

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

Corpsec@apexmining.com

Company's Telephone Number

8706-2805

Mobile Number

+639088937925

No. of Stockholders

2,749

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

Billy G. Torres

Email Address

bgtorres@apexmining.com

Telephone Number/s

8706-2805

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

3304B West Tower, Tektite Tower, 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, 2021**
2. Date of this report: **April 29, 2022**
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, Tektite Tower, Exchange
Postal Code: 1605 Road, Ortigas Center, Pasig City**
9. Telephone number, including area code: **Tel. # (02) 8706-2805 Fax # 8706-2804**
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

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding</u>
Common shares	6,227,887,491

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 its 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, Davao de Oro, Philippines. Its registered business and principal office address is 3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, Philippines.

On March 7, 1974, the Parent Company listed its shares in the Philippine Stock Exchange (PSE).

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), a Canadian company, and its associated Philippine company, Mapula Creek Gold Corporation (Mapula), acquired 28% and 45% of the Parent Company’s shares, respectively, from the Puyat group. 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 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 owned by Abracadabra Speculative Ventures, Inc. (ASVI) of Malaysia.

In November 2011, Monte Oro Resources & Energy, Inc. (MORE), a Philippine company, acquired an initial 5% ownership in the Parent 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 merger of Teresa and the Parent Company, with the Parent Company as the surviving entity effective on January 1, 2012.

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

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

In June 2015, the Parent Company acquired 98% of the shares of Itogon-Suyoc Resources, Inc. (ISRI), a Philippine mining company. The Parent Company acquired the remaining 2% of ISRI in August 2016.

Business of Issuer

Products

The Parent Company's Maco mine and ISRI's Sangilo mine produce bullions and buttons, respectively, containing gold and silver. All of the production of both mines are sold to 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 a mining license, such as Mineral Production Sharing Agreement (MPSA) from the government. A mining company with no MPSA, mining patents or other forms of tenement will not be able to operate.

Development Activities

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

Year	Development Cost	Revenue	Percentage
2021	₱906,021,877	₱7,410,310,716	12%
2020	822,407,244	6,317,677,566	13%
2019	627,841,722	4,960,926,451	13%

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, 2021 is 1,631. The table below summarizes the distribution of the Parent Company's manpower count as to division and rank.

Division/Department	R&F	Supervisor	Manager	Total
Mine Division	559	144	12	715
Mill Division	136	33	5	174
Geology Division	103	44	5	152
PMES Division	98	32	4	134
Support Services & Admin	282	131	43	456
Total	1,178	384	69	1,631

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, Davao de Oro. 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, 2021, the Parent Company holds valid and subsisting MPSA Nos. 225-2005-XI and 234-2007-XI, which have terms of 25 years from the effective date.

ISO Certification

The Parent Company's Maco Mines has three certifications:

- ISO 9001:2015 for Quality Management System
- ISO 14001:2015 for Environmental Management System, and
- ISO 45001:2018 Occupational Health and Safety

granted in March 2018 by Certification International. The scope of the certifications includes exploration underground mining, milling and recovery of gold and silver using carbon-in-leach process; mine waste and mill trails management; and all support services.

Itogon Mines

ISRI is the holder of four (4) Patented Mineral Claims covering the Sangilo Mine in Itogon, Benguet and MPSA No. 152-2000-CAR covering the Suyoc Mine in Mankayan, Benguet.

The Sangilo mine has completed the rehabilitation and refurbishment of its mining and milling facilities and declared the commencement of its commercial operations on July 31, 2020. Suyoc Mine continues its resource validation and exploration activities while doing some rehabilitation of its facilities.

ISO Certification

The Sangilo and Suyoc mines are ISO 14001:2015 certified for environmental management system granted by TUV Rheinland in April 2017. The scope of the certification for the Sangilo Mine is for exploration, mining and mine processing; while the Suyoc Mine is for mining exploration and project development.

Paracale Gold Project

MORE wholly owns Paracale Gold Limited (PGL), an Isles of Man 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.

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. BMRC 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 MORE, and 49% by Erdenejas LLC, a Mongolian exploration company. The project is currently under continued care and maintenance.

Sierra Leone Project

The Gori Hills project located in the Republic of Sierra Leone in West Africa is owned by MORE through Monte Oro Mining Co., Ltd. (MOMCL) which holds the tenements for the project and MORE Minerals SL (MMSL), previously engaged in artisanal mining and gold trading. MOMCL received word that its tenement license has been revoked by the National Mineral Agency (NMA). MOMCL will work to question that revocation and for the reinstatement of that license.

