

APEX MINING CO., INC.

POLICY

TITLE	CODE OF BUSINESS CONDUCT AND ETHICS (Supersedes CODE OF CONDUCT HANDBOOK)
EFFECTIVE DATE	IMMEDIATELY

I. POLICY STATEMENT

APEX Mining Company, Incorporated (the Company) is committed to conducting business that complies with applicable laws, rules and regulations, and high ethical standards. The Company binds itself to this commitment - to implement business strategies, operating procedures and practices guided by good corporate governance, without compromising business ethics. It shall pursue its corporate vision and mission based on ethical standards and principles.

The Code of Business Conduct and Ethics (the Code) shall serve as the Company's framework on how we do business. The Company mandates full compliance of the Code and for all Covered Personnel to uphold the basic principles embedded in the Code at all times - integrity, dedication, honesty, excellence, respect and care.

This Code shall be implemented together with the CODE OF DISCIPLINE attached here as *Annex A*, which contains the procedures, penalties, and disciplinary actions for each type of violation committed by Covered Personnel.

II. OBJECTIVE

The Company's reputation is one of its most valuable assets and is founded largely on the upright and ethical behavior of its employees who represent the Company at all times and in all places. The Code shall serve as guidance on how to conduct oneself in dealing and interacting with colleagues, peers, vendors, government agencies, community members, and other stakeholders. It is thus the Company's objective that the underlying ethical principles in the Code be integrated in our daily activities, and promote a culture of accountability and mutual respect for each other and for other stakeholders as well.

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III. SCOPE

- A. The Code shall apply to all directors, officers, employees (regular and temporary), contractors, consultants, and its subsidiaries (the Covered Personnel).
- B. The Code defines the behavior expected of every Covered Personnel in the Company.
- C. The Code provides a fair, just and objective mechanism to address infractions while ensuring due process and implementation of corrective measures.
- D. The Code shall be implemented in conjunction with other relevant Company policies and guidelines, and Philippine Labor Laws.

IV. ACCOUNTABILITY

- A. All Covered Personnel shall be accountable in adhering to the Code including reporting any violation thereof.
- B. The Human Resources (HR) and Administration (Admin) shall be jointly responsible in ensuring that full compliance and adherence are strictly observed.
- C. All managers and supervisors shall be accountable over their staff behavior and shall be responsible in the dissemination and implementation of the Code.

V. GUIDELINES

A. BUSINESS INTEGRITY

1. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The Company, as well as all Covered Personnel, are obligated to understand and comply with all the Philippine laws, rules and regulations applicable to the Company's mining operations. Strict adherence is mandated.

2. CONFLICT OF INTEREST

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, with the interests of the Company. Acts constituting conflict of interest may cause a Covered Personnel to make decisions based on personal gain rather than in the best interest of the Company.

A conflict of interest shall be considered material if the Covered Personnel's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.

Under the Company's Conflict of Interest policy, all transactions which are or may have the potential of being deemed as conflict of interest transactions are prohibited. All business decisions must not be motivated by personal considerations and other relationships that can interfere with their independent judgment.

In case of conflict, the policy requires all Covered Personnel to disclose any actual or potential instances and/or situations where they may have a conflict of interest or the appearance of a conflict of interest as soon as they become aware of such actual or potential instances and/or situations.

Any Covered Personnel who has a continuing conflict of interest should seriously consider resigning from his position.

- *Please refer to Annex B – Conflict of Interest Policy.*

3. NON RETALIATION POLICY

The Company prohibits retaliation against an employee and/or whistleblower who, in good faith, reports a concern, suspected violations or raise concerns about misconduct at work.

Any reprisal or retaliation against an employee and/or whistleblower will be subject to disciplinary action, including possible termination of employment. Retaliation is a serious violation of the Code and will not be tolerated in any form.

The Company adopted the Grievance Policy and Whistleblower Protection Policy, both of which confirm its commitment to provide a culture of respect and transparency in dealing with employee's complaints, issues and concerns.

