deposits earned average interest rate of 0.17% (2007 - 0.28% and 2006 - 1.1%).

Cash in bank are denominated in the following currencies:

	2008	2007
Philippine Peso	P 23,125,514	P 65,857,374
US Dollar	2,932,602	16,173,587
	P 26,058,116	P 82,030,961

Cash deposit arrangements amounting to P26,058,116 (2007 - P82,030,961) have been transacted with duly licensed Universal bank, which belongs in the top ten local banks in terms of capital base. The maximum exposure to credit risk at the reporting date is the fair value of cash as presented above.

Note 6 - Receivables

Receivables at Deeember 31 consist of:

	2008	2007
Advances to suppliers and contractors	P 15,790,078	P 47,616,147
Others	4,050,397	1,985,632
	19,840,475	49,601,779
Advances to officers and employees	5,092,116	6,325,630
less: allowance for impairment	(3,924,036)	-
	1,168,080	6,325,630
	P 21,008,555	P 55,927,409

As of December 31, 2008 and 2007, the carrying amounts of receivables approximate their recoverable amounts because of the proximity of their maturity. Management believes that an allowance for impairment as of Deeember 31, 2008 and 2007 is not necessary since the aceount balance is deemed current other than certain portion of advances to officers and employees amounting to P3,924,036, which pertain to outstanding claims from employees of Teresa who were transferred to the Company in 2008. These advances are neither covered by any security nor collateral. There were no reversals in 2008 and 2007.

Note 7 - Inventories

Inventories at December 31 consist of:

	2008	2007
Parts and supplies	P163,775,848	P209,895,494
Ore stockpile	826,620	-
Materials in-transit	-	13,753,963
	P164,602,468	P223,649,457

For the year ended December 31, 2008, cost of inventories recognized as expense and included in deferred exploration and development costs amounted to P688,381,309 (2007 - P389,804,117) (Note 9).

Management believes that the carrying amount of total inventories as of December 31, 2008 and 2007 approximate their net realizable values as these inventories will be used for development and in commercial operations.

Note 8 - Prepayments and other current assets

Prepayments and other current assets at December 31 consist of:

	2008	2007
Input tax	P 214,070,806	P 143,034,266
Prepaid health insurance	763,285	6,247,290
Others	1,717,522	796,234
	P 216,551,613	P 150,077,790

Input tax pertains to import VAT from importations of various parts, supplies and mining machinery and equipment, which will be applied on future output tax liabilities.

Note 9 - Deferred exploration and development costs

Deferred exploration and development costs at December 31 consist of:

	Note	2008	2007
Development costs			
Beginning balance		P1,033,093,326	P 324,945,525
Additions during the year		1,040,397,135	956,888,726
Revenue during development and commissioning periods		(802,153,590)	(248,740,925)
		1,271,336,871	1,033,093,326
Exploration costs	1	4,625,684	-
Provision for reforestation costs		5,046,345	5,046,345
		P1,281,008,900	P1,038,139,671

Deferred exploration costs consist of expenditures related to the exploration of the Sagaysagay vein which started in 2008. These costs include fees incurred in finalizing service contract for the development of the mines and advance payments made by the Company to local cooperatives. These are considered as intangible assets.

Account balance also includes costs of reforestation amounting to P5,046,345 for 2008 and 2007, which the Company is required to undertake in areas disturbed due to its ongoing rehabilitation and mine development activities. The related accretion of interest in 2008 amounted to P666,180 (2007 - P598,750 and 2006 - P283,286).

Note 10 - Property, plant and equipment

Details of property, plant and equipment at revalued amounts, except for construction in progress which is carried at cost, as of December 31 are as follows:

