

COVER SHEET

SEC Registration Number

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COMPANY NAME

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I	D	I	A	R	I	E	S																						

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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E	x	c	h	a	n	g	e		R	o	a	d	,		O	r	t	i	g	a	s		C	e	n	t	e	r	,	
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Form Type

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Department requiring the report

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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

rnmigrino@apexmining.com

Company's Telephone Number

706-2805

Mobile Number

N/A

No. of Stockholders

Annual Meeting (Month / Day)

6/30

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Renato N. Migrino

Email Address

rnmigrino@apexmining.com

Telephone Number/s

706-2805

Mobile Number

N/A

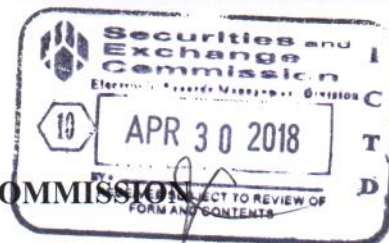
CONTACT PERSON'S ADDRESS

3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION



SEC FORM 17-A

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

1. For the calendar year ended: **December 31, 2017**
2. Date of this report: **April 30, 2018**
3. Commission Identification Number: **40621**
4. BIR Tax Identification No.: **000-284-138**
5. Exact Name of Registrant as specified in its charter: **APEX MINING CO., INC.**
6. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
7. Industry Classification Code: (SEC Use Only)
8. Address of registrant's principal office: **3304B West Tower PSE Centre, Exchange Road, Ortigas Center, Pasig City,**
Postal Code: **1605**
9. Telephone number, including area code: **Tel. # (02) 706-2805 Fax # 706-2804**
10. Former name, former address and former fiscal year, if changed since last report. **N/A**
11. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding

Common shares
Debt outstanding

6,227,887,491
₱3,863,628,793

12. Are any of the issuer's securities listed on a Stock Exchange? **Yes [X]** **No []**

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange / Common shares

Part I – BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Corporate Information and Business Development

Apex Mining Co., Inc. (the “Parent Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 26, 1970 under the name Apex Exploration & Mining Company until 1978 when this was changed to the Parent Company’s present name, Apex Mining Co., Inc.

The Parent Company was incorporated 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.

The Parent Company currently operates the Maco Mines in Maco, Compostela Valley.

On March 7, 1974, the Parent Company listed its shares in the Philippine Stock Exchange (PSE) and attained the status of being a public company on the same date. At that time, the Parent Company was considered the second largest gold producer in the Philippines.

In 1991, the Parent Company ceased operation of the Maco mine due to the prolonged depressed gold price.

In 2005, Crew Gold Corporation (Crew Gold), an entity incorporated in Canada, and its associated Philippine company, Mapula Creek Gold Corporation (Mapula), acquired 28% and 45% of the Parent Company’s shares, respectively, by virtue of a share purchase agreement with the Puyat group, the previous majority shareholder. In 2006, Crew Gold organized Teresa Crew Gold Philippines, Inc. (Teresa) as a subsidiary to support the rehabilitation of the Parent Company’s mining properties and the refurbishing of the Maco mine’s processing plant.

In January 2009, Teresa commenced productive operations of the Maco mine. In October 2009, Crew Gold sold its holdings in Teresa and Mapula to Mindanao Gold Ltd. (Mindanao Gold), a special purpose company formed in Malaysia by Abracadabra Speculative Ventures, Inc. (ASVI) of Malaysia.

In November 2011, Monte Oro Resources & Energy, Inc. (MOREI), a Philippine company, acquired its initial 5% ownership in the Company, the proceeds of which were used for capital expenditures for the existing mine and mill, and for exploration drilling program of the Maco mine properties. In December 2011, the Philippine Securities & Exchange Commission approved the articles of merger between Teresa and the Company, with the Company remaining as the surviving entity to take effect on January 1, 2012.

In October 2013, MOREI management was voted to take over management of the operation of the Company by the stockholders. In April 2014, MOREI acquired substantial ownership in the Company held by Mapula. At this point, MOREI became the significant shareholder, controlling 46.5%, of the Company.

In October 2014, the Company acquired 100% ownership of MOREI, and Prime Metroline Holdings, Inc. (PMHI) and other MOREI shareholders used the proceeds of the sale of their shares in MOREI to subscribe to new shares in the Company and in the process acquire control of the Company, diluting to a small minority the ownership of Mindanao Gold and Mapula.

Business of Issuer

Products

The Parent Company's mine produces bullions containing gold and silver. All of the Parent Company's production, as well as the incidental production of its wholly-owned subsidiary, ISRI, in 2017 were smelted and refined by Heraeus Ltd. in Hong Kong.

Competition

Competition among mining companies is inexistent as each mining company operates in its own individual areas or tenements granted to them by the Philippine government. The competition is in obtaining such Mineral Production Sharing Agreement (MPSA) from the government. A mining company with no MPSA, mining patents or other tenement will not be able to operate.

Development Activities

Expenditures for the development activities by the Parent Company in the last three calendar years and its percentage to revenue are shown in the following table:

Year	Development Cost	Revenue	Percentage
2017	₱494,516,560	₱4,122,188,125	12%
2016	526,137,775	3,522,050,654	15%
2015	809,884,075	2,430,097,329	33%

Sources of Materials and Supplies

Operating materials and supplies, and equipment and maintenance parts are provided by a number of suppliers both domestic and foreign.

Employees

Total manpower headcount as of December 31, 2017 is 1,861. The table below summarizes the distribution of the Parent Company's manpower count as to department and rank.

Division/Department	R&F	Supervisor	Manager	Total
Head Office	4	10	10	24
Mine Division	849	148	18	1,015
Mill Division	147	32	10	189
Power & Electrical.	139	26	4	169
Technical Services Group	113	40	6	159
Admin & Support Services	179	100	26	305
Total	1,431	356	74	1,861

Status of Operations

A. Mining Properties

Maco Mine

On December 22, 2005, the Mines and Geosciences Bureau (MGB) approved the Parent Company's application for a Mineral Production Sharing Agreement (MPSA) covering 679.02 hectares of land situated in Maco, Compostela Valley. On June 25, 2007, the MGB approved the Parent Company's second application for a MPSA covering an additional 1,558.50 hectares of land near the area covered by the first mineral permit.

As at December 31, 2017, the Parent Company holds MPSA Nos. 225-2005-XI and 234-2007-XI, which have terms of 25 years from the effective date. The said MPSAs are valid and subsisting.

ISO Certification

In a letter dated September 30, 2016, Certification International Philippines, Inc. awarded the Parent Company a Certificate of Registration to ISO 14001:2015 valid from with the following scope: "Exploration activities; underground mining; milling and recovery/smeltering of gold and silver using carbon-in-pulp process; mine waste and mill trails management; and all support services." The certificate is valid for three years until September 29, 2019, subject to satisfactory results of annual surveillance audits. As a certified organization, the Parent Company is required to maintain its environmental management system and comply with the other conditions of the certification by Certification International.

Department of Environment and Natural Resources (DENR) Audit

On October 18, 2016 the Parent Company received a letter dated October 3, 2016 from the DENR furnishing a copy of the report on the mine audit conducted by the agency of the Parent Company's Maco mine in August 2016 pursuant to DENR Memorandum Order No. 2016-01 regarding "Audit of All Operating Mines and Moratorium on New Mining Projects" issued on July 8, 2016. Along with other minor findings, the report recommended to allow the continued operation of the mine which confirms the earlier press releases made by the DENR, the Parent Company's Maco mine can continue with its operations together with the other mines that have not been suspended.

The continuation of the Parent Company's operations was reaffirmed by the DENR in its press conference on February 2, 2017.

Itogon Mines

ISRI, an entity incorporated in the Philippines, is a holder of four (4) Patented Mineral Claims, MPSA No. 152-2000-CAR, pending application for the 3rd renewal of its Exploration Permit, APSA No. 0103-CAR, APSA No. 0067-CAR, EXPA No. 031, EXPA No. 030, and EXPA-000048-V. Also, ISRI owns the mining facilities in Sangilo, Itogon, Benguet, which suspended operations and was on care and maintenance since 2013.

Following the acquisition of ISRI by the Parent Company in June 2015, the rehabilitation and refurbishment of the Sangilo mine commenced in October 2015 and is currently in progress.

ISO Certification

In a letter dated April 27, 2017, TÜV Rheinland Philippines Inc., awarded the Company a Certificate of Registration to ISO 14001:2015 with the following scope: “Exploration, Mining and Mineral Processing” and “Provision of Mining Exploration and Project Development Activities”. The certificate is valid until March 30, 2020, subject to satisfactory results of annual surveillance audits. As a certified organization, the Company is required to maintain its environmental management system and comply with the other conditions of the certification by TÜV Rheinland Philippines Inc.