MORE has an interest in Gold Mines of Uganda Ltd. (GMU) in the form of advances made to this company. GMU owns significant gold related assets and gold resources in Uganda. GMU and MORE has a Memorandum of Agreement whereby both parties agree to combine their mineral interest in Africa and work towards creating a mining company that will be listed and marketed to international investors, and to enable GMU raise capital funding through the listing. As of the report date, the MA is not yet consummated by both parties. The two licenses of the Uganda project were renewed last September 9, 2020 with a tenure of 3 years subject to a 4-year extension.

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.(NPGPL) in which the Parent Company has a 3.92% equity interest. The company's operations remain suspended following dispute with the government on license terms.

B. Oil and Gas

Service Contract (SC)

MORE has a 30% participating interest in Service Contract 72 (SC 72), a service contract for gas located in the West Philippine Sea covering the Sampaguita offshore gas field northwest of Palawan. Forum (GSEC 101) Ltd. (Forum) holds the remaining 70% participating interest and is the operator of the SC.

The Philippine government lifted its moratorium on oil and gas exploration in disputed areas of the West Philippine Sea in October 2020, allowing exploration activities to resume over the block. The consortium has 20 months or until June 2022 to drill two commitment wells under sub-phase 2. Failure to comply with the minimum work commitment for each sub-phase shall terminate the service contract. Any failure or delay in the performance of obligations and duties shall be excused to the extent attributable to force majeure. In 2021, the consortium started its preparations for the drilling of two commitment wells in the first half of 2022.

On April 6, 2022, Forum received a directive from the Department of Energy (DOE) to put on hold all exploration activities for SC 72 until such time that the Security, Justice and Peace Coordinating Cluster (SJGCC) has issued the necessary clearance to proceed. Forum, as the operator, complied with this directive by suspending the drilling activities.

On April 8, 2022, Forum sent a letter to DOE, expressing its willingness to resume activities immediately, no later than April 11, 2022, but if written confirmation from DOE would not be received by April 10, 2022, the consortium will consider the suspension of work issued by the DOE to be indefinite and a force majeure event that will entitle the consortium to be excused from the performance of the obligations and to the extension of the exploration period under SC 72.

As at April 29, 2022, the consortium has not received advise from the DOE that it can resume its exploration activities. Thus, the consortium was constrained to stand by the force majeure declaration and to terminate with immediate effect all the supply and services agreements that have been put in place to carry out the work obligations imposed by the DOE. National Defense Secretary Delfin Lorenzana who heads SJPCC has publicly declared that the fate of oil exploration activities in the West Philippine Sea is now up to the next administration to be elected in the May national election.

C. Others

Solid Waste Management

MORE owns 52% of International Cleanviroment Systems, Inc. (ICSI) which has a Build-Operate-Transfer contract with the Philippine government through the DENR to manage, rehabilitate and introduce ecologically friendly technologies for waste disposal, recycling and energy generation which agreement is yet to be put in operation.

ICSI was a subject of an agreement to sell between MORE and A. Brown Co., Inc. (ABCI) whereby MORE shall sell its 52% ownership in ICSI to ABCI payable within 12 months and which was further extended to May 31, 2021. The agreement to sell did not materialize until expiration of agreement in 2021

Government Regulations and Approvals

Compliance with existing governmental regulations entails costs to the Parent Company and Subsidiaries (collectively referred to as 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 Vice President for Geology & Exploration, Dr. Eric S. Andal.

Operations

Geology and Exploration

For the year 2021, underground exploration continued its target resource evaluation through diamond drilling focused within and near-mine extensions of the epithermal gold veins of the MPSA 225-Maco vein complex. The drilling campaign accomplished 34 drill holes with an aggregate drilling meterage of 13,565 drilling-meters. These drill holes defined the lateral and vertical continuity and would qualify the Mineral Resource of Wagas, Masarita, SDN2, SDN3, SDN4, MAI (hanging wall split), MAI (main vein), Don Joaquin, Don Mario, and Don Fernando.

Modular drilling units utilized by the Parent Company's in-house drilling outfit are: one (1) unit of Sandvik DE-140 rig, two (2) units of Epiroc Smart-4 rigs were. Other units outsourced are: one (1) unit of Diamec U-6 and one (1) unit of Boart Longyear LM-90 from DrillCorp Philippines, and one (1) unit MP1000 drill rig from Simba Diacore Philippines.