	Building and improvements	Mining and milling equipment	Power equipment	Roads and bridges and land improvements	Exploration equipment, and others	Construction in progress	Total
Revalued amount							
January 1, 2008	P170,071,340	P1,189,911,820	P74,011,323	P213,971,723	P175,115,753	P 22,833,286	P1,845,915,245
Additions	-	4,782,454	10,659,375	1,502,891	3,286,360	150,314,921	170,546,001
Transfers from related parties (Note 16)	3,126,953	20,151,013	-	6,037,078	-	-	29,315,044
Reclassification	1,963,466	(188,345,900)	240,354	163,046,050	-	(157,602,285)	(180,698,315)
Disposals/ Write-off	(55,373,718)	(39,390,763)	-	(597,572)	-	(3,502,887)	(98,864,940)
December 31, 2008	119,788,041	987,108,624	84,911,052	383,960,170	178,402,113	12,043,035	1,766,213,035
Accumulated depreciation and amortization							
January 1, 2008	146,942,230	689,897,732	61,964,040	58,301,573	170,168,413	-	1,127,273,988
Charges during the year	4,292,619	119,653,740	6,387,522	28,497,112	2,450,525	-	161,281,518
Transfers from related parties (Note 16)	-	5,717,028	-	439,684	-	-	6,156,712
Reclassification	-	(69,329,223)	-	-	-	-	(69,329,223)
Disposals/ Write-off	(53,781,585)	(24,467,955)	-	(573,750)	-	-	(78,823,290)
December 31, 2008	97,453,264	721,471,322	68,351,562	86,664,619	172,618,938	-	1,146,559,705
Net book values at December 31, 2008	P 22,334,777	P 265,637,302	P16,559,490	P297,295,551	P 5,783,175	P 12,043,035	P 619,653,330

	Buildiug aud improvements	Mining and milling equipment	Power equipment	Roads and bridges and land improvements	Exploration equipment, and others	Constructiou iu progress	Total
Revalued amount							
January 1, 2007	P160,766,467	P 734,760,393	P65,981,193	P 59,181,732	P174,389,537	P 27,904,331	P1,222,983,653
Additions	-	531,147,646	4,150,082	141,704,613	1,716,683	20,373,003	699,092,027
Revaluation	937,660	861,333	(6,332)	218,400	(990,467)	-	1,020,594
Reclassificatiou	8,367,213	323,477	3,886,380	12,866,978	-	(25,444,048)	-
Disposals	-	(77,181,029)	-	-	-	-	(77,181,029)
December 31, 2007	170,071,340	1,189,911,820	74,011,323	213,971,723	175,115,753	22,833,286	1,845,915,245
Accumulated depreciation and amortization							
January 1, 2007	145,352,650	662,105,895	61,261,193	52,101,732	169,599,535	-	1,090,421,005
Charges during the year	1,816,375	104,285,927	872,097	7,033,441	1,317,945	-	115,325,785
Revaluation	(226,795)	(1,285,728)	(169,250)	(833,600)	(749,067)	-	(3,264,440)
Disposals	-	(75,208,362)	-	-	-	-	(75,208,362)
December 31, 2007	146,942,230	689,897,732	61,964,040	58,301,573	170,168,413	-	1,127,273,988
Net book values at December 31, 2007	P 23,129,110	P 500,014,088	P12,047,283	P155,670,150	P 4,947,340	P 22,833,286	P 718,641,257

The net book value of each class of revalued property, plant and equipment had the assets been carried at cost as of December 31 are as follows:

	Building and improvements	Mining and milling equipment	Power equipment	Roads and bridges and land improvements	Exploration equipment, and others	Construction in progress	Total
Cost							
January 1, 2008	P21,032,856	P 532,193,834	P15,529,111	P169,289,271	P4,699,026	P 22,833,286	P 765,577,384
Additions	-	4,782,454	10,659,375	1,502,891	3,286,360	150,314,921	170,546,001
Transfers from related parties (Note 16)	3,126,953	20,151,013	-	6,037,078	-	-	29,315,044
Reclassification	1,963,466	(188,345,900)	240,354	163,046,050	-	(157,602,285)	(180,698,315)
Disposals/ Write-off	(3,504,630)	(23,690,518)	-	(597,572)	-	(3,502,887)	(31,295,607)
December 31, 2008	22,618,645	345,090,883	26,428,840	339,277,718	7,985,386	12,043,035	753,444,507
Accumulated depreciation and amortization							
January 1, 2008	6,746,448	76,650,684	7,011,376	16,048,534	2,738,120	-	109,195,162
Charges during the year	2,770,668	109,987,194	5,625,046	24,816,497	1,473,942	-	144,673,347
Transfers from related parties (Note 16)	-	5,717,028	-	439,684	-	-	6,156,712
Reclassification	-	(69,329,223)	-	-	-	-	(69,329,223)
Disposals/ Write-off	(1,243,647)	(8,797,960)	-	(573,750)	-	-	(10,615,357)
December 31, 2008	8,273,469	114,227,723	12,636,422	40,730,965	4,212,062	-	180,080,641
Net book values at December 31, 2008	P14,345,176	P230,863,160	P13,792,418	P298,546,753	P3,773,324	P 12,043,035	P 573,363,866