Paracale Gold Project

MOREI wholly owns Paracale Gold Limited (PGL), a British Virgin Islands (BVI) company, which wholly owns Coral Resources Philippines, Inc. (CRPI) and has a 40% interest in Bulawan Mineral Resources Corporation (BMRC). PGL has advances to, and an option to buy over the other 60% shareholdings, in BMRC. These include qualifying shares which are recorded in the names of nominee directors.

The mine project of PGL is located in Jose Panganiban, Camarines Norte. BMRC handles all tenements while CRPI is the owner/operator of a mineral processing plant.

As at December 31, 2017, BMRC currently holds 25 tenements in various stages of application. It is currently working on the processing and approval of pending applications, plus alternative options such as Special Mines Permits and ores from legal small scale mining operations.

Mongolia Project

The Khar At Uui Gold Project is registered under the joint venture company Erdeneminas LLC, which is owned 51% by Minas de Oro Mongol LLC (Minas), a wholly-owned subsidiary of MOREI, and 49% by Erdenejas LLC, a Mongolian exploration company.

As at April 10, 2018, the project is currently under continued care and maintenance until such a time when it can be presented to potential buyers.

Sierra Leone Project

The Gori Hills project is located in the Republic of Sierra Leone in West Africa. MOREI, through its 90%-owned subsidiaries Monte Oro Mining Co., Ltd. (MOMCL) and MORE Minerals SL (MMSL), has been conducting artisanal mining and exploration activities in the project areas since 2010.

The project activities were suspended in 2014 due to the outbreak of the Ebola virus crisis. Following the declaration by the World Health Organization of the end of the Ebola crisis in 2015, MOMCL obtained in November 2017 the exploration license certificate to conduct exploration on the project area for a period of four years and any renewal thereof.

Myanmar Project

The Modi Tuang Gold Project is located in the Yementhin Township, Mandalay Division, south east of Mandalay and north of Yangon, Myanmar. The Project is controlled by National Prosperity Gold Production Group Ltd. in which the Company has a 3.92% equity interest.

Uganda Project

MOREI has interest in the Gold Mines of Uganda Ltd. (GMU) in the form of advances amounting to \$2,025,000 made to this company.

GMU owns significant gold related assets and gold resources in Uganda. In May 2016, GMU and MORE entered into a Memorandum of Agreement whereby both parties agreed to combining their Africa mineral interests and working toward creating a mining company that will be listed and marketed to international investors and enabling GMU to raise capital funding through the listing. There has been no further development in the regard as at April 10, 2018.

B. Oil and Gas

Service Contract (SC)

MOREI has a 30% participating interest in SC 72, a service contract for gas in the offshore area called Sampaguita Fields of Palawan in the West Philippine Sea. Forum (GSEC 101) Ltd. holds the remaining 70% participating interest and is the operator of the SC. The transfer of 30% participating interest in SC 72 from Forum (GSEC 101) Ltd. to MOREI was approved and confirmed by the Department of energy (DOE) on October 5, 2015 (see Note 30).

In February 2015, Forum Energy Plc, the parent company of Forum (GSEC 101) Ltd., received a letter from the DOE confirming the suspension of offshore exploration activities in the disputed areas of the West Philippine Sea while the arbitration case between the Philippines and China remains pending. The force majeure became effective from December 15, 2014 to remain until the date when the DOE notifies Forum (GSEC 101) Ltd. to resume operations. On July 12, 2016, the United Nations International Tribunal for the Law of the Sea (ITLOS) ruled that Reed bank, where SC 72 is located, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Sea. As at April 10, 2018, the DOE, however, has not yet lifted the force majeure.

The administration of President Rodrigo Roa Duterte has embarked on a mission to improve diplomatic and business relationship with China. The government has de-emphasized the Philippine's victory in the ITLOS and instead started direct talk with China for economic cooperation. This has led to active talk from the Executive Department (the President, the Secretary of Foreign Affairs, and the Presidential Spokesman) about "joint exploration" in the South China Sea/West Philippine Sea. If China and the Philippines are able to arrive at a mutually acceptable arrangement for the exploration, development and exploitation of gas resources at the South China Sea/West Philippine Sea, MOREI, and ultimately the Parent Company, will benefit as holder of 30% participating interest in SC 72.

C. Others

Solid Waste Management

MOREI owns 52% of International Cleanenvironment Systems, Inc. (ICSI) which has a Build-Operate-Transfer agreement with the Philippine government through the DENR to manage, rehabilitate and introduce ecologically friendly technologies for waste disposal of municipal solid waste in Metro Manila. The contract is for a period of 25 years starting from the completion of the Philippine government of its deliverables to ICSI with the option to renew for another 25 years. As at April 10, 2018, ICSI has not yet started operations.

Government Regulations and Approvals

Compliance with existing governmental regulations entails costs to the Group which are appropriately reflected either as expense or as capital asset based on the related financial reporting standards. Future and probable government regulations are considered but the effects cannot be determined until the specific implementing guidelines are known.

Exploration and Development

Exploration and development are undertaken in-house and overseen by the Parent Company's EVP-Geology, Exploration and External Affairs, Dr. Graciano P. Yumul, Jr.

Operations

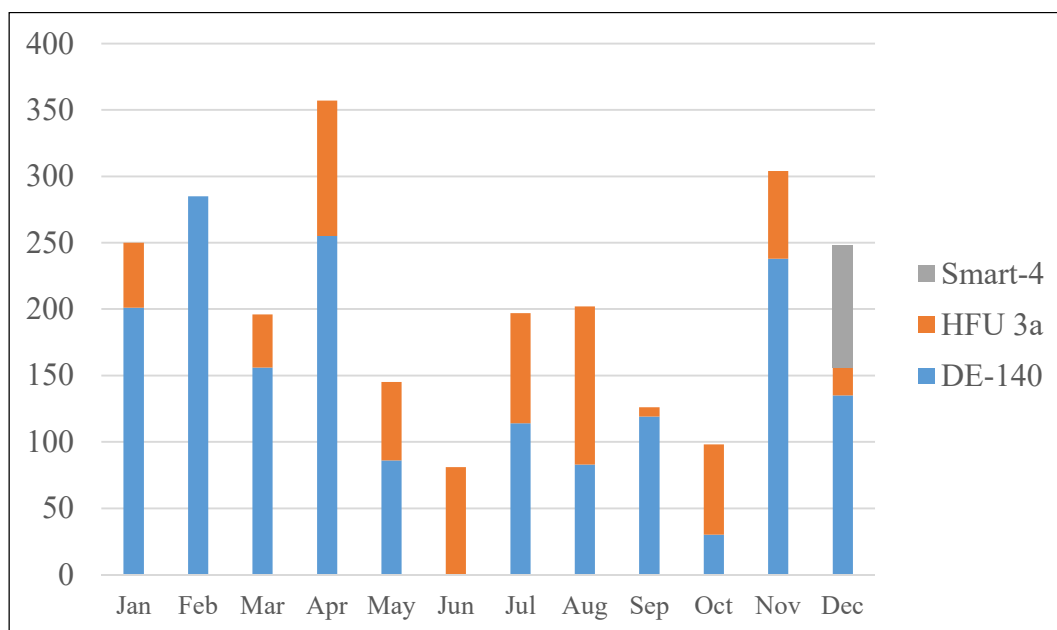
Geology and Exploration

Underground drilling was focused on near-mine extensions of the gold-bearing quartz and breccia veins. One unit each of DE-140, HFU-3a and Smart-4 rigs were dedicated to evaluate the continuity of the Masarita 2, Maria Inez and Bibak veins in terms of lateral and down dip extensions. A total of 11 holes were completed for the year 2017, and 15 holes in 2016.

These holes have indicated additional resources which will guide further in-fill drilling to qualify for inclusion in the resource model. Total meters of diamond drilling advanced in MPSA 225 was 2,489 meters from 11 holes in 2017, and 2,408 meters from 15 holes in 2016.

Below is the breakdown of the diamond drilling accomplishment for the year 2017 in meters advanced per drill rig.