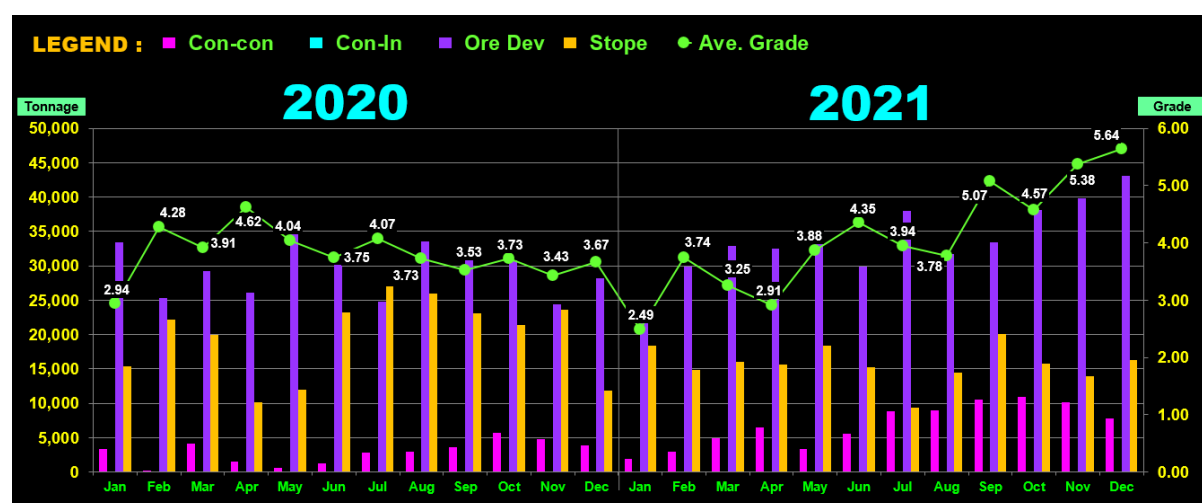
Below is the breakdown of the diamond drilling accomplishment for the year 2021 in meters advanced per drill rig.

Rig	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DE-140	287	568	573	368	265	301	513	486	526	599	508	401
SMART-4A	216	179	170	223	171	126	223	138	349	176	308	272
SMART-4C	416	282	68	-	-	-	-	-	-	-	-	-
DIAMEC U-6	860	595	410	-	-	-	-	-	-	-	-	-
LM-90	166	284	-	506	398	320	501	504	-	-	-	-
MP 1000	-	-	-	-	-	-	-	-	-	-	98	211
TOTAL	1,945	1,908	1,221	1,097	834	747	1,237	1,128	875	775	914	884

Mining Operations

The total mine production in 2021 was 675,427 tonnes with an average grade of 3.96 grams per tonne (gpt) compared to 633,308 tonnes with an average grade of 3.67 grams per tonne (gpt) in 2020.

Below is the summary of ore sources production and average grade of mine ore:



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

Ore sources	2021			2020		
	Tonnage	Gpt of gold	% to Total	Tonnage	Gpt of gold	% to Total
Ore development	395,174	3.48	59%	339,444	3.42	54%
Stope	188,554	3.84	28%	240,883	3.75	38%
Conventional - Contract	82,432	6.73	12%	34,954	6.10	6%
Conventional - In-house	-	-	-	2,394	5.47	0%
Incidental ore	9,267	2.24	1%	15,633	3.11	2%
	675,427	3.96	100%	633,308	3.67	100%

In 2021 and 2020, off-vein mine development for access drives advanced 5,592 and 4,629 meters, respectively, while on-vein mine development for ore advanced 8,466 and 7,905 meters, respectively.

Mill Operations

Below is the summary of the mill production metrics in 2021 with comparative 2020 and 2019 figures.

