



APEX MINING REPORTS 401% 2020 EARNINGS GROWTH

HIGHLIGHTS

- 2020 consolidated income (P1.5 billion) 401% higher than 2019
- Parent Company net income up 351% at P1.6 billion
- Stronger gold price in 2020 (\$1,798 per ounce) versus \$1,389 in 2019
- Sales of 66,576 gold ounces in 2020 vs. 64,763 ounces in 2019
- 2020 revenue of P6.3 billion — new record level
- Higher grade and mill recovery rate offset lower milling tonnage
- Timely and appropriate mitigation measures minimized negative impact of the COVID-19 pandemic to APX operations
- Implemented measures complementary to the efforts of local government to cushion negative impact of COVID to local communities

Apex Mining Co., Inc. (APX) reported a consolidated net income of P1.5 billion in 2020, 401% higher than 2019's P306 million. Parent company net income reached P1.6 billion, up 351% from P351 million in 2019.

The higher ore grades (averaging 3.61 grams of gold per tonne) coupled with higher recovery (87.63%) contributed to the higher gold sales of 66,576 ounces in 2020 from 64,763 ounces in 2019. Silver sales slightly decreased to 365,212 ounces from 369,616 ounces in 2019.

The higher gold sales in 2020 was further boosted by the higher average realized price of \$1,798/ounce, generating a record revenue of P6.3 billion for APX, 27% higher than the P5.0 billion revenue in 2019.

"We were able to optimize the high prices of gold with higher ore grades and higher recovery," explained Luis R. Sarmiento, President and CEO.

In 2020, lower milling throughput of 664,363 tonnes (average of 1,949 tonnes per day) as compared to 711,787 tonnes in 2019 (average of 2,063 tonnes per day), kept the cash operating costs at a lower level of P2.6 billion compared to P2.8 billion in 2019. Cash income from operations was P3.4 billion, 74% higher than P2.0 billion in 2019. Non-cash depreciation, depletion and amortization was also lower by 18%.



The continuing investments in capital expenditures — amounting to P1.6 billion in 2020 — brought non-cash charges for depreciation and amortization to P674 million. These investments were in relation to the continuing development of the mines in preparation for higher grade and larger tonnage operations. Depletion cost was 38% lower at P349 million, to a greater extent due to the lower milling tonnage and higher ore reserves.

Sarmiento praised the Apex team for, “continuing to deliver on our commitments safely and cost-efficiently despite the uncertainties brought about by the pandemic.”

At the onset of the lockdowns in March 2020, APX immediately organized the Containment Management Team (CMT) to enhance the company’s agility to conform with the fluidity of the work and business environs. Employees who could perform their tasks offsite were sent home; only workers whose jobs were crucial to production and can only be done on site remained in the mine site.

However, between the quarantine restrictions imposed by the LGUs and the lockdowns enforced by the company to help keep the site COVID-free, APX’s miners and workers housed in the mines were unable to go home to their families.

“Our employees who had to stay in the site to sustain our operations had to contend with the difficulties of being away from their families for an indefinite period of time.”

Despite the pandemic disrupting its operations, APX continued to focus on improving operating efficiency while ensuring strict adherence to health and safety standards imposed by the local and national government.

The year 2020 also saw APX’s spirit of *malasakit* stronger than ever. The company distributed cash and essentials such as food, vitamins, test kits and face masks to the residents of its host communities and nearby barangays. The donations complemented the *ayuda* extended by the government to cushion the negative impact of the pandemic.



On 31 July 2020, the Sangilo mine in Itogon, Benguet, of Itogon-Suyoc Resources, Inc. (ISRI), its wholly-owned subsidiary, formally commenced its commercial operation at 200 tonnes per day. Production, however, remains a challenge due to restrictions in movement of supplies and manpower imposed by the national and local government to minimize the further spread of COVID-19. The exploration and resource validation work in Suyoc, the other mine of ISRI, in Mankayan, Benguet, continues.

Monte Oro Resources & Energy, Inc. (MORE), another wholly-owned subsidiary of APX, holds a 30% participating interest in Service Contract 72 which involves oil and gas exploration in the West Philippine Sea (WPS). The moratorium on oil and gas exploration in the WPS was lifted by President Rodrigo R. Duterte in October 2020.

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