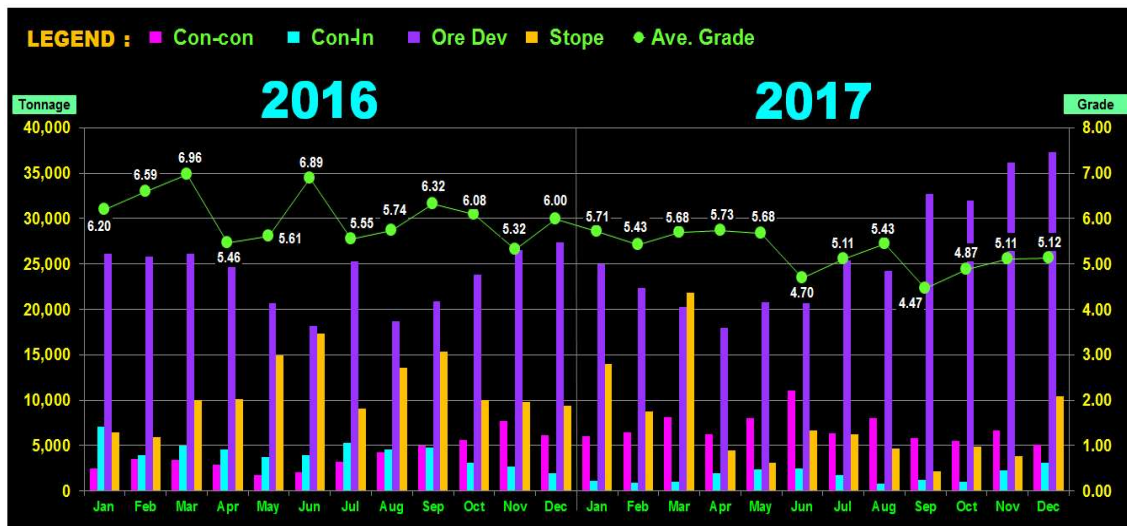
Rig	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
DE-140	201	285	156	255	86	–	114	83	119	30	238	135	1,702
HFU 3a	49	–	40	102	59	81	83	119	7	68	66	21	695
Smart-4	–	–	–	–	–	–	–	–	–	–	–	92	92
Total	250	285	196	357	145	81	197	202	126	98	304	248	2,489



Mining Operations

The total mine production in was 509,066 tonnes with an average grade of 5.24 grams per tonne (gpt), and 514,327 tonnes of gold ores with an average grade of 6.06 gpt, in 2017 and 2016, respectively.

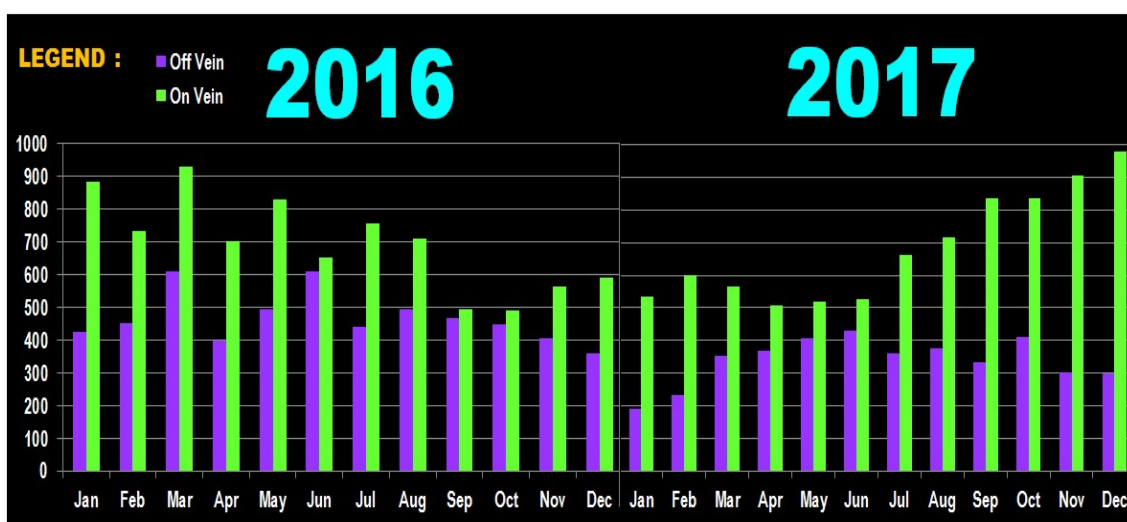
Below is the graph of the ore sources of the mine in 2017 and 2016.



Below is the summary of ore sources production and average grade of mined ore.

Ore sources	2017			2016		
	Tonnage	Gpt of gold	% to Total	Tonnage	Gpt of gold	% to Total
Ore development	314,713	4.75	62%	172,982	7.86	34%
Stoping	90,930	5.81	18%	98,076	8.72	19%
Conventional - Contract	83,423	6.46	16%	33,853	7.58	7%
Conventional - In-house	20,000	5.30	4%	31,729	7.45	6%
Incidental ore	—	—	—	12,436	5.62	2%
Blending ore	—	—	—	165,251	2.04	32%
	509,066	5.24	100%	514,327	6.06	100%

In 2017 and 2016, mine development on waste (off-vein) access drives advanced 4,062 and 5,602 meters, respectively, while mine development on ore (on-vein) drives advanced 8,123 and 8,326 meters, respectively.



Mill Operations

Below is the summary of the mill production metrics in 2017 with comparative 2016 and 2015 figures.

	2017	2016	Change	2015	Change
Tonnage:					
Total	578,893	452,948	+28%	316,147	+43%
TPD	1,693	1,373	+23%	1,073	+28%
Mill head grade (gpt):					
Gold	3.90	4.68	-17%	5.38	-13%
Silver	23.99	29.98	-20%	34.47	-13%
Recovery percentage:					
Gold	82.81	80.25	+3%	78.55	+2%
Silver	70.91	71.74	-1%	63.48	+13%
Ounces produced:					
Gold	60,185	54,681	+10%	43,048	+27%
Silver	315,525	309,623	+2%	224,479	+38%

The major activities that were undertaken by the Parent Company in 2016 to resolve bottlenecks and improve recovery and production in its mill plant, were significant to the Parent Company's attaining its level of production and efficiency in 2017:

Mineral Resource and Ore Reserves update for 2017

As of December 31, 2017 the estimated mineral resource amounted to 2.47 million tonnes at a grade of 5.4 gpt, while the estimated ore reserves amounted to 1.37 million tonnes at a grade of 7.1 gpt both from respective Competent Person (CP) reports dated August 2017 and July 2017, respectively.

The modifying factors that were applied are the dilution factor assigned per type of mining method (Long Hole, Cut & Fill, Shrinkage, Sub-level Caving), provision for pillar, and a block cut-off grade of 3.0 gpt. Meanwhile the mineral resource was estimated using a block cut-off grade of 1.5 gpt.

Below is the summary of the latest estimated mineral resources and ore reserves of the Maco mine. The ore reserves are derived from and not additional to the declared mineral resources.

Estimated Mineral Resources @ Cut-Off Grade of 1.5 gpt

Category	Grade (gpt)	Tonnes	Estimated gold (in ounces)
Inferred	4.9	1,130,000	179,503
Indicated	5.4	910,000	159,159
Measured	6.5	430,000	90,138
Total / Average	5.4	2,560,000	428,800

The above figures were lifted from the technical report duly notarized on August 11, 2017 on the exploration results and mineral resources of the Parent Company's operating gold mine in Compostela Valley compliant with the Philippine Mineral Reporting Code (PMRC) prepared and submitted by Mr. Rolando Pena, a registered Geologist with License No. 068 and is an accredited CP on Exploration Results and Mineral Resource Estimation with the PMRC/Geological Society of the Philippines CP Registration No. 07-08-08.

Estimated Ore Reserves @ Cut-Off Grade of 3.0 gpt

Category	Grade (gpt)	Tonnes	Estimated gold (in ounces)
Probable	6.9	1,100,068	242,811
Proven	8.1	268,663	69,735
Total / Average	7.1	1,368,731	312,546

The above figures were lifted from the technical report duly notarized on July 20, 2017 on the economic assessment and ore reserve estimation of the Company's operating gold mine in Compostela Valley prepared and submitted by Mr. Raul B. Cesar, a registered Mining Engineer with License No. 1709 and is an accredited CP with PMRC with CP Registration No. EM 01709-20/11.

Community Development Projects Update

The Parent Company complied with and implemented the mandates provided under DENR Administrative Order (DAO) No. 2010-21, "Mandating the Contractor/Permit Holder/Lessee to allocate annually a minimum of one and a half percent (1.50%) of the Total Operating Cost (TOC) as the basis for funding the Social Development and Management Program (SDMP), provided further that the SDMP Fund shall be allocated by 75%, 15% and 10% for the Development of Host & Neighboring Community (DHNC); Information, Education and Communication (IEC); and the Development of Mine Technology & Geosciences (DMTG), respectively."

Actual and budgeted SDMP in 2017 and 2016, and the breakdown between DHNC, IEC and DMTG are shown below, in millions of PHP.

	Budgeted SDMP	Actual DHNC	Actual IEC	Actual DMTG	Actual SDMP
2017	₱41.6	₱35.7	₱6.6	₱4.3	₱46.7
2016	32.6	29.2	5.5	3.4	38.1

Environmental Protection and Enhancement Program (EPEP) Update

A total of ₱36.8 million was spent in the implementation of various EPEP activities compared to the approved 2017 EPEP budget of ₱36.1 million. These activities will be carried out to mitigate the negative impact of mining operations to the environment.

Below is the summary of the activities with corresponding costs.