	2021	2020	Change	2019	Change
Tonnage:					
Total	708,447	664,363	+7%	711,788	-7%
TPD	2,057	1,949	+6%	2,063	-5%
Mill head grade (gpt):					
Gold	3.74	3.61	+4%	3.19	+13%
Silver	20.85	22.10	-6%	20.47	+8%
Recovery percentage:					
Gold	87.35	87.63	-0%	85.46	+3%
Silver	75.69	77.23	-2%	75.50	+2%
Ounces produced:					
Gold	74,334	68,017	+9%	62,468	+9%
Silver	358,672	373,944	-4%	353,627	+6%

Mineral Resource and Ore Reserves update

The estimated mineral resource for MPSA-225-2005-XI amounted to 11.35 million tonnes at a grade of 4.6 gpt, while the estimated ore reserves amounted to 5.75 million tonnes at a grade of 4.9 gpt both from respective Competent Person (CP) reports dated May 2021 and June 2021, 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 2.0 gpt. Meanwhile the mineral resource was estimated using a block cut-off grade of 1.5 gpt.

Below is the summary of the estimated mineral resources and ore reserves covering certain veins/areas of the Maco mine as reported by independent competent person compliant with the Philippine Mineral Reporting Code (PMRC). 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	4.8	3,195,000	493,000
Indicated	4.5	5,399,000	781,000
Measured	4.5	2,760,000	407,000
Total / Average	4.6	11,354,000	1,681,000

The above figures were lifted from the technical report duly notarized on June 29, 2021 on the exploration results and mineral resources covering veins in MPSA-225-2005-XI, prepared and submitted by Mr. Darwin Edmund L. Riguer, a registered Geologist with License No. 1684 and is an accredited CP on Exploration Results and Mineral Resource Estimation with the PMRC/Geological Society of the Philippines CP Registration No. 20-12-02.

Estimated Ore Reserves @ Cut-Off Grade of 2.0 gpt

Category	Grade (gpt)	Tonnes	Estimated gold (in ounces)
Probable	4.8	2,976,000	454,595
Proven	5.1	2,772,000	458,971
Total / Average	4.9	5,748,000	913,566

The above figures were lifted from the technical report duly notarized on July 6, 2021 on the 2021 report for economic assessment and ore reserve estimation of the gold vein deposits of Maco mines within MPSA-225-2005-XI prepared and submitted by Mr. Constancio A. Paye, Jr., a registered Mining Engineer with License No. 0001292 and is an accredited CP with PMRC with CP Registration No. EM 0001292-074/18.

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 2021 and 2020, 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
2021	56.2	44.3	8.4	4.7	57.4
2020	72.8	54.1	7.0	3.9	65.1

Environmental Protection and Enhancement Program (EPEP) Update

A total of ₱80.2 million was spent in the implementation of various EPEP activities during the year compared to the 2019 EPEP spending of ₱52.5 million. These activities were carried out to mitigate the negative impact of mining operations to the environment.

Below is the summary of the activity areas with corresponding costs.

Activity areas	2021
Land resources	₱59,420,125
Water resources and quality	17,539,870
Air quality	593,487
Noise monitoring	9,600
Conservation values	38,400
Multi-partite monitoring team/mine rehabilitation fund committee activity and other capital outlay	2,648,254
Total	₱80,249,736

Power Supply and Utilization Update

Below are the tables showing the summary of the utilization of power of the Parent Company for the years 2021 and 2020.

2021

COST CENTERS	kW-Hr	Php4.767 /kW-Hr	%	kW-Hr	Php4.20 /kW-Hr	%
	x 1,000	x 1,000		x 1,000	x 1,000	
Mine Operation Areas						
VENTILATION	39,378	187,733	42.13%	35,173	147,795	38.44%
DEWATERING	11,364	54,178	12.16%	14,989	62,984	16.38%
COMPRESSORS	5,716	27,252	6.12%	3,154	13,255	3.45%
JUMBO DRILLS	10,015	47,747	10.71%	5,124	21,532	5.60%
Mill Plant Areas	26,149	124,663	27.98%	32,048	134,667	35.02%
Maintenance Areas	384	1,832	0.41%	426	1,791	0.47%
Admin, Offices and Staff Houses	465	2,214	0.50%	587	2,467	0.64%
Annual kW-Hr	93,472	445,620	100.00%	91,502	384,491	100.00%

2020

COST CENTERS	PROJECTED 2020			ACTUAL 2020		
	kW-Hr	Php4.84 /kW-Hr	%	kW-Hr	Php4.55 /kW-Hr	%
	x 1,000	x 1,000		x 1,000	x 1,000	
Mine Operation Areas						
VENTILATION	35,808	173,133	39.09%	31,212	142,028	38.97%
DEWATERING	9,369	45,299	10.23%	10,038	45,677	12.53%
JUMBO DRILLS	10,013	48,412	10.93%	2,855	12,991	3.56%
COMPRESSORS	7,887	38,132	8.61%	6,348	28,884	7.93%
Mill Plant Area	27,639	133,636	30.17%	28,614	130,203	35.73%
Maintenance Areas	406	1,964	0.44%	428	1,945	0.53%
Admin, Offices and Staff Houses	491	2,374	0.54%	592	2,696	0.74%
Annual kW-Hr	91,612	442,950	100.00%	80,087	364,425	100.00%