Please refer to:

- *Annex C – Whistleblower Protection Policy*
- *Annex D – Grievance Policy*

4. FAIR DEALING

Fair dealing is the act of transacting business in a manner characterized by candor, full disclosure and free of self-dealing.



All Covered Personnel must perform their duties and responsibilities with the highest degree of integrity at all times. This includes dealing fairly with the Company's suppliers, vendors, contractors, and co-employees. It is prohibited for any Covered Personnel to take advantage of his position through manipulation, concealment, disclosure, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practices.

Any Covered Personnel found to be guilty of practicing unfair dealings will be subject to disciplinary action and possible termination of employment.

5. GIFTS, ENTERTAINMENT AND HOSPITALITY

All Covered Personnel are prohibited from accepting and/or soliciting gifts from the Company's business partners (suppliers, vendors, contractors, etc.) as these can be perceived as unfairly influencing a business relationship.

Business gifts and entertainments are customary courtesies which may compromise the employee's ability to make objective and fair business decisions on behalf of the Company.

6. BRIBERY AND CORRUPTION

The Company strictly prohibits activities involving bribery, corruption and payment of secret commission. It is the Company's policy that it shall not pay, offer to pay, or promise to give anything of value, directly or indirectly, to any third party or government agencies for the purpose of obtaining, retaining or securing under advantage in connection with the Company's business operation.

Any Covered Personnel found guilty of this offense will be subject to disciplinary action and/or possible termination of employment.

7. CONFIDENTIALITY

All Covered Personnel are mandated to maintain any confidential information in strict confidence, unless authorized by the Company. Confidential information includes, among others, any non-public information relating to the Company's operation, financial reports, business prospects, business strategies, internal communications, personal information of employees and third parties, and any material information that may affect the price of the Company's shares of stocks, management decisions and the like.

All Covered Personnel are obligated to safeguard confidential information even after retirement or separation from the Company.

Any Covered Personnel found guilty of this offense will be subject to disciplinary action and/or possible termination of employment and possible civil liability.

8. RELATED PARTY TRANSACTIONS

The Company has a Related Party Transactions Policy which shall apply to any related party transaction where the Company is a participant, and a Covered Personnel or Related Person has or will have a direct or indirect material interest.

Each Covered Personnel shall promptly notify the Compliance Officer of any material interest that such person or an Immediate Family Member of such person had, has or may have in a Related Party Transaction (RPT). The notice shall include a description of the transaction and the aggregate amount. Depending on the total aggregate amount, such RPT will either be reviewed and approved by the Board RPT Committee or by the President together with the Chief Financial Officer and Resident Manager.

In determining whether to approve or reject an RPT, the RPT Committee shall take into account whether the RPT is entered into on terms no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances; the results of an appraisal, if any; whether there was a bidding process and the results thereof; review of the valuation methodology used and alternative approaches to valuation of the transaction; and the extent of the Related Person's interest in the transaction.

- *Please refer to Annex E – Related Party Transactions Policy.*

B. DEALING WITH CO-EMPLOYEES AT WORK

1. EQUALITY AND NON-DISCRIMINATION

The Company recognizes the diversity of its employees in terms of age, gender, ancestry, culture, religion, education, physical and mental abilities. It is committed to provide equal treatment and maintain a workplace free from any form of discrimination. All employees must be treated with dignity and respect. Covered Personnel are required to practice mutual respect among themselves regardless of an individual's background and orientation.

This policy also applies to the Company's manpower recruitment, training, promotion, working conditions, compensation, benefits, and all other aspects of employment and employee relations.

Any aggrieved party may file a complaint with the HR Department and follow the procedures under the Grievance Policy attached here as Annex D.

2. SEXUAL HARASSMENT

The Company values the dignity of employees and respects their rights. It is committed to providing a safe environment for all workers free from any form of discrimination and harassment, including sexual harassment.

The Company has adopted its Sexual Harassment Policy based on the definition of sexual harassment set forth in Section 3 of R.A. 7877. It states that sexual harassment in a workplace is committed by an employer, employee, manager, supervisor, agent of the employer, or any other person who, having authority, influence or moral ascendancy over another in a work environment, demands or otherwise requires any sexual favor from the other, regardless of whether the demand, requests or requirement for submission is accepted by the victim.