Activity	2017
Construction and maintenance	₱26,650,139
Reforestation and forest protection	2,476,247
Monitoring	4,410,972
Trainings, IEC and research	1,481,543
Multi-partite monitoring team/mine rehabilitation fund committee activity	892,192
Domestic waste management	840,039
Total	₱36,751,132

Power Supply and Utilization Update

Below is the table showing the summary of the utilization of power for the year 2017 and 2016.

2017

COST CENTERS	PROJECTED 2017			ACTUAL 2017		
	kW-Hr	Php (5.04 /kW-Hr)	%	kW-Hr	Php 5.013 /kW-Hr)	%
	x 1,000	x 1,000		x 1,000	x 1,000	
MINE						
VENTILATION	31,925.73	160,912.14	42.57%	30,305.14	151,908.74	39.12%
DEWATERING	8,020.58	40,425.32	10.70%	11,160.18	55,941.96	14.40%
COMPRESSORS	4,436.40	22,360.33	5.92%	5,499.75	27,568.25	7.10%
JUMBO DRILLS	2,723.58	13,727.41	3.63%	2,021.10	10,131.03	2.61%
MAINTENANANCE (MOTORPOOL)	341.92	1,723.33	0.46%	412.62	2,068.33	0.53%
OFFICE BLDG. & STAFF HOUSE	535.37	2,698.37	0.71%	494.96	2,481.06	0.64%
MILL PLANT AREA	27,008.04	136,125.97	36.01%	27,580.79	138,252.52	35.60%
Annual kW-Hr	74,991.61	377,972.87	100.00%	77,474.54	388,351.90	100.00%

2016

COST CENTERS	PROJECTED 2016			Actual 2016		
	kW-Hr	Php (5.40 /kW-Hr)	%	kW-Hr	Php (5.08/kW-Hr)	%
	x 1,000	x 1,000		x 1,000	x 1,000	
MINE						
PUMPING	10,233.28	55,259.69	11.39%	8,252.64	41,923.42	11.67%
VENTILATION	29,866.12	161,277.04	33.24%	27,151.02	137,927.16	38.41%
COMPRESSORS	5,328.25	28,772.55	5.93%	5,296.47	26,906.08	7.49%
SERVICES	3,885.25	20,980.36	4.32%	3,373.48	17,162.68	4.78%
MAINTENANANCE (MOTORPOOL)	356.00	1,922.40	0.40%	268.62	1,364.61	0.38%
OFFICE BLDG. & STAFF HOUSE	395.00	2,133.00	0.44%	494.83	2,513.75	0.70%
MILL PLANT AREA	39,774.88	214,784.35	44.27%	25,858.54	131,361.41	36.58%
Annual kW-Hr	89,838.78	485,129.39	100%	70,695.60	359,159.11	100%

The Parent Company has several supply contract agreements with various industrial power companies.

Safety Development Update

The Safety Department of the Parent Company takes a proactive approach in ensuring that the wellbeing of all stakeholders is being prioritized. This means to have a work place where no one gets hurt or injured and everyone goes home safe during operation of its business. This is achieved through management playing a major role in the safety management system within the company by placing programs that will aid to eliminate or minimize hazards and risks in the area, and to encourage all workers to be responsible for both their own safety and the safety of others.

The Parent Company had nine incidents of non-lost time accidents; four lost time accidents which are non-fatal; one lost time accidents; and 69 incidents of property damage in 2017, compared to two, four, zero and 58, respectively, in 2016.

Related Party Transactions

Please refer to Note 15 of the Notes to the Consolidated Audited Financial Statements as of December 31, 2017. Part III, Item 13 of this report also discusses related party transactions.

Major Business Risks

Regulatory Change

The Parent Company may be affected by changes in regulatory requirements, customs, duties or other taxes. Such changes could, depending on their nature, benefit or adversely affect the Company.

Mineral Resources or Mineral Reserves

The exploration for and development of mineral properties involve significant risks, which may not be completely eliminated even with a combination of careful evaluation, experience and knowledge. While the discovery of an ore body may result in substantial rewards, only a few properties explored are ultimately developed into producing mines.

The long-term viability of the company depends upon its ability to find or acquire, develop and commercially produce base metals and other minerals.

Exploration, Development and Operating Risks

Mining, exploration and development operations generally involve a high degree of risk. The operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious and base metals, including, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The exact effect of these factors, if and when they become present, cannot be accurately predicted and the costs estimated with a high level of confidence, thus, involve risks.

Security Risks

The operation of the mines of the Parent Company may also be affected by insurgency and peace and order conditions in the geographical area and the surrounding communities where the mines are located.

Price Risks

The Parent Company's revenue is largely dependent on the world market prices for gold and silver and the factors affecting the behavior of these are beyond the Parent Company's control. Production and operating costs are constantly being monitored to ensure that optimal use of the Parent Company's assets are being done and to ensure that costs, on the aggregate and on a per unit basis, are kept at a minimum.

Foreign Exchange Rates

The Parent Company has determined that the Philippine Peso to be its functional and presentation currency as it is the currency in which majority of its operations are denominated in. The Parent Company, however, receives its revenues in USD and also has foreign currency-denominated financial assets and liabilities that if exposed to the fluctuations of the exchange rates, may positively or negatively impact the Parent Company's statement of income.

Item 2. PROPERTIES

The Parent Company owns mining facilities and administrative support facilities in its Maco mine site. Machinery and equipment are acquired month to month as needed usually through direct cash purchase or under suppliers' credit terms.

The principal office of the Parent Company in Pasig City is being leased with an annual rental fee of ₱2.9 million.

Item 3. LEGAL PROCEEDINGS

The Parent Company is involved in various legal proceedings, claims and liabilities incidental to its normal business activities. The Parent Company's management and legal counsel are of the opinion that the amount of the ultimate liability, if any, with respect to these will not have a material adverse effect on the financial position and performance of the Parent Company.

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

There are no matters submitted during the year 2017 covered by this 17-A report for submission to a vote of security holders.

Part II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant Common Equity and Related Stockholders Matters

Market Information

The Parent Company's common shares are traded in the Philippine Stock Exchange.

The high and low stock prices per share for each quarter in 2017 and 2016, and for the interim quarter from January 1 to March 31, 2018 is as follows:

Year	Period	Listed Common Shares	
		High	Low
2018	January 1 - March 31	₱1.85	₱1.49
2017	January 1 - March 31	3.09	1.45
	April 1 - June 30	2.04	1.44
	July 1 - September 30	2.20	1.57
	October 1 - December 31	1.95	1.49
2016	January 1 - March 31	2.28	1.50
	April 1 - June 30	3.01	1.97
	July 1 - September 30	3.58	2.61
	October 1 - December 31	3.22	2.62

Stockholders

As of March 31, 2018, the Parent Company has 2,769 shareholders with 6,227,887,491 total issued and outstanding common shares.

The top 20 stockholders of the Parent Company as of March 31, 2018 follows:

Stockholder	Number of shares	% of ownership
1. Prime Metroline Holdings, Inc.	2,511,329,207	40.32
2. Mindanao Gold Ltd.	597,051,165	9.59
3. Monte Oro Resources & Energy, Inc.	555,132,448	8.91
4. Lakeland Village Holdings, Inc.	474,613,599	7.62
5. Devoncourt Estates, Inc.	423,904,339	6.81
6. A Brown Co., Inc.	310,729,698	4.99
7. PCD Nominee Corp.	267,202,039 ⁽¹⁾	4.29
8. PCD Corporation (non-Filipino)	212,908,016	3.42
9. Mapula Creek Gold Corporation	115,326,533	1.85
10. Walter W. Brown	59,743,202	0.96
11. Ramon Y. Sy	44,598,312	0.72
12. Silverio Benny J. Tan	17,506,747	0.28
13. Jacinto C. Ng	14,725,217	0.24
14. CRAU Resources, Inc.	2,000,000	0.03
15. Graciano P. Yumul, Jr.	1,501,000	0.02
16. Rexlon Industrial, Corp.	1,006,525	0.02
17. Gil A. Marvilla	647,767	0.01
18. Lucio W. Yan and/or Clara Yan	485,525	0.01
19. Jalandoni, Jayme, Adams & Co., Inc.	484,892	0.01
20. Ignacio R. Ortigas	311,665	0.01

⁽¹⁾ Net of the shares actually lodged with the PCD but are presented separately in the above list.

As of March 31, 2018, the public ownership level of the Parent Company is at 34.31%.

Dividends

The Parent Company did not declare any dividend in the past three years ended December 31, 2017, and the interim period ended March 31, 2018.

The Parent Company has not established any restriction that would limit the ability to pay dividends on common equity other than those restrictions mentioned in Note 2 of the Notes to the Consolidated Financial Statements. The Parent Company does not have any plans of setting any further restrictions on the matter in the immediate future.