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 well-being of all stakeholders is prioritized. This means a work place where no one gets hurt or injured and everyone goes home safe during operation of its business. Management plays a major role in the safety management system within the company. Programs are put in place to eliminate or minimize hazards and risks in the area, and all workers are encouraged to be responsible for their own safety and the safety of others.

The Parent Company had 22 non-lost time accidents; 4 lost time accident which are non-fatal; and 111 incidents of property damage in 2021, compared to 50, 1 and 113, respectively, in 2020.

Related Party Transactions

Please refer to Note 15 of the Notes to the Consolidated Audited Financial Statements as of December 31, 2021. Part III, Item 13 of this report also discusses related party transactions.

Major Business Risks

Regulatory Change

The Group 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 Group.

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. This includes 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 Group 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 Group'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 Group's control. Production and operating costs are constantly being monitored to ensure that optimal use of the Group's assets is 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 Group 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 Group, 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 Group's consolidated statement of income.

Item 2. PROPERTIES

The Group owns mining facilities and administrative support facilities in its Maco mine site, Sangilo and Suyoc mine site and other support facilities in MORE offices. 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 ₱3.1 million.

Item 3. LEGAL PROCEEDINGS

The Group is involved in various legal proceedings, claims and liabilities incidental to its normal business activities. The Group'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 Group.

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

The proposed amendment of Article II (2) of the bylaws to move the annual stockholders meeting to the last business day of April of each year, instead of last business day of June currently provided.

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 carrying the symbol "APX".

The high and low stock prices per share for each quarter in 2021 and 2020, and for the interim period from January 1 to March 31, 2022 were as follows:

Year	Period	Listed Common Shares	
		High	Low
2022	January 1 - March 31	₱2.05	₱1.45
2021	January 1 - March 31	1.88	1.39
	April 1 - June 30	1.85	1.41
	July 1 - September 30	1.77	1.39
	October 1 - December 31	1.66	1.32
2020	January 1 - March 31	1.18	0.55
	April 1 - June 30	1.33	0.68
	July 1 - September 30	1.77	1.17
	October 1 - December 31	2.32	1.33

Stockholders

As of December 31, 2021, the Parent Company has 2,749 shareholders with 6,227,887,491 total issued and outstanding common shares.

The top 20 stockholders of the Parent Company as of December 31, 2021 follows:

	Stockholder	Number of shares	% of ownership
1	Prime Strategic Holdings, Inc.	2,511,329,207	40.32
2	PCD Nominee Corp.*	1,324,680,886	21.27
3	Mindanao Gold Ltd.	597,051,165	9.59
4	Monte Oro Resources & Energy, Inc.	555,133,447	8.91
5	Lakeland Village Holdings, Inc.	474,613,599	7.62
6	Devoncourt Estates, Inc.	423,904,339	6.81
7	PCD Corporation (non-Filipino)	137,386,552	2.21
8	Mapula Creek Gold Corporation	115,326,533	1.85
9	Walter W. Brown	36,743,202	0.59
10	Silverio Benny J. Tan	11,606,747	0.19
11	Jacinto C. Ng	14,725,217	0.24
12	Carousel Holdings, Inc.	3,070,000	0.05
13	Rexlon Industrial, Corp.	1,006,525	0.02
14	Gil A. Marvilla	647,767	0.01
15	Stephen G. Paradies	549,900	0.01
16	Lucio W. Yan and/or Clara Yan	485,525	0.01
17	Jalandoni, Jayme, Adams & Co., Inc.	484,892	0.01
18	Ignacio R. Ortigas	311,665	0.01
19	Ansaldo, Godinez & Co., Inc.	298,448	0.00
20	Prudential Sec., Inc.	295,385	0.00

* Net of the shares actually lodged with the PCD but are presented separately in this list.

As of December 31, 2021, the public ownership level of the Parent Company is at 35.54%.

Dividends

The Parent Company has not declared any dividend in the past three years ended December 31, 2021, and the interim period ended March 31, 2022.