The Company will not tolerate any behavior that amounts to sexual harassment and any officer or employee found to have committed sexual harassment shall be subjected to disciplinary action which may result to termination of employment. It commits to increase awareness of the value of respecting the dignity of each worker as a pro-active measure to prevent incidents of sexual harassment.

- *Please refer to Annex F – Sexual Harassment Policy.*

3. PROTECTION AND PROPER USE OF COMPANY ASSETS

All Covered Personnel shall protect the Company's properties from theft, loss, damage, misuse, and waste. They shall safeguard these properties and ensure their efficient use for Company business purposes only. The use of Company funds and/or properties for personal or illegal purpose is strictly prohibited and shall be considered ground for disciplinary action or termination of employment for extreme cases.

4. ELECTRONIC AND INTERNET SERVICES

The Company shall provide internet access and email service to its employees for business purposes only. Employees are discouraged from using these services for personal use.

The following inappropriate use of internet while at work or inside the Company premises are strictly prohibited and shall be ground for disciplinary action: viewing/ downloading of pornographic, defamatory, obscene or offensive materials, online gambling and any illegal or illicit activity.

C. ALCOHOL AND ILLEGAL DRUGS

The Company prohibits the use of substances like alcohol and illegal drugs among its employees which may impair a person's ability to execute their duties safely and behave properly. All Covered Personnel reporting for work must be free from the influence of alcohol or illegal drugs. Mere possession of these substances inside the Company premises is strictly prohibited and can be grounds for disciplinary actions and/or termination of employment.

Employees are encouraged to report to the HR Department any suspicious presence of these substances inside the Company premises or report any co-workers engaging in the consumption of these substances.

D. OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

1. RISK MANAGEMENT

The Company is subject to certain risks that affect its ability to operate, serve its clients, and protect its assets. These include occupational, safety, and health risks to employees.

In line with this, the Company shall endeavor to identify all risks and properly manage these risks in order to ensure a safe workplace for the employees. This also includes identifying potential environmental threats and other hazards to operations based on world standards and best practices.

Management has the ultimate responsibility to control risks. Control includes making decisions regarding which risks are acceptable and how to address those that are not. Those decisions can be made only with the participation of the entire workforce because each employee understands the risks of his or her own tasks better than anyone else in the Company. Each is responsible for reporting any unsafe conditions they see. Also, each is encouraged to suggest ways in which we can operate more safely.

The Company is committed to the careful consideration of everyone's suggestions, and to taking appropriate action to address risks.

Accidents and other situations involving loss or near-loss will be investigated as part of the effort to manage risks.

Please refer to:

- *Annex G – Quality, Environment, Safety and Health Policy*
- *Annex H – Safety Corrective Action Plan*
- *Annex I – Risk Management Policy*

2. ENVIRONMENT RESPONSIBILITY

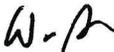
The Company is committed to protect the environment and minimize the effects of its mining operation to the environment and the community. In this regard, the Company institutes tree planting, reforestation, biodiversity and related ecosystem services and conduct environmental audit regularly to measure our compliance with our policies and standards.

As additional contribution to the preservation of the environment, the Company also directs its offices to implement the following sanitary rules: (a) proper disposal and segregation of wastes (based on DENR-RA 9003); (b) maintenance of plants around the camp; (c) No Smoking signs (except on smoking area); (d) no spitting in public places; (e) no urinating other than in the toilets; (f) no littering; and (g) recycling, among others.

All Covered Personnel are required to cooperate and strictly follow these sanitary rules and proper housekeeping of work areas. Any violation may be used as a ground for disciplinary action.

VI. AMENDMENT TO THE POLICY

The Company reserves its right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever and the same will be posted on the Company's website.

Prepared by:	Reviewed and Endorsed by:	Approved by:
 REYNALDO C. ROMERO HR Manager/CG Date: _____	 GIL A. MARVILLA SVP & Resident Manager Date: _____	 WALTER W. BROWN President & CEO Date: <u>10/11/12</u>