Recent Sales of Unregistered or Exempt Securities

No securities were sold by the Parent Company in the past three years ended December 31, 2017, and in the interim period ended March 31, 2018 which were not registered under the Securities Regulation Code. There was also no sale of reacquired securities during the same period.

Item 6. MANAGEMENT DISCUSSION ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEARS 2017, 2016 AND 2015

Consolidated Statement of Income

Consolidated Net Income

The consolidated net income of Apex Mining Co., Inc. (the “Parent Company”) and Subsidiaries (collectively referred to as the “Group”) was ₱428.8 million in 2017, a 33% increase from the ₱322.0 million consolidated net income in 2016, and a six-fold increase from the ₱71.4 million consolidated net income in 2015.

The Parent Company net income in 2017 amounted to ₱502.7 million compared to the ₱440.5 million and ₱169.3 million net income in 2016 and 2015, respectively.

Consolidated Revenues

The consolidated revenues in 2017, 2016 and 2015 amounted to ₱4.1 billion, ₱3.5 billion and ₱2.4 billion, respectively, or an increase of ₱600.1 million in 2017 compared to 2016, and ₱1.1 billion in 2016 compared to 2015. The consolidated revenues of the Group pertain to the Parent Company revenues in all comparative years.

Information on the Parent Company volume of gold produced and realized prices in 2017, 2016 and 2015 is as follows:

	2017	2016	Change	2015	Change
Volume in ounces	60,185	54,681	+10%	43,048	+27%
Realized price/ounce, in USD	\$1,265	\$1,255	+1%	\$1,158	+8%

Information on the Parent Company volume of silver produced and realized prices in 2017, 2016 and 2015 is as follows:

	2017	2016	Change	2015	Change
Volume in ounces	315,525	309,623	+2%	224,479	+38%
Realized price/ounce, in USD	\$17.1	\$17.5	-2%	\$16.0	+9%

The weighted average USD to PHP foreign exchange rates on the Parent Company revenues in 2017, 2016 and 2015 were ₱50.36, ₱47.59 and ₱45.56, to one USD, respectively.

An analysis of the consolidated revenue variance, which comprises of volume, price and exchange rate variances, between the comparative years ended December 31, 2017, 2016 and 2015 of the Group are as follows:

Variance	2017 versus 2016 (in thousands of PHP)			2016 versus 2015 (in thousands of PHP)		
	Gold	Silver	Total	Gold	Silver	Total
Volume	₱328,729	₱4,909	₱333,637	₱613,739	₱62,067	₱675,806
Price	27,401	(6,233)	21,168	241,653	20,820	262,473
Exchange rate	229,883	15,449	245,332	138,730	14,944	153,674
Consolidated revenue	₱586,013	₱97,831	₱600,137	₱994,122	₱97,831	₱1,091,953

The positive volume variance was a direct result of the Parent Company milling 28% more ore in 2017 than in 2016, and also in 2016 than in 2015. Notwithstanding lower grades, the Parent Company was still able to produce 10% and 2% more ounces of gold and silver, respectively, in 2017 compared to 2016, and 27% and 38%, respectively, in 2016 compared to 2015. Higher tonnage and improved recovery, at least for gold, compensated for the decrease in the grades.

The average metal prices in 2017 compared to 2016 were relatively flat compared to the modest improvement in 2016 compared to 2015. Nevertheless, the Parent Company was still able to generate positive revenue from its price variance in both yearly comparisons.

The continued strength of the USD against the PHP favored the exchange rate variance as shown in the table.

Consolidated Cost of Production

Consolidated cost of production incurred in 2017, 2016 and 2015, all of which pertains solely to the Parent Company cost of production, amounted to ₱3.2 billion, ₱2.7 billion and ₱2.0 billion, respectively. A breakdown of the main components of consolidated cost of production is as follows:

- Depreciation, depletion and amortization expense increased by 48% or ₱301.0 million in 2017 compared to 2016, and by 117% or ₱341.3 million in 2016 compared to 2015.

In detail, depreciation surged by 37% or ₱139.2 million in 2017 versus 2016, and by 116% or ₱200.3 million in 2016 versus 2015, as a result of capital expenditures made from the second quarter to the end of 2015. Depletion, on the other hand, rose by 62% or ₱161.6 million in 2017 compared to 2016, and by 119% or ₱141.0 million in 2016 compared to 2015, on account of higher tonnage milled and depletion rate in comparative periods. The higher depletion rate in 2017 and 2016 was brought about by opening new working areas to achieve the increased production. The development cost of these new operating areas has since been reclassified to mine and mining properties and subjected to depletion.

- Materials used in mining and milling rose by ₱16.2 million in 2017 compared to 2016, and by ₱155.6 million in 2016 compared to 2015. As materials cost is mainly driven by throughput production, the increase in cost is attributable to the 28% and 43% increase in milling throughput in 2017 and 2016, respectively, versus its respective prior year comparative numbers. The Company was able to contain the increase in the cost of materials to just 2% and 23% in 2017 and 2016, respectively, despite the record-breaking tonnage levels in those years.
- Personnel cost went up by 9% and 12% in 2017 and 2016, respectively, versus the comparative year due to higher salary rates.
- Utilities expense grew by 9% or ₱21.4 million in 2017 versus 2016, and by 30% or ₱57.3 million in 2016 versus 2015. The rise in utilities expenses, which essentially pertains to power costs, can be attributable to the kilowatt-hour consumption in 2017, 2016 and 2015 of 77.5 million, 70.7 million and 64.3 million, respectively, at an average cost per kilowatt-hour of ₱5.01, ₱5.08 and ₱5.54, respectively.

Consolidated Excise Taxes

Consolidated excise taxes are excise taxes on the market value of metals produced which amounted to ₱83.9 million, ₱72.3 million and ₱48.6 million in 2017, 2016 and 2015, respectively. The increase in all comparative years was a result of the increase in consolidated revenues.

Consolidated General and Administrative Expenses

Consolidated general and administrative (G&A) expense in 2017, 2016 and 2015 amounted to ₱219.6 million, ₱226.0 million and ₱187.0 million, respectively. The individual contribution to the consolidated G&A expenses of the Group in each reporting year in millions of PHP are as follows:

	2017	2016	2015
Parent Company	₱162.3	₱141.1	₱107.4
MOREI and Subsidiaries	34.0	49.3	69.9
ISRI	23.3	35.6	9.7
	₱219.6	₱226.0	₱187.0

Details of the significant elements of the consolidated G&A expenses are discussed below.

- Personnel cost increased by 13% or ₱13.5 million, and 8% or ₱8.0 million in 2017 and 2016, respectively, versus the same comparative figures the year before due to higher salary rates.
- Taxes and licenses in 2017 were higher by 59% or ₱14.1 million in 2017 compared to 2016 on account of higher business taxes coming from the growth in the revenue level, and documentary stamp taxes on new bank loans obtained by the Parent Company in 2017. Meanwhile, taxes and licenses in 2016 were also higher than the comparative figure in 2015 by 145% or ₱14.2 million primarily due to the one-time payment of the Parent Company of listing fees to the Philippine SEC.

Consolidated Finance Costs

Consolidated finance costs in 2017, 2016 and 2015 of the Group amounted to ₱201.9 million ₱163.4 million and ₱146.0 million, respectively. The higher finance cost in 2017 versus 2016, and 2016 versus 2015, were primarily due to the additional loan availed of by the Parent Company in January 2017, and another loan in the second quarter of 2015 which was outstanding the whole year of 2016.

Consolidated Other Income (Charges)

Consolidated other income (charges) in 2017, 2016 and 2015 amounted to ₱7.9 million other charges, ₱28.8 million other charges, and ₱23.1 million other income, respectively.

The individual contribution to the consolidated other income (charges) expenses of the Group in each reporting year in millions of PHP are as follows:

	2017	2016	2015
Parent Company	(₱9.3)	(₱39.7)	₱37.1
MOREI and Subsidiaries	(12.8)	11.0	16.2
ISRI	0.7	(0.1)	0.5
Consolidated other income (charges), before adjustments	(21.4)	(28.8)	53.8
Net effect of eliminating entries	13.5	—	(30.7)
Consolidated other income (charges)	(₱7.9)	(₱28.8)	₱23.1

Details of the significant elements of consolidated other income (charges) are discussed below.

- The Group recognized provision for income tax assessments in 2017 of ₱86.1 million pertaining to the taxable years 2011 and 2012.
- The Group recognized a reversal of its provision for inventory losses and obsolescence in 2017 and 2015 of ₱60.8 million and ₱13.0 million, respectively, and provision for inventory losses in 2016 of ₱18.6 million. The Group makes the assessment at each reporting date of the amount of allowance or reversal to be made in the financial statements to bring its inventory balance to its net realizable value.