The Parent Company has not established any restriction that would limit its ability to pay dividends on common shares nor does it have any plan of setting any 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, 2021, and in the interim period ended March 31, 2022 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 2021, 2020 AND 2019

Consolidated Statement of Income

Consolidated Net Income

The consolidated net income of the Group was ₱657.3 million in 2021, a 57% decline from the ₱1.5 billion consolidated net income in 2020, but a 115% increase from the ₱305.9 million consolidated net income in 2019.

The Parent Company net income in 2021 amounted to ₱1.9 billion compared to the ₱1.6 billion and ₱350.8 million net income in 2020 and 2019, respectively.

Consolidated Revenues

The consolidated revenues in 2021, 2020 and 2019 amounted to ₱7.4 billion, ₱6.3 billion and ₱5.0 billion, respectively, or an increase of ₱1.1 billion in 2021 compared to 2020, and ₱1.3 billion in 2020 compared to 2019. The 2021 consolidated revenues of the Group pertain to the Parent Company and ISRI revenues, while the 2020 and 2019 revenues pertain to Parent Company revenues only. Though ISRI declared its commencement of commercial operations last July 31, 2020, the metals produced from July 31 to December 31, 2020 were not sold and reported as part of December 31, 2020 gold and silver inventories in the statement of financial position.

Information on the Group sales volume and realized prices for gold and silver in 2021, 2020 and 2019 is as follows:

	2021	2020	Change	2019	Change
Gold					
Volume sold in ounces	78,709	66,576	+18%	62,468	+7%
Realized price/ounce, in USD	\$1,788	\$1,798	-1%	\$1,389	+29%
Silver					
Volume sold in ounces	359,533	365,212	-2%	353,627	+3%
Realized price/ounce, in USD	\$24.46	\$21.78	+12%	\$16.14	+35%

The weighted average United States Dollar (USD) to Philippine Peso (PHP) foreign exchange rates on the Group revenues in 2021, 2020 and 2019 were ₱49.56, ₱49.49 and ₱51.71, to one USD, respectively.

An analysis of the consolidated revenue variance, which comprises of sales volume, price and exchange rate variances, between the comparative years ended December 31, 2021, 2020 and 2019 of the Group are as follows:

Variance	2021 versus 2020 (in thousands of PHP)			2020 versus 2019 (in thousands of PHP)		
	Gold	Silver	Total	Gold	Silver	Total
Volume (sold)	₱1,079,657	₱(6,121)	₱1,073,536	₱130,984	₱(3,696)	₱127,288
Price	(40,128)	47,706	7,578	1,415,970	107,113	1,523,083
Exchange rate	10,966	553	11,519	(275,454)	(18,166)	(293,620)
Consolidated revenue	₱1,050,495	₱42,138	₱1,092,633	₱1,271,500	₱85,251	₱1,356,751

Parent Company's milling throughput is higher at 708,447 tonnes (averaging at 2,057 tonnes per day) this year as compared to 664,363 tonnes averaging at 1,949 tonnes per day in 2020. Gold recovery is at 87.35%, almost the same level compared to last year's 87.63% recovery. Silver recovery declined by 2% to 75.69% against last year's 77.23% recovery rate. ISRI milled a total of 70,431 tonnes during the year.

The higher ore grades averaging 3.74 grams of gold per tonne contributed to the 18% higher gold sales to 78,709 ounces this year from 66,576 ounces last year. Silver sales, however, slightly decreased by 2% to 359,533 ounces from 365,212 ounces.

Metal prices averaging \$1,788 per ounce for gold and \$24.46 per ounce for silver established a new record for the Group's annual revenue of P7.4 billion in 2021. This was higher by 17% than the previous record revenue reported in 2020 of P6.3 billion from the average prices of \$1,798 and \$21.78 per ounce for gold and silver, respectively.

The slight depreciation of the PHP against the USD resulted in a favorable exchange rate variance.

Consolidated Cost of Production

Consolidated cost of production incurred in 2021, 2020 and 2019, amounted to ₱4.3 billion, ₱3.5 billion and ₱3.8 billion, respectively. Costs of production for the unsold metal products of the Group were reported as inventories in the balance sheets as of December 31, 2021 and were charged to income statement upon sale in January 2022. A breakdown of the main components of consolidated cost of production is as follows:

- Materials used in mining and milling rose by ₱312.4 million in 2021 compared to 2020, and declined by ₱169.2 million in 2020 compared to 2019. As materials cost is mainly driven by throughput production, the movement in cost is attributable to the 7% increase and 7% decrease in milling throughput of Maco mine in 2021 and 2020, respectively, versus its respective prior year comparative numbers. Material costs used in the full year operations of ISRI Sangilo mine and charged to current year production costs amounted to ₱102.5 million, which was in rehabilitation stage last year.