	Building and improvements	Mining and milling equipment	Power equipment	Roads and bridges and land improvements	Exploration equipment, and others	Construction in progress	Total
Cost							
January 1, 2007	P12,665,643	P 74,944,740	P 7,492,649	P 14,717,680	P2,982,343	P 27,904,331	P 140,707,386
Additions	-	531,147,646	4,150,082	141,704,613	1,716,683	20,373,003	699,092,027
Reclassification	8,367,213	323,477	3,886,380	12,866,978	-	(25,444,048)	-
Disposals	-	(74,222,029)	-	-	-	-	(74,222,029)
December 31, 2007	21,032,856	532,193,834	15,529,111	169,289,271	4,699,026	22,833,286	765,577,384
Accumulated depreciation and amortization							
January 1, 2007	6,334,712	56,108,348	6,940,196	11,942,093	2,712,275	-	84,037,624
Charges during the year	411,736	94,764,365	71,180	4,106,441	25,845	-	99,379,567
Reclassification	-	-	-	-	-	-	-
Disposals	-	(74,222,029)	-	-	-	-	(74,222,029)
December 31, 2007	6,746,448	76,650,684	7,011,376	16,048,534	2,738,120	-	109,195,162
Net book values at December 31, 2007	P 14,286,408	P455,543,150	P 8,517,735	P153,240,737	P1,960,906	P 22,833,286	P 656,382,222

In 2007, the Company revalued its property, plant and equipment based on estimated fair values as indicated in the independent appraiser's report dated December 13, 2007. Accordingly, the Company recognized net increase of P2,999,524 which was directly credited to the revaluation surplus, net of deferred taxes amounting to P1,285,510. Fair value was determined based on the asset's depreciated replacement cost, which is equal to the estimated amount of money needed to acquire in like kind and in new condition an asset or group of assets, taking into consideration current prices of materials, labor, overhead and all incidental costs associated with the asset's acquisition and installation in place.

Total revaluation surplus is not available for distribution to shareholders until fully realized.

Depreciation and amortization for the years ended December 31 were charged to:

	Notes	2008	2007	2006
Deferred exploration and development costs	9	P154,274,403	P104,394,353	P14,160,850
General and administrative expenses	17	7,007,115	10,931,432	4,436,715
		P161,281,518	P115,325,785	P18,597,565

In December 2007, the Company entered into an agreement with Sta. Clara International Corporation for the construction of the Maco Tailings Management Facility Phase 1 (facility) and ancillary works within the Company's mining area covered by the approved MPSA. The agreement provides for the contractor to furnish, deliver, place and complete any and all necessary materials, labor, plant, tools, appliances and equipment, supplies, utilities, transportation, superintendence, supervision and all other structures for the construction of said facility. As of December 31, 2008, the facility has been completed.

In March 2008, several mining equipments were destroyed by fire. These assets had remaining net book value of P14.9 million which were written-off and recognized as losses as part of general and administrative expenses in the statements of income (Note 17).

In December 2008, the Company reclassified various machineries and equipment such as drills and loader trucks with net book value of P111.4 million as assets held for sale, which have been determined will no longer be used in current operations. Correspondingly, the Company recognized impairment loss of P27.6 million in order to bring down its carrying amount to estimated fair value net of costs to sell. The impairment loss is shown as part of general and administrative expenses in the statements of income (Note 17).