Consolidated Benefit from (Provision for) Income Tax

The Group's current income tax ballooned ₱100.0 million in 2017 compared to just ₱17.0 million and ₱11.5 million in 2016 and 2015, respectively. This is attributable to the Parent Company now being subjected to the regular corporate income tax (RCIT) rate of 30% after utilizing all of its remaining carried over prior period operating losses. In the past, the Parent Company was only subjected to the minimum corporate income tax (MCIT) rate of 2% as, according to the tax law, the Parent Company's computed MCIT were higher than the RCIT.

The benefit from deferred income tax came from the utilization of the carryover net operating loss and the tax credits from MCIT payments in prior periods.

Consolidated Other Comprehensive Income (Loss)

Re-measurement gains on retirement plan in 2017, 2016 and 2015 amounted to ₱21.1 million, ₱19.1 million and ₱93.2 million, respectively, which arises out of the change in the assumptions used by an independent, third-party actuary. Revaluation surplus, net of tax, from the 2015 appraisal of the Parent Company's property, plant and equipment was recognized amounting to ₱303.6 million.

Consolidated Statement of Financial Position

Consolidated Current Assets

Total consolidated current assets decreased by ₱231.7 million to ₱1.6 billion as of December 31, 2016 from ₱1.8 billion as of December 31, 2015 essentially due to the following:

- Cash of the Group grew by ₱186.4 million to ₱423.9 million as of December 31, 2017 compared to the prior year cash of ₱237.5 million. Operating and financing activities netted the Group ₱691.4 million and ₱742.0 million in 2017. Because of these, the Group was able to invest in ₱1.2 billion worth of fixed and long-term assets in the same year.
- Trade and other receivables increased by ₱427.5 million as of December 31, 2017 compared to the balance in the prior year mainly due to the Parent Company's unsold metal account balance as of yearend with its refiner. This was subsequently collected.
- Prepayments and other current assets rose by ₱108.1 million as of December 31, 2017 compared to the prior year on account of higher input VAT and advances to suppliers. The input VAT are from local purchases and importations for capital expenditures and operating expenses. On the other hand, the advances, which are mainly for equipment, inventory and services purchased, are being offset against the actual billings received from suppliers and contractors.

Consolidated Noncurrent Assets

Total consolidated noncurrent assets grew by ₱335.3 million to ₱9.8 billion as of December 31, 2017 from ₱9.5 billion as of December 31, 2016 mainly because of the increase in deferred exploration cost of ₱198.5 million, and property, plant and equipment of ₱127.8 million due to acquisitions, constructions and mine exploration and development activities during the year.

Consolidated Current Liabilities

Consolidated current liabilities were lower by ₱1.8 billion to ₱3.7 billion as of December 31, 2017 from ₱5.6 billion as of December 31, 2016. The breakdown of the change in the consolidated current liabilities is detailed below.

- The Group was able to reduce its trade and other payables by ₱173.1 million as it continues to generate ample cash from operations.
- Current portion of loans payable decreased by ₱1.7 billion by way of reclassification from current to noncurrent liabilities as the Parent Company was able to refinance its short term, one-year loan, to a seven-year long-term one.
- Income tax payable increased by ₱49.5 million as of December 31, 2017 for the income tax due from the Parent Company for the fourth quarter of 2017 at the RCIT rate.

Consolidated Noncurrent Liabilities

The Group's consolidated noncurrent liabilities went up by ₱2.4 billion to ₱2.9 billion as of December 31, 2017 from ₱510.1 million as of December 31, 2016 which primarily pertains to the noncurrent portion of the seven-year long-term loan of the Parent Company.

There is also a decrease of ₱68.4 million in the Group's deferred income tax liabilities as of December 31, 2017 compared to the balance as of December 31, 2016 due to the recognition of deferred income tax assets (DTA) amounting to ₱63.0 million by the Parent Company. The DTA is from deductible temporary differences arising from provisions for retirement benefits and mine rehabilitation and decommissioning. Deferred income tax assets are recognized to the extent that sufficient future taxable income will be available for which the deductible temporary differences can be utilized.

Consolidated Equity

Consolidated equity was higher by ₱473.3 million to ₱5.5 billion as of December 31, 2017 from ₱5.0 billion as of December 31, 2016 mainly on the net income earned in 2017 of ₱428.8 million.

Key Performance and Financial Soundness Indicators

Tonnes Mined and Milled

Tonnage, ore grade and metal recovery determine production volume. The higher the tonnage, ore grade and recovery, the more metals are produced.

Please refer to the "Operations" section of Part I, Item I of this report for details on tonnes mine and milled, and production highlights.

Financial Ratios

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

Financial Ratio	Formula	December 31	
		2017	2016
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	22.6%	23.4%
Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	3.5%	2.9%
Return on equity	$\frac{\text{Net income}}{\text{Total equity}}$	7.8%	6.5%
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.6 : 1	0.3 : 1
Debt-to-equity ratio	$\frac{\text{Total debt}}{\text{Total equity}}$	1.2 : 1	1.2 : 1

(Forward)

Financial Ratio	Formula	December 31	
		2017	2016
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.2 : 1	2.2 : 1
Debt service coverage ratio	$\frac{\text{EBITDA}}{\text{Loan principal plus interest payments}}$	2.1 : 1	3.6 : 1

The lower gross profit margin can be pinpointed to the lower mill grade in 2017 than in 2016. The appreciation of the USD against the PHP slightly countered the decrease brought about by the decline in mill grade.

The higher return on assets and return on equity was a result of the higher net earnings of the Group in 2017 than in 2016.

The improved current ratio in 2017 versus 2016 is due to the refinancing of the Parent Company's short-term loans payable to long-term.

Debt service coverage ratio decreased as the Parent Company moves towards repaying its loans payable.

Item 7. FINANCIAL STATEMENTS

The audited consolidated financial statements are presented in Part V, Exhibits and Schedules.

Item 8. INFORMATION ON INDEPENDENT ACCOUNTANTS AND OTHER RELATED MATTERS

External Audit Fees and Services

Audit and Audit-Related Fees

In 2017 and 2016, the audit was basically engaged to express an opinion on the financial statements of the Company and its Subsidiaries. In addition, the audit included providing assistance to the Company in the preparation of its income tax return in as far as agreement of the reported income and costs and expenses with the recorded amounts in the books. The procedures conducted include those that are necessary under Philippine Financial Reporting Standards. This, however, did not include detailed verification of the accuracy and completeness of the reported income and costs and expenses.

The audit fees for the foregoing services were ₱3.5 million and ₱3.3 million in 2017 and 2016, respectively.

Tax Fees

Professional fees paid for tax advisory services were nil and ₱0.5 million in 2017 and 2016, respectively.

All Other Fees

There were no other services rendered by external auditors other than the audit services and tax advisory services mentioned above.

Audit Committee's Approval Policies and Procedures

Prior to the commencement of the work of external auditors, the external auditors present their audit program and schedule to the Company's Board Audit Committee.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in and/or disagreements with independent accountants/external auditors on accounting and financial disclosure and no change in the Company's independent accountants during the two most recent fiscal years or any subsequent interim period.

Part III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

The names and positions of all directors and executive officers of the Company are as follows:

Name	Position	Age
<i>Directors</i>		
Ramon Y. Sy	Chairman of the Board	87
Walter W. Brown	Director	78
Graciano P. Yumul, Jr.	Director	58
Modesto B. Bermudez	Director	77
Jose Eduardo A. Alarilla	Director	66
Dennis A. Uy	Independent Director	44
Joselito H. Sibayan	Independent Director	59
<i>Officers</i>		
Ramon Y. Sy	Chairman of the Board	87
Walter W. Brown	President & CEO	78
Graciano P. Yumul, Jr.	EVP-Geology, Exploration & External Affairs	58
Modesto B. Bermudez	SVP-Operations & Projects Development	77
Gil A. Marvilla	SVP-Resident Manager	68
Rodolfo C. Ramos*	VP-Asst. Resident Manager for Operations	74
Rosemarie F. Padilla	VP-Asst. Resident Manager for Finance	54
Silverio Benny J. Tan	Corporate Secretary	61
Elisa R. Dungca	Asst. Corp Secretary & AVP-Corporate Affairs	61
Renato N. Migrino	Treasurer	68

**Until December 31, 2017*

Profile

Below is the profile of each of the Company's directors and officers. The directors of the Company whose terms of office are for one year or until their successors are elected and qualified.

Ramon Y. Sy, Chairman of the Board

Mr. Ramon Y. Sy has been in the Board of Directors of the Company since October 2013. His knowledge and experience in the banking sector is beyond compare having been the Vice Chairman of Metropolitan Bank and Trust Corporation; Chairman and President of United Coconut Planters Bank; Philippine Country Manager of Bank of America; and President & CEO of International Exchange Bank. He is now the Vice Chairman of Asia United Bank Corporation, a publicly-listed company; Chairman of the Executive Committee and President of Monte Oro Resources & Energy, Inc. (MOREI); and a Director of SPC Corporation, a publicly-listed company, Travelman, Inc., Asian Alliance Holding and Development Corp., Asian Alliance Investment Corp., Phil Equity, and Itogon-Suyoc Resources, Inc. (ISRI).