- Depreciation, depletion and amortization expense charged to production increased by 9% or ₱90.6 million in 2021 compared to 2020, and decreased by 18% or ₱230.2 million in 2020 compared to 2019.

The increase in ore reserves of the Maco mine in the middle of 2021 to 5.75 million tonnes (at the average grade of 4.9 grams of gold per tonne) reported by an accredited competent person in compliance with the Philippine Mineral Reporting Code, compared to the previous ore reserves of 1.92 million tonnes (at the average grade of 6.34 grams of gold per tonne), correspondingly reduced the applicable depletion rate starting July 2021. The impact of lower depletion rate, however, was partly negated with the increase in tonnage output, bringing the net decrease of the depletion expense by ₱100.3 million in 2021 compared to 2020. Depreciation, however, surged by 28% or ₱190.9 million in 2021 versus 2020, and by 7% or ₱52.8 million in 2020 versus 2019, as a result of higher capital expenditures, particularly fleet of equipment, made in previous years. Repairs and maintenance also increased to ₱26.2 million due to the servicing of aging heavy mobile equipment used in the mining operations as well as regular maintenance activities for the increasing fleet and mine infrastructures.

- Personnel cost went up by 25% or ₱134.4 million this year compared to 2020 despite 6% reduction of Parent Company manpower to 1,631 as of December 2021 from 1,728 in 2020 due to increased operating activities, higher benefits payment and recognition of ₱92.0 million payroll cost of ISRI Sangilo mine in the statements of financial income during the year to match the revenue generated from the commercial operations in 2022.
- Utilities expense increased by 8% or ₱17.6 million in 2021 versus 2020 and by 3% or ₱7.4 million in 2020 compared to 2019. Mill Plant area of the Maco mine consumed 32.0 million kilowatt hour in 2021 which is higher compared to 28.6 kilowatt hour million in 2020 despite lower per kilowatt hour cost at ₱4.20 in 2021 versus ₱4.55 in 2020. Data and communication also increased by ₱3.2 million in 2022 as the demands for offsite connectivity and solutions rise due to the fewer face-to-face activities.
- Contracted services cost also rose by 56% or ₱129.6 million while professional fees by 36% or ₱3.8 million due to the increasing business activities requiring various third party services compared to previous year when most of the restrictions in movements and deferment of activities were made to control the spread of COVID-19 in compliance with the directives of the local and national government. Contracted services also include bus rental for employees living in nearby communities of the mines. During the period of community quarantine in 2020, workforce was temporarily reduced resulting in lesser bus trips. In Sangilo mine, ₱13.5 million was spent for contracted services this year.
- Indigenous People (IP) surface rights royalty & IP royalty, Social Development and Management Program (SDMP) expenses and taxes, licenses and permits, as a group, accounted for an 8% or ₱20.5 million increase in 2021 compared to 2020 due to higher revenue and cost base. Donation and contribution was also higher in 2021 due to various assistance activities conducted in Davao and Benguet regions to participate in the government's effort to minimize the spread of Covid-19, among others.
- Bullion refining and transportation charges increased by 19% or ₱11.3 million in 2021 compared to 2020 due to higher volume and frequency of shipments this year.

- Insurance expense is higher by ₱16.4 million in 2021 versus 2020, and ₱11.2 million in 2020 compared to 2019, mainly due to the increases in premium and additional property insurance for new equipment acquisitions during the year.

Consolidated Excise Taxes

Consolidated excise taxes are excise taxes on the market value of metals produced which amounted to ₱296.6 million, ₱265.6 million and ₱194.1 million in 2021, 2020 and 2019, respectively. The increase in the excise tax in 2021 and 2020 is attributable to the increase in revenue which is used as tax base in the computation of 4% excise tax due.

