



## **APEX MINING REPORTS HIGHER 2018 NINE MONTHS INCOME**

### **HIGHLIGHTS**

- Revenue of P3.7 billion, 25% higher than same period in 2017
- Earnings before income tax of P509 million, higher by 43% than last year
- Milling tonnage exceeded by 5% record 2017 production throughput
- Mill recovery a new record at 84.8%
- Gold production of 52,553 ounces highest nine months output to date
- Consolidated net income of P328 million up by 8%
- Parent Company net income at P356 million up by 3%

Apex Mining Co., Inc. (APX) reported continued earnings growth over the nine months period with revenue of P3.7 billion, surpassing by 25% its previous record level of P3.0 billion in 2017. This resulted in earnings before income tax of P509 million, higher by 43% compared to the earnings of P357 million a year ago.

With the attainment in the second quarter of the Maco mine's operating target of 1,800 tonnes per day, the milling throughput for the nine months period of 2018 of 451,375 tonnes surpassed by 5% its previous record of 428,146 tonnes in 2017. Daily milling rate averaged 1,777 tonnes per day in 2018 compared to 1,659 tonnes in 2017. A new record rate was also established in mill recovery at 84.8% from 82.5% last year.

Ore grades of 4.27 gold grams per tonne and 24.81 silver grams per tonne were likewise higher this year compared to 3.87 gold grams and 23.66 silver grams a year ago. The higher milling throughput and recovery rate combined, a new record in gold production was established at 52,553 ounces for 2018 as compared to 43,925 ounces in 2017. Silver output was slightly higher at 228,010 ounces from 223,726 ounces a year ago.



Average gold price was \$1,268 per ounce in 2018 from \$1,257 per ounce in 2017. Silver price was \$16 per ounce from \$17 per ounce last year.

Cash operating cost increased by 18% to P2.0 billion from P1.7 billion a year ago, mainly on account of the higher tonnage. On a per unit basis, cash operating cost averaged 6% higher at \$84 per tonne from \$80 per tonne in 2017. On a cost per gold ounce produced, however, cash operating cost, net of silver credits, was 5% lower at \$656 per ounce as compared to \$689 per ounce in 2017, mainly as a result of the higher ore grade this period. Cash income from operations of P1.5 billion in 2018 was 30% better than the cash income of P1.2 billion in 2017.

Parent Company after tax net income for the period was 3% higher at P356 million in 2018 from P346 million in 2017. Consolidated net income was 8% higher at P328 million in 2018 from P305 million in 2017.

“While we made significant stride in our operating results during this nine months period vis-a-vis last year’s, our income after tax reflected a much lower increase in net earnings because of the full application of income tax,” explained Walter W. Brown, President and CEO. “We no longer have the benefit of the tax shield from previous years’ carry over losses which we had up to last year.”

The environmental clearance certificate for the initial 200 tonnes per day operation of the Sangilo mine of Itogon-Suyoc Resources, Inc. (ISRI), a wholly-owned subsidiary of the Company, has been received. With the government clearance now obtained, the financing for the project is underway and in its final stage for loan agreement execution. Full blast construction work should soon follow as the funds are made available.

“Target completion of the initial 200 tonnes per day project is by the end of 2019, after which time the mine will shift gear to the development of its next 200 tonnes per day operation. The long-term objective of Sangilo is for an installed capacity of 1,900 tonnes per day within the next five years,” said Mr. Brown.



Over at the Suyoc mine, data gathering to update resource and reserve estimates continues. The plan for Suyoc is to operate at 300 tonnes per day within three years after financing is obtained.

The Company's consolidated accounts also include those of Monte Oro Resources & Energy, Inc. (MORE), a wholly-owned subsidiary.

MORE holds a 30% participating interest in Service Contract (72) covering the Sampaguita gas field offshore northwest of Palawan.

An affiliate company, MORE Electric and Power Corporation (formerly named as MORE Minerals Corporation), 25% owned by MORE, has a pending application currently in process in Congress for legislative franchise to distribute electricity in Iloilo City.

MORE also has a 52% interests in International Cleanenvironment Systems, Inc., a domestic company with a Build-Operate-Transfer contract in waste disposal management.

The administrative costs of ISRI and MORE as non-operating subsidiaries are treated in the accounts as period costs against the Parent Company's net income, hence the lower consolidated net income vis-à-vis the Parent Company.