Walter W. Brown, Director; President & CEO

Dr. Walter W. Brown has been in the Board of Directors of the Company since October 2013. He earned his Doctorate degree in Geology, Major is Geochemistry, from Stanford University after finishing his Masters degree in Economic Geology in the University of the Philippines. His experience encompasses a wide spectrum of industries from mining to the energy & power sector all the way to real estate business. Aside from his roles in the Company, he is also the Chairman Emeritus of A Brown Company Inc., a publicly-listed company; and Chairman of ISRI; and Chairman of Palm Concepcion Power Corporation, which has a 2x135 MW coal-fired power plant in Concepcion, Iloilo; a Director of MOREI; and the President of Minas de Oro (Mongolia), MOREI - Sierra Leone (Africa). Dr. Brown was former President of Philex Mining Corporation, a publicly-listed company, and National Grid Corporation of the Philippines.

Graciano P. Yumul, Jr., Director; EVP-Geology, Exploration & External Affairs

Dr. Graciano P. Yumul, Jr., who has been a director of the Company since July 2012, is a multi-awarded researcher and administrator and earned his Bachelor of Science (BS) degree in Geology from the University of the Philippines. He earned his Masters and Doctoral degrees in Geology majoring in Igneous Petrology at the University of Tokyo. He also took Postdoctoral degrees as a Fellow at the University of Bretagne Occidentale in France. He was named Outstanding Young Scientist in Geology by National Academy of Science and Technology, recipient of University of the Philippines-Diliman Chancellor's Awards for Outstanding Researchers, Outstanding Teacher and Administrator, Philippine Jaycee's Young Filipino Awardee in Science and Technology. He was elected as Director of ISRI in June 2015.

Modesto B. Bermudez, Director; SVP-Operations & Projects Development

Mr. Modesto B. Bermudez, who has been a Director of the Company since December 2013, is a licensed Mining Engineer, has had 47 years involvement in the Philippine mining industry inclusive of six years stint in real property development and construction. His experience in mining covers the whole spectrum of mining operations from exploration to

development to beneficiation of a wide range of minerals in both operational and managerial capacity. He is concurrently Director and President of ISRI, and the President of CRAU Mineral Resources Corporation.

Jose Eduardo J. Alarilla, Director

Mr. Jose Eduardo J. Alarilla is the Chairman of Mega Equipment International Corp.; Vice Chairman of Bloomberry Resorts Corporation, a publicly-listed company; President and CEO of Mega Subic Terminal Services, Inc.; and President of Manila Holdings and Management, Inc., LVHI, DEI, Eiffle House, Inc., Alpha Allied Holdings Ltd. and Sureste Properties, Inc. He is also a Director of Bloomberry Resorts and Hotels, Inc., MOREI and International Cleanenvironment Systems, Inc. He holds a Bachelor of Science in Mechanical Engineering from De La Salle University and Masters in Business Management from the Asian Institute of Management.

Dennis A. Uy, Independent Director

Mr. Dennis A. Uy was elected as an Independent Director of the Company in March 2013. He is the founder of Phoenix Petroleum Philippines, Inc. (PPPI), a publicly-listed company, and has served as President and CEO since its inception. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of PPPI, and Udenna Development Corporation, the ultimate parent company of PPPI. He is also the Chairman of Chelsea Logistics Holding Corp., a publicly-listed company which listed in the PSE in August 2017, 2Go Group, Inc., another publicly-listed company, F2 Logistics, Phoenix Philippines Foundation, Inc., and Udenna Foundation, Inc. He is a member of the Young Presidents Organization-Philippine Chapter and the Philippine Business for Social Progress. Mr. Uy is the Honorary Consul of Kazakhstan to the Philippines since November 2011, and the Presidential Adviser for Sports under President Duterte's Administration since July 2016. He is a graduate of De La Salle University with a degree in Business Management.

Joselito H. Sibayan, Independent Director

Mr. Joselito H. Sibayan became Independent Director of the Company in June 2014. He is the President and CEO of Mabuhay Capital Corporation, a firm which provides financial advisory services and capital raising solutions to its clients. Prior to forming Mabuhay Capital, he was Vice-Chairman of Investment Banking-Philippines; Philippine Country Manager for Credit Suisse First Boston; and Director of Philippine Postal Savings Bank. He has spent almost three decades in investment banking. He is concurrently an Independent Director of SM Prime Holdings, Inc., and a Director of A Brown Co., Inc, both publicly-listed companies. He obtained his Masters degree from the University of California in Los Angeles and his BS Chemical Engineering from De La Salle University-Manila.

Gil A. Marvilla, SVP-Resident Manager

A Certified Public Accountant, Mr. Gil A. Marvilla's experience in the mining industry spans several decades. His professional expertise in mining was also involved in several mining projects of Brixton Energy & Mining Corporation and Lascogon Mining Corporation. At one time, he was the Country Manager for Philex Mining's project in Madagascar. He also served as the Country Manager of Monte Oro Mining Co., Ltd. based in Sierra Leone, in

Africa; Chief Finance Officer of MOREI; and Managing Director and VP for Finance & Administration in PT Brown Indonesia and A Brown Co., Inc.

Rodolfo C. Ramos, VP-Asst. Resident Manager for Operations (until December 31, 2017)

Engr. Rodolfo C. Ramos received his degree in Mining Engineering from the Mapua Institute of Technology. A licensed mining engineer, he supervised various large scale surface mining in Benguet and Zambales. He was also involved in exploration and mining operations in Misamis Oriental and Dinagat Islands. Having extensive knowledge and vast experience in the field, he acted as consultant for several mining operations. He was Senior Mining Engineer for a gold project in Myanmar for MOREI and later on part of the technical team of Prime Metroline Holdings, Inc. for a project in Bicol Region, Philippines.

Rosemarie F. Padilla, VP-Asst. Resident Manager for Finance

Ms. Rosemarie F. Padilla, a licensed Certified Public Accountant, has had decades of progressive industry experience in Mining Finance. She has held positions as Budget Manager and Finance Manager of Philex Mining Corporation, Financial Controller in Olympus Pacific Minerals Ltd. Vietnam and Masbate Gold Project, and as Administration Superintendent of Greenstone Resources Corporation.

Silverio Benny J. Tan, Corporate Secretary

Atty. Silverio Benny J. Tan holds a Bachelor of Laws degree, cum laude, from the University of the Philippines College of Law and a Bachelor of Arts Major in Political Science, cum laude, from the University of the Philippines College Iloilo. He placed third in the 1982 Philippine Bar exams. He is a Partner in the law firm Picazo Buyco Tan Fider & Santos, and at one time its Managing Partner. He is the Chairman of the Board of Mapfre Insular Insurance Corporation. He is a Director and Corporate Secretary of PMHI, Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., Cyland Corp., OSA Industries Philippines Inc. and Negros Perfect Circles Food Corp. He is also a Director of Celestial Corporation, Skywide Assets Ltd., Monte Oro Minerals (SL) Ltd., and Dressline Holdings Inc. and its subsidiaries and affiliates. He is the Corporate Secretary of Bloomberry Resorts Corporation, a publicly-listed company, Sureste Properties, Inc., BRHI, LVHI, DEI, Pilipinas Golf Tournaments, Inc., MOREI and ISRI; and Assistant Corporate Secretary of International Container Terminal Services, Inc. (ICTSI), a publicly-listed company, and ICTSI Ltd.

Elisa R. Dungca, Asst. Corp. Secretary & AVP-Corporate Affairs

Ms. Elisa R. Dungca served as Deputy Risk Officer and Division Manager for Risk Management & Export at Philex Mining Corporation (PMC), a publicly-listed company, and was the Corporate Secretary and Director of Fidelity Stock Transfers, Inc., a subsidiary of PMC, prior to joining the Company in April 2017. She was the former Chief Officer for Administration and Finance of JVS Asia, Inc. which owns Marithe & Francois Girbaud clothing brand; Senior Financial Associate at Lazaro Bernardo Tiu & Associates, Inc.; Group Manager for Accounting MIS and Budget of Benguet Corporation, another publicly-listed company; and Senior Programmer of the Natural Resources Management Center of the Department of Environment and Natural Resources. She is concurrently the Assistant Corporate Secretary of ISRI. She received her Bachelor of Science in Industrial Engineering from the University of the Philippines and her Masters in Business Administration from the Pamantasan ng Lungsod ng Maynila.

Renato N. Migriño, Treasurer

A Certified Public Accountant, Mr. Renato N. Migriño's experience in the mining industry spans more than 40 years from his days at Sycip, Gorres & Velayo where a significant number of his accounts were mining companies. He moved to Benguet Corporation, a publicly-listed company, and became its Senior Vice President for Controllershship prior to joining Philex Mining Corporation, another publicly-listed company, where he later on served as its Treasurer, Chief Financial Officer, Senior Vice President for Finance, and Compliance Officer. He was Director and Chief Financial Officer of Philex Gold Inc., and Director of Philex Petroleum Corporation, a publicly-listed company, Director and Treasurer of FEC Resources, Inc., Director of Silangan Mindanao Mining Co., Inc., Brixton Energy & Mining Corporation and Lascogon Mining Corporation. He is concurrently an Independent Director of Mabuhay Vinyl Corporation, a publicly-listed company, and is the Treasurer of ISRI.

Significant Employees

There is no particular employee of the Parent Company not an executive officer expected to make a significant contribution to the business on his own.

Family Relationships

There are no relationships among officers and directors of the Group.

Involvement in Certain Legal Proceedings

To the knowledge and information of the Parent Company, none of its present members of the Board of Directors and its officers are presently or during the last five 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 the Parent Company, 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 officers of the Parent Company are regular employees of the Parent Company and are remunerated with a compensation package consisting of a 13-month base pay. They also receive whatever, if any, that the Board of Directors of the Parent Company may approve and extend to its managerial, supervisory and regular employees.

The aggregate compensation paid or incurred in 2017 and 2016, and estimated to be paid in 2018 to the Officers and Members of the Board of Directors of the Parent Company are as follows (in millions):

CEO and Four Most Highly Compensated Officers as a Group

<u>Year</u>	<u>Salary</u>
2018 (Estimated)	₱80.0
2017	80.3
2016	80.0

Aggregate Compensation of All Officers and Directors as a Group

<u>Year</u>	<u>Salary</u>
2018 (Estimated)	₱110.4
2017	114.2
2016	107.5

The aggregate amount of compensation for the CEO and the four most highly compensated officers as a group paid in 2017 and 2016 and estimated amount expected to be paid in 2018 as presented in the above table are for Walter W. Brown (CEO), Graciano P. Yumul Jr., Modesto B. Bermudez, Gil A. Marvilla and Renato N. Migrino.

Compensation of Members of the Board of Directors

The members of the Board of Directors of the Company are paid ₱80,000, net of withholding tax, as per diem for each meeting (whether regular or special) of the board or of the stockholders as passed and approved during the special meeting of the Board of Directors on November 13, 2012. 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 officers and the Parent Company are as that of an employer-employee. The remuneration the officers received from the Parent Company is solely in the form of salaries and, if any, bonuses.

Warrants and Options Outstanding: Repricing

The directors and officers of the Group do not hold any outstanding warrants or options.

Item 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of March 31, 2018, the following owns at least five percent (5%) of the issued and outstanding common shares of the Company:

<u>Name of Record Owner</u>	<u>Name of Beneficial Owner</u>	<u>Citizenship</u>	<u>No. of Shares</u>	<u>%</u>
Prime Metroline Holdings, Inc.	Prime Metroline Holdings, Inc.	Filipino	2,511,329,207	40.32
Mindanao Gold Ltd. MOREI	Mindanao Gold Ltd. MOREI	Malaysian	597,051,165	9.58
Lakeland Village Holdings, Inc.	Lakeland Village Holdings, Inc.	Filipino	555,132,448	8.91
Devoncourt Estates, Inc.	Devoncourt Estates, Inc.	Filipino	474,613,599	7.62
			423,904,339	6.81

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

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The number of voting common shares beneficially owned or controlled, directly and indirectly, by the members of the board of directors and named officers follows:

Name of Beneficial Owner	Citizenship	No. of Shares	%
Ramon Y. Sy	Filipino	44,598,312	0.72
Walter W. Brown	Filipino	59,743,202	0.96
Graciano P. Yumul, Jr.	Filipino	1,501,000	0.02
Modesto B. Bermudez	Filipino	2,000,001	0.03
Jose Eduardo J. Alarilla	Filipino	898,517,938	14.43
Dennis A. Uy	Filipino	1	0.00
Joselito H. Sibayan	Filipino	299	0.00
Gil A. Marvilla	Filipino	647,767	0.01
Rodolfo C. Ramos*	Filipino	—	—
Rosemarie F. Padilla	Filipino	—	—
Silverio Benny J. Tan	Filipino	17,506,747	0.28
Elisa R. Dungca	Filipino	—	—
Renato N. Migrino	Filipino	—	—

**Until December 31, 2017*

Item 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacted with companies that are considered related parties. A summary of the more significant transactions with related parties is shown in Note 15 of the audited consolidated financial statements for the year ended December 31, 2017.

Purchases and expense from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free and settlement occurs either in cash or through offsetting of accounts. There have been no guarantees provided for any related party receivables and payables. For the years ended December 31, 2017 and 2016, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related parties and the market in which the related parties operate.

Part IV – CORPORATE GOVERNANCE

As a publicly-listed Philippine corporation, the Company conforms to the corporate governance rules, requirements, and regulations of the SEC, PSE and all pertinent government regulatory bodies.

The Parent Company filed a copy of its 2016 Code of Corporate Governance to the Philippine SEC on June 1, 2017 and is posted in the Company website. The Integrated Annual Corporate Governance Report (I-ACGR) for 2017 will be filed with the SEC before May 30, 2018.

Part V – EXHIBITS AND SCHEDULES

Item 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

A. Exhibits

- i. Statement of Management Responsibility for Financial Statements
- ii. Report of Independent Auditors
- iii. Audited Consolidated Financial Statements and Notes for the year ended December 31, 2017
- iv. Supplementary Schedules

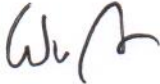
B. Reports on SEC Form 17-C in 2017

Date Filed	Particulars
January 25	Change in Shareholdings of Directors and Principal Officers
January 27 (4 times)	Change in Shareholdings of Directors and Principal Officers
February 3	Reply to Exchange's Query: Effect of DENR news release
February 15	Clarification of News Report
February 28	Material Information/Transaction: Receipt of "Show Cause" Letter from DENR
March 8	Material Information/Transaction: Reply to "Show Cause" Letter from DENR
March 31	Change in Directors and/or Officers
April 11	Press release: 2016 Full-Year Results of Operations
April 21	Change in Shareholdings of Directors and Principal Officers
May 2	Clarification of News Report
May 2	(Amendment) Clarification of News Report
May 15	Press release: First Quarter 2017 Results of Operations
May 15	Notice of Annual Stockholders' Meeting
May 22	Change in Directors and/or Officers
June 5	(Amendment) Change in Directors and/or Officers
July 3	Results of Annual Stockholders' Meeting
July 3	Results of Organizational Meeting of the Board of Directors
August 3	Press release: Apex Mining resigns from the Chamber of Mines
August 14	Press release: Second Quarter Results of Operations
November 9	Press release: Third Quarter Results of Operations
November 29	Material Information/Transaction: Event Mandating Prompt Disclosure
December 15	Material Information/Transaction: Availment of 7-Year Term Loan from PNB and Payment of Short-Term Loan from BDO

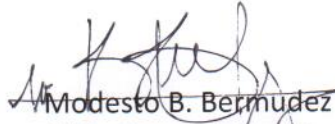
SIGNATURES

Pursuant to the requirement of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on April 26, 2018.

By:



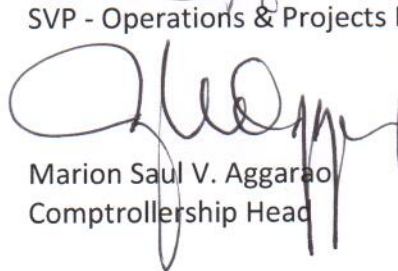
Walter W. Brown
President & CEO




Modesto B. Bermudez
SVP - Operations & Projects Development



Renato N. Migrino
Treasurer



Marion Saul V. Aggarao
Comptrollership Head



Silverio Benny J. Tan
Corporate Secretary

SUBSCRIBED AND SWORN to before this APR 30 2018, affiant(s) exhibiting to me their respective valid IDs, as follows:

<u>Names</u>	<u>Tax Identification Nos.</u>
Walter W. Brown	TIN 123-918-226
Modesto B. Bermudez	TIN 104-613-293
Renato N. Migrino	TIN 102-118-145
Silverio Benny J. Tan	TIN 138-005-178
Marion Saul V. Aggarao	TIN 266-525-298

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Series of 2018

ATTY. JAMES K. ABUGAN
NOTARY PUBLIC
Until Dec. 31, 2018
IBP No. 021498/1-5-2018
Rizal Chapter
Roll No. 20500
MCLE No. V-0004684-1001-2014
PTR # 3369955 - 01-08-2018
Mandaluyong City
TIN # 116-239-956
Tel. 631-40-90