

## **APEX MINING REPORTS 4% LOWER Q1 2019 OPERATING INCOME**

### **HIGHLIGHTS**

- Revenue of P1.3 billion, 8% higher than in 2018
- Sale of 17,215 gold ounces and 103,345 silver ounces, higher by 9% and 24%, respectively
- Tonnage milled 19% higher at ore grade 11% lower
- Cash operating income of P497 million, 4% lower

Apex Mining Co., Inc. (APX) reported revenue of P1.3 billion in the first quarter of 2019, an increase of 8% over the revenue generated in the same period in 2018.

Higher volume of metals sold this year as compared to last year accounted for the increase in revenue. Sales this quarter for gold was 17,215 ounces, up by 9% from the 15,771 ounces sold in 2018; while for silver was 103,345 ounces, up by 24% from 83,129 ounces last year. Average gold price was slightly lower at \$1,311 per ounce compared to \$1,335 per ounce in 2018 while silver price remained constant at \$16 per ounce.

Milling throughput of 167,200 tonnes bested previous quarterly record, averaging 1,958 tonnes per day. This was 19% higher than the 140,250 tonnes milled in 2018, and 9% higher than the 1,789 tonnes average per day for the whole of 2018. The higher tonnage offset the lower ore grades per tonne of 3.67 grams per tonne for gold and 23.79 grams per tonne for silver, down by 11% and 5% from 4.13 grams per tonne and 24.94 grams per tonne in the previous quarter. Mill recovery rate for gold of 84.0% was a bit lower than the 84.6% achieved last year, although for silver the recovery was 3% higher at 75.9% from 73.5%.

In attaining the higher tonnage, ore from the lower grade zones had to be extracted and milled to provide the Maco mine more working space

underground. This will enable the development of much better ore grade areas for future operations.

The increase in milling tonnage increased cash operating costs by 20% to P710 million from P593 million a year ago. On a per unit basis, however, operating cost has been kept to \$81 per tonne, the same as in 2018. In terms of per ounce, operating cost averaged 9% higher at \$790 this quarter as compared to \$723 in 2018 on account of the lower ore grade.

Cash income from operations was P497 million for the quarter, lower by 4% than P519 million in 2018. With non-cash charges for depreciation, depletion and amortization higher by 21% at P312 million from P258 million, Parent Company net income declined by 29% to P86 million from P122 million same period last year. After the administrative costs of subsidiaries, consolidated net income was 25% lower at P75 million this quarter in 2019 from P100 million in 2018.

The rehabilitation of the Sangilo mine of wholly-owned subsidiary Itogon-Suyoc Resources, Inc. is well on track. Construction and repair of plant and other surface facilities are proceeding on schedule; while the survey and reopening of the old underground structures in the deeper levels of the mine's patented claims are being undertaken in preparation for full scale operation at 200 tonnes per day being envisioned this year.

The consolidated accounts also include those of another wholly-owned subsidiary, Monte Oro Resources & Energy, Inc., which holds a 30% participating interest in Service Contract 72 covering the Sampaguita gas field offshore northwest of Palawan.