Note 11 - Accounts payable and accrued liabilities

Accounts payable and accrued liabilities at December 31 consist of:

	2008	2007
Trade	P 63,828,169	P108,743,737
Retentions	14,396,561	4,772,348
Payable to government agencies	13,001,637	5,767,489
Accrued outside services and professional fees	4,346,867	4,637,810
Payable to employees	3,036,309	-
Other accrued liabilities	610,096	2,375,452
Others	4,584,625	5,558,193
	P103,804,264	P131,855,029

Note 12 - Deferred income tax; provision for income tax

On May 24, 2005, Republic Act No. 9337 (the Act), otherwise known as "Expanded Value Added Tax (EVAT) of 2005" amending certain sections of the National Internal Revenue Code (NIRC) of 1997, was passed into law and became effective on November 1, 2005. The following are the more salient provisions of the new Act that are relevant to the Company as amended subsequently by Republic Act No. 9361 effective November 21, 2006, which repealed the provision imposing the 70% cap on input tax that may credited every taxable quarter:

- Input tax on capital goods shall be claimed on a staggered basis over 60 months or the useful life of the related assets, whichever is shorter; and

- Increase of the VAT rate from 10% to 12% upon declaration of the President of the Republic of the Philippines. This rate increase happened effective February 1, 2006.

The same Act changed the normal corporate income tax from 32% to 35% effective November 1, 2005 and from 35% to 30% effective January 1, 2009, furthermore, provided the claim for input tax on capital goods which are depreciable assets for income tax purposes. The input tax will be claimed as credit against output tax in a manner prescribed by the relevant revenue regulation effective November 1, 2005.

On October 10, 2007, Revenue Regulation (RR) No. 12-2007 became effective and amended RR No. 9-98 by imposing a quarterly payment of MCIT starting the third calendar quarter of 2007. The RR also expanded the operational definition of gross income for purposes of calculating the quarterly MCIT to include all items of income enumerated under Section 32 (A) of the 1997 Tax Code except passive income and income exempt from income tax.

On December 20, 2008, RR No. 16-2008 on the Optional Standard Deduction (OSD) was published. The regulation prescribed the rules for the OSD application by corporations in the computation of their final taxable income. For corporations, OSD shall be 40% based on gross income; "cost of goods sold" and "cost of services" will be allowed to be deducted from gross sales. For taxable period 2008, the maximum 40% deduction shall only cover the period beginning July 6, 2008. However July 1, 2008 shall be considered as the start of the period when the 40% OSD may be allowed. The Company did not avail of the OSD for purpose of income tax calculation in 2008.

Deferred income tax assets and liabilities are determined using income tax rates in the period the temporary differences are expected to be recovered or settled.

Details of deferred income tax assets on deductible temporary differences, unused tax credit and losses as of December 31, which were not recognized in the Company's balance sheets, are as follows:

	2008	2007	2006
Unrealized foreign exchange losses, net	P 25,527,299	P 93,322	P -
Impairment of advances to officers and employees	1,177,211	-	-
Impairment of assets held for sale	8,272,102	-	-
Accrued retirement benefit	3,579,561	1,973,375	114,030
NOLCO	297,747,648	158,180,904	16,438,091
MCIT	665,065	665,065	748,729
	P336,968,886	P160,912,666	P17,300,850

Realization of the future tax benefits related to the deferred income tax assets is dependent on many factors including the Company's ability to generate taxable income within the allowed carryover period and determining whether realization of these deferred income tax assets will fall within the income tax holiday period. The Company's management has considered these factors in not recognizing deferred income tax assets for these temporary difference and unused tax losses and credits.

The Company's deferred income tax liabilities at December 31 are as follows:

	2008	2007	2006
Revaluation surplus on property, plant and equipment	P23,331,584	P24,099,578	P27,560,271
Unrealized foreign exchange gain	-	7,157,906	1,851,051
	P23,331,584	P31,257,484	P29,411,322

Total deferred income tax liability reversed from equity for the year ended December 31, 2008 amounted to P767,994 for the aggregate of depreciation directly transferred from revaluation surplus to retained earnings and unamortized portion of revaluation surplus for assets disposed during the year. For the year ended December 31, 2007, total deferred income tax liability charged to equity amounted to P3,460,693 for the appraisal increase of property, plant and equipment, net of depreciation directly transferred from revaluation surplus to retained earnings amounting to P749,560.

The details of NOLCO at December 31, which can be carried over as a deductible expense from taxable income for three consecutive years following the taxable year of incurrence, are as follows:

Year of incurrence	Year of expiration	2008	2007	2006
2003	2006	P -	P -	P 6,044,181
2004	2007	-	9,374,645	9,374,645
2006	2009	37,591,330	37,591,330	37,591,330
2007	2010	489,678,349	489,678,349	-
2008	2011	465,242,480	-	-
		992,512,159	536,644,324	53,010,156
less: expired portion		-	(9,374,645)	(6,044,181)
		992,512,159	527,269,679	46,965,975
Tax rate		30%	30%	35%
		P297,753,648	P158,180,904	P16,438,091

Where higher than normal income tax, the Company is required to pay MCIT equal to 2% of gross income as defined in the Tax Reform Act of 1997. The excess MCIT (difference between MCIT and normal income tax) can be claimed as tax credit against normal income tax within the three immediately succeeding taxable years.

The details of MCIT at December 31, which can be carried over as a deduction from income tax due for three consecutive years following the taxable year of payment, are as follows:

Year of payment	Year of expiration	2008	2007	2006
2004	2007	P -	P 83,664	P 83,664
2006	2009	665,065	665,065	665,065
		665,065	748,729	748,729
less: expired portion		-	(83,664)	[illegible]
		P 665,065	P 665,065	P 748,729

The reconciliation of provision for (benefit from) income tax calculated at the statutory rate to the actual provision for (benefit from) income tax in the statements of income follows:

	2008	2007	2006
Benefit from income tax computed at statutory income tax rate of 35%	P(123,052,498)	P (9,324,234)	P(18,232,029)
Additions (reductions) income taxes resulting from tax effects of:			
Unrecognized NOLCO and deductible temporary differences	168,765,905	174,283,948	14,019,724
Capitalized development cost	(85,004,230)	(159,260,703)	-
Various non-deductible expenses	2,832,979	804,738	2,072,112
Reversal of deferred tax liability on revaluation surplus	(749,560)	(943,859)	(786,638)
Interest ineome subjected to final tax	(20,697)	(3,908)	(11,687)
Loss on write-off of various assets	-	-	4,767,241
Change in tax rate	29,320,635	(1,058,148)	-
(Benefit from) Provision for income tax	P (7,907,466)	P 4,497,834	P 1,828,723

Note 13 - Retirement benefits

The Company has yet to establish a formal retiremeut plan for qualified officers and employees but provides for estimated retirement benefits based on the actuarial valuation calculated by an independent actuary using the projected unit credit method. The total retirement benefits are determined following the provisions of Republic Act No. 7641 (the Law) assuming a non-contributory defined benefit retirement plan. The Law specifies a normal retirement at age 65 with at least five (5) years of eredited service and provides for retirement benefit equivalent to one-half (1/2) month's salary.

The estimated liability for retirement benefits recognized in the balance sheets at December 31 is determined as follows:

	2008	2007	2006
Present value of funded obligations	P 21,508,157	P 12,298,521	P 967,154
Unreeognized net transition obligation	(384,812)	(513,083)	(641,354)
Unrecognized actuarial losses	(9,191,474)	(6,147,224)	-
	P 11,931,871	P 5,638,214	P 325,800

The retirement plan is unfunded as of December 31, 2008 and 2007.

Details of movement in the liability recognized in the balance sheets are as follows:

	2008	2007	2006
January 1	P 5,638,214	P 325,800	P -
Expense recognized for the year	7,962,254	5,312,414	325,800
Retirement benefits paid	(1,668,597)	-	-
December 31	P 11,931,871	P 5,638,214	P 325,800

Changes in the present value of estimated liability for retirement benefits are as follows:

	2008	2007	2006
January 1	P12,298,521	P 967,154	P -
Current service cost	6,590,919	5,115,282	967,154
Interest cost	1,019,547	68,861	-
Actuarial loss	3,267,767	6,147,224	-
Benefits paid	(1,668,597)	-	-
December 31	P21,508,157	P12,298,521	P 967,154

The amounts of retirement expense recognized in the statements of income as part of general and administrative expenses for the years ended December 31 are as follows (Note 17):

	2008	2007	2006
Current service cost	P 6,590,919	P 5,115,282	P 325,800
Interest cost	1,019,547	68,861	-
Actuarial loss	223,517	-	-
Net transition obligation recognized during the year	128,271	128,271	-
Retirement costs	P 7,962,254	P 5,312,414	P 325,800

The principal actuarial assumptions used are as follows:

	2008	2007	2006
Discount rate	11%	8.3%	7.1%
Future salary increases	10%	10.0%	10.0%

The Company has not yet determined its contribution, if any, to the plan assets for the year ending December 31, 2009. Assumptions regarding future mortality experience are set based on the 1960 Basic Group Mortality Table. Experience adjustment on benefit obligation for the year ended December 31, 2008 amounted to P16,593,223 (2007 - P9,092,795 and 2006 - nil).