Consolidated General and Administrative Expenses

Consolidated general and administrative (G&A) expense in 2021, 2020 and 2019 amounted to ₱211.3 million, ₱162.9 million and ₱210.7 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:

	2021	2020	2019
Parent Company	₱155.1	₱116.9	₱168.0
MORE and Subsidiaries	38.3	15.6	30.2
ISRI	17.9	30.4	12.5
	₱211.3	₱162.9	₱210.7

G&A expenses were lower in 2020 compared to 2021 and 2019 due to reduced and deferred activities because of the restrictions imposed by the local and national government to minimize the impact of the pandemic.

Consolidated Finance Costs

Consolidated finance costs in 2021, 2020 and 2019 of the Group amounted to ₱165.1 million, ₱202.4 million and ₱207.3 million, respectively. The lower finance cost in 2021 versus 2020 and 2019 was primarily due to quarterly loan amortization payments and higher capitalization of borrowing costs based on the weighted average cost computed this year.

Consolidated Other Income (Charges)

The consolidated finance cost and other income/charges of the Group amounted to ₱1.3 billion and ₱12.4 million in 2021 and 2020, respectively. During the year, the Group recognized a ₱1.2 billion provision for impairment of property and equipment and deferred exploration costs of non-operating local and foreign non-operating subsidiaries or subsidiaries under care and maintenance status, of Monte Oro Resources & Energy, Inc. ("MORE").

Consolidated Provision for Income Tax

The Group's current income tax were at ₱626.1 million, ₱732.4 million and ₱196.6 million in 2021, 2020 and 2019, respectively. The significant portion of current income tax is attributable to the Parent Company being subjected to the regular corporate income tax (RCIT) rate.

Effective July 1, 2020, regular corporate income tax rate is reduced from 30% to 25% for domestic and resident foreign corporation in accordance with the CREATE act.

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)

During 2019, the Parent Company revalued its property, plant and equipment based on estimated fair values as indicated in the independent appraiser's report dated May 24, 2019. Accordingly, the Group recognized a net increase of ₱368.2 million which was directly credited to revaluation surplus, net of deferred taxes.

Re-measurement losses on retirement plan in 2021 and 2020 amounted to ₱45.4 million and ₱1.7 million, respectively, while re-measurement gain in 2019 amounted to ₱28.3 million, which arises out of the change in the assumptions used by an independent, third-party actuary.

Consolidated Statement of Financial Position

Consolidated Current Assets

Total consolidated current assets decreased by 4% or ₱115.6 million to ₱3.0 billion as of December 31, 2021 from ₱3.1 billion as of December 31, 2020 essentially due to the following:

- Cash of the Group grew by ₱36.8 million to ₱1.4 billion in 2021 due to higher cash generated by the Group from operations during the year at ₱2.9 billion despite the expenditures for capital assets, mine development and explorations costs aggregating to ₱2.2 billion, and net settlements of maturing term loan amortization amounting to ₱692.5 million.
- Trade and other receivables was lower by ₱148.8 million at December 31, 2021 compared to the balance in the prior year mainly because the prior year amount included uncollected revenue from the last shipment made near the end of December 2020 and was subsequently sold and collected only in January 2021. In December 2021, payment for the last shipment was sold and collected before the end of the year.
- Supplies inventories used in operations increased by 16% to support the increasing activities of the mines as well as to address the longer ordering and lead time due to the impact of pandemic with the foreign supplies logistics. Advance payment to suppliers lodged in the other current assets also increased to ensure continuous flow of materials at various mine sites.
- ICSI was previously classified as assets held for sale under current assets in 2018 based on an agreement on August 28, 2018 between MORE and A Brown Co., Inc. ("ABCI") where MORE shall sell its 52% ownership in ICSI to ABCI within 12 months, which was further extended to May 31, 2021. As at December 31, 2021, ICSI no longer qualify under the assets held for sale criteria as the agreement was not yet implemented.

Consolidated Noncurrent Assets

Total consolidated noncurrent assets grew by 1% or ₱160.5 million to ₱12.7 billion as of December 31, 2021 from ₱12.5 billion as of December 31, 2020 mainly because of the increase in property, plant and equipment by ₱450.6 million due to acquisitions, constructions and mine development activities during the year, net of depreciation and depletion expense. Deferred exploration costs decreased by ₱286.6 due to the net effect of MORE impairment for assets lodged in this account.

Consolidated Current Liabilities

Consolidated current liabilities were higher by 6% or ₱283.9 million to ₱4.7 billion as of December 31, 2021 from ₱4.4 billion as of December 31, 2020. The breakdown of the change in the consolidated current liabilