



# APEX MINING CO., INC.

## **APEX MINING REPORTS RECORD NINE MONTHS 2020 EARNINGS**

***Sustains community outreach amidst gains***

### **HIGHLIGHTS**

- Consolidated income record at P991 million, 337% higher than 2019
- Parent Company income also record at P1.0 billion, up 314%
- Stronger gold price at \$1,779 per ounce gold from \$1,367 in 2019
- Gold production of 49,659 ounces vs. 47,103 ounces in 2019
- Revenue of P4.6 billion from 49,040 ounces of gold sold
- Lower milling tonnage but at higher grade and mill recovery rate
- Sustained community outreach in both Maco and Itogon mine sites

Apex Mining Co., Inc. (APX) reported consolidated net income of P991 million for nine-month period in 2020, the highest in the Company's history thus far and 337% higher than the consolidated net income of P227 million for the same period in 2019.

Parent company net income likewise posted record earnings of P1.0 billion, 314% increase from P253 million income in the same period of 2019.

Luis R. Sarmiento, President and CEO of Apex, credits the resilience of the Company's teams in the mine sites for this positive financial performance, despite the many operational challenges posed by the COVID-19 pandemic.

Apex remains focused in institutionalizing robust health and safety protocols before considering bringing operations back to scale. According to Sarmiento, "Our priority is still the health and safety of our people. After all, a healthy workforce is what drives a mine to operate efficiently and profitably."

To date, Apex has had zero COVID case in its Maco site.



The higher ore grades averaging 3.59 grams of gold per tonne coupled with higher recovery at 87.29% contributed to the higher gold sales of Maco to 49,040 ounces this period from 47,835 ounces last year. Silver sales, however, slightly decreased to 265,875 ounces from 279,728 ounces.

The higher gold sales were further boosted by the higher average realized price of \$1,779 per ounce generating revenue of P4.6 billion during the three quarter-period this year, 27% higher than the P3.6 billion revenue for the same period in 2019.

Lower milling throughput at 491,269 tonnes or an average of 1,921 tonnes per day as compared to 536,433 tonnes averaging at 2,077 tonnes per day last year kept the cash operating costs at a lower level of P1.8 billion compared to P2.0 billion in 2019. Cash income from operations was P2.5 billion, 76% higher than P1.4 billion a year ago. Non-cash depreciation, depletion and amortization was lower by 6%.

The third quarter average ore grade per tonne was 3.79 grams of gold and 23.61 grams of silver, as compared of 3.53 grams of gold and 22.15 grams of silver in the first half of the year. Recovery rate for the quarter increased to 88.77% for gold and 80.37% for silver from 86.63% and 74.25% in the first half.

Average realized gold price this quarter was higher at \$1,902 per ounce as compared to \$1,634 in the first half. Silver price also tallied higher at \$24 per ounce from \$17 previously.

Gold and silver sold this quarter was higher at 26,031 ounces and 140,240 ounces, respectively, versus 15,724 ounces and 93,155 ounces in 2019.

The higher metal prices contributed, to a large extent, to the higher net income this quarter as compared to the third quarter of 2019, which had the average prices of \$1,472 per ounce for gold and \$17 per ounce for silver.

On 31 July 2020, the Sangilo mine in Itogon, Benguet, of Itogon-Suyoc Resources, Inc. (ISRI), a wholly-owned subsidiary, formally declared the commencement of its commercial operation at 200 tonnes per day.



Production from the mine, however, faces a challenge from the imposition of restrictions in the movement of supplies and manpower by the national and local governments to minimize the further spread of COVID-19. The exploration and resource validation work in Suyoc, the other mine of ISRI, continues. Suyoc is located in Mankayan, Benguet.

Throughout this pandemic, ISRI has been consistent in extending assistance to its host barangays and neighboring communities, distributing rice and other food provisions, vitamins and protective gear.

While the moratorium on oil and gas exploration in the West Philippine Sea has been lifted by President Rodrigo Roa Duterte in October 2020, developments are still being awaited over the Sampaguita gas field offshore northwest of Palawan covered by Service Contract 72 where Monte Oro Resources & Energy, Inc. (MORE), another wholly-owned subsidiary, holds a 30% participating interest.

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