Note 14 - Share capital

The Company's authorized share capital is P800 million divided into 800 million shares at P1 par value each consisting of 480 million Class "A" and 320 million Class "B" common shares.

The details of subscribed, issued and outstanding share capital at December 31 2008 and 2007 are shown below:

	No. of shares	Amount
Issued		
Class "A"	458,981,818	P458,981,818
Class "B"	295,731,885	295,731,885
	754,713,703	754,713,703
Subscribed		
Class "A"	2,199,178	2,199,178
Class "B"	5,361	5,361
	2,204,539	2,204,539
Total shares issued and subscribed		756,918,242
less: subscription receivable		(236,072)
		P756,682,170

Only Filipino citizens or entities with at least 60% Filipino equity are qualified to acquire, own, or hold Class "A" shares. Class "B" shares, on the other hand, may be acquired by Filipinos and non-Filipinos.

On February 27, 2002, the PSE approved in principle the listing of 459,539,841 common shares divided into 281,262,622 Class "A " shares and 178,277,219 Class "B" shares at P1 par value issued in connection with the conversion of liabilities to equity in 2000. However, the actual listing and trading of the shares shall take effect only upon the Company's compliance with certain requisites which include, among others, the submission of a copy each of the agreement entered into with a strategic investor implementing the proposed Business Plan and the renewed Mining Lease Contract or MPSA entered into with the Department of Environment and Natural Resources (DENR) through MGB evideneing the Company's capabilities to continue its mining operations, and the execution of an investment plan by the Company's controlling shareholders and related parties to comply with the maximum percentage ownership requirement. The PSE has given the Company two years from February 2002 to comply with the said requisites.

On February 27, 2004, the Company has requested the PSE to evaluate the operating agreements entered into by the Company as substitute for the required joint venture agreement with any strategic investor implementing the Company's Business Plan. Furthermore, the Company also requested the extension of time for another two years within which to submit the MPSA and the divestment plan to comply with the maximum percentage ownership requirement.

On February 21, 2006, the Company submitted its compliance with the requisites for actual listing and trading of the shares. The listing of the additional 459,539,841 common shares took effect on February 28, 2006 per PSE circular for brokers dated February 24, 2006.

Note 15 - Loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period, cxeluding ordinary shares purchased by the Company and held as treasury shares.

Estimation of loss per share for the years ended December 31 is as follows:

	2008	2007	2006
Net loss as shown in the statements of income	P(343,671,099)	P (31,138,533)	P (53,920,233)
Weighted average common shares - basic and diluted	756,682,170	756,682,170	756,682,170
Basic and diluted loss per share	P (0.45)	P (0.04)	P (0.07)

The basic and diluted loss per share are the same for the years presented as there are no potential dilutive common shares and the effect of such would be anti-dilutive.

Note 16 - Related party transactions

In the normal course of business, the Company transacted with companies which are considered related parties under PAS 24, Related Party Disclosures. A summary of the more significant transactions with related parties for the years ended December 31 follow:

	Note	2008	2007	2006
Transfers (to) from Mapula				
Materials and mining cost		P (10,629,893)	P105,429,967	P -
Funds		(3,993,793)	558,442,926	284,672,033
Property and equipment	10	-	9,456,988	-
Transfers from Teresa				
Property and equipment	10	23,610,958	517,012,449	-
Funds		672,511,345	276,902,951	29,573,168
Administrative expense		3,594,141	-	-
Employee advances		9,058,131	-	-
Materials and mining cost		79,522,209	-	-
Rent of equipment from Teresa		121,175,785	-	-
Transfers from (to) Crew Gold				
Property and equipment	10	(452,626)	-	-
Funds		309,723,915	-	-
Administrative expense		100,851,726	-	-
Payables		3,875,878	-	-

In 2007, Mapula transferred materials and various mining equipment to the Company amounting to P105,429,967 and P9,456,988, respectively, in connection with the rehabilitation of the Company's plant and facilities as part of the Company's development plan to put the mine into commercial operations next year. Further, 642 employees of Mapula were transferred to the Company. Accordingly, salaries and other employee related costs from date of transfer were recognized by the Company.

Also, in 2007, the Board of Directors of Teresa Crew Gold (Philippines), Inc. (Teresa), subsidiary of a shareholder, authorized the transfer of various machines and equipment amounting to P517,012,449 in accordance with the continuous development undertaken by the Company of the Maco Mines project.

The Company and Teresa entered into two agreements dated January and October 2008 wherein the latter will cease milling operations and lease its milling plant to the former; moreover act as the Company's export agent who will directly coordinate with the different government agencies for metal deliveries to identified refining agents based outside the country, for an aggregate consideration equivalent to 15% of proceeds received for shipments made. Consequently, approximately 422 employees were transferred from Teresa to the Company without any break on the length of service that these employees earned while working for Teresa. Moreover, the execution of this MOA effectively transferred milling operations including related administrative expenses to the Company (Note 17).

Shareholders and affiliates provide continuous advances to finance the Company's rehabilitation and refurbishing of the mine project and pre-commercial activities. These advances are non-interest bearing and considered payable on demand.

As of December 31, 2008, advances from Crew Gold, which are denominated in US Dollar, amounted to $15,369,281 (2007 - $7,758,120).

Year-end outstanding liabilities arising from these transaetions as of December 31 are as follows:

	Relationship	2008	2007
Crew Gold	Shareholder	P 734,586,295	P 320,587,400
Mapula	Shareholder	943,378,227	958,001,914
Teresa	Entity under common control	946,536,256	823,488,568
		P2,624,500,778	P2,102,077,882

The following are the components of compensation of the Company's key management personnel:

	2008	2007	2006
Salaries and short-term benefits	P 7,445,570	P 5,729,007	P 1,912,500
Post-retirement benefits	379,096	671,250	78,750
	P 7,824,666	P 6,400,257	P 1,991,250

There were no stoek options or other long-term benefits for key management personnel in 2008, 2007 and 2006.

Note 17 - General and administrative expenses

General and administrative expenses for the years ended December 31 consist of:

	Notes	2008	2007	2006
Salaries and allowances	16	P 71,062,430	P 11,534,758	P 3,763,758
Professional fees		32,255,753	5,932,664	10,048,911
Office supplies and consumables		31,273,803	3,303,232	670,389
Impairment loss on assets held for sale	10	27,553,672	-	-
Excise tax		15,845,038	-	-
Loss on write-off of property, plant and equipment	10	14,892,559	-	13,620,689
Freight and handling		10,849,163	-	128,642
Telephone and communication		8,593,290	-	-
Employee benefits	13	7,962,254	5,312,414	325,800
Representation and entertainment		7,237,060	364,374	108,307
Depreciation and amortization	10	7,007,115	10,931,432	4,436,715
Other taxes and licenses		5,893,436	1,196,518	283,716
Rental		5,423,422	3,778,753	3,639,641
Transportation and accommodation		4,348,655	1,367,442	231,436
Donations		2,242,243	346,394	3,250,585
Staff house		993,014	-	-
Repairs and maintenance		915,917	1,674,745	3,669,572
Royalties and honorarium		888,091	536,360	
Utilities		861,968	613,911	101,518
Directors fee		320,198	696,193	210,000
Dues and subscriptions		318,677	-	-
Environment and community relations		-	1,834,662	7,609,861
Gasoline, toll and parking		-	16,503	550,026
Damaged crops-tailings pond		-	-	2,915,062
Mill rehabilitation cost		-	-	1,173,444
Security services		-	-	30,000
Others		3,173,517	659,815	406,780
		P259,911,275	P 50,100,170	P 57,174,852

Note 18 - Contingencies

The Company is involved in various legal proceedings, claims and liabilities incidental to its normal business activities. The Company's management and legal counsel are of the opinion that the amount of the ultimate liability, if any, with respect to these, including those described below will not have a material adverse effect on the finaneial position and performance of the Company. As of December 31, 2008 and 2007, there were no provisions reeognized for these proceedings in the financial statements.

(a) On March 7, 2000, the SEC en banc rendered a final and executory decision in favor of one of the Company's minority shareholder. In 2007, PJS Investment Corporation has undertaken to assume any and all obligations covered by the decision. The 2008 and 2007 financial statements do not reflect any contingencies as a result of the SEC decision.

(b) The Company has two (2) MPSA applications pending approval by the MGB. These claims are subject of dispute over the Financial and Technical Assistance Agreement application of another mining company and are pending resolution under the Regional Panel of Arbitrators (the Panel). The Company has filed an Adverse Claim/Protest against the other mining company with the MGB regional office.

    On September 4, 1998, the Panel issued a decision dismissing the adverse claim of the Company. On July 21, 2006, the Company's legal counsel filed a motion for reconsideration and on July 28, 2006, the Panel issued an Order requiring the other mining company to file its comment/opposition to the motion filed by the Company. On March 31, 2007, the Panci conducted a clarificatory hearing between both partics. As of April 14, 2009, the case is still subject of appellate proceedings and for resolution of the Panel.

(c) The Company has a pending case with the Supreme Court (SC), involving the assessment for deficiency excise tax amounting to P47.22 million (including interest and surcharges). On October 20, 2005, the SC issued a decision in favor of the Commissioner of Internal Revenue. However, the Company appealed the decision, requesting that the excise tax on minerals it purchased from small scale miners for the period January to June 1988 amounting to P32.44 million be exempted from said tax. The Company and its legal counsel believe that the SC will favorably grant their motion for reconsideration. In 2005, the Company recognized a provision amounting to P12.18 million on this pending case, which was subsequently included in the net liabilities assigned to PJS Investment Corporation resulting from SPA entered into by Crew Gold and Mapula in 2005.

(d) In 2008, the Company received a Letter of Authority (LOA) from the Bureau of Internal Revenue (BIR) for the examination of its books as of and for the year ended December 31, 2007. Management believes that this does not warrant the recognition of any provision as the issuance of the LOA is only in line with the regular review function of the BIR and not considered a formal assessment.

Note 19 - Foreign currency denominated monetary assets and liabilities

The Company's foreign currency denominated monetary assets and liabilities at December 31 are as follows:

	2008	2007
Assets		
Cash	$ 61,713	$ 391,802
Receivables	189,250	212,068
	250,963	603,870
Liabilities		
Advances from shareholders and affiliate	(15,369,281)	(7,758,120)
Accounts payable and accrued liabilities	(17,220)	(42,860)
	(15,386,501)	(7,800,980)
Net foreign currency denominated monetary liabilities	$ (15,135,538)	$ (7,197,110)
Peso equivalent	P 719,240,766	P297,096,700

At December 31, 2008, the exchange rate was P47.52 per $1.00 (2007- P41.28 per $1.00).

SECOND SECTION

Schedule E

APEX MINING CO., INC.

OTHER ASSETS
DECEMBER 31, 2008

			Deductions		
	Beginning Balancc	Additions (at cost)	Charged to cost and expense	Charged to other accounts	Ending Balance
Deposits	P 6,359,971	P5,480,000	P -	P -	P11,839,971
Intangible assets	3,727,869	-	(1,242,623)	-	2,485,246
	P10,087,840	P5,480,000	P(1,242,623)	P -	P14,325,217

Schedule G

APEX MINING CO., INC.

INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2008

Related party	Balance at beginning of period	Balance at end of period	Description
Crew Gold Corporation	P 320,587,400	P 734,586,295	Increase is due to additional advances extended for daily working capital requirements and funding for on-going development and rehabilitation activities of the mine project.
Teresa Crew Gold (Philippines), Inc.	823,488,568	946,536,256	Additional charges refer to costs of materials and equipment transferred during the year and rent charged against the Company for the lease of milling equipment.
Mapula Creek Gold Corporation	958,001,914	943,378,227	
	P2,102,077,882	P2,624,500,778	

Schedule I

APEX MINING CO., INC.

CAPITAL STOCK
DECEMBER 31, 2008

Title of issue	Number of shares authorized	Par value	Total number of sbares subseribed, issued and outstanding as shown under related balance sheet caption	Number of shares reserved for option warrants, conversions and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock							
Class "A"	480,000,000	P 1	461,180,996	-	338,729,592	1,197	122,450,207
Class "B"	320,000,000	P 1	295,737,246	-	211,534,806	-	84,202,440
Total shares subscribed, issued and outstanding	800,000,000		756,918,242	-	550,264,398	1,197	206,652,647
less: subscriptions receivable			(236,072)	-	-	-	-
			756,682,170		550,264,398	1,197	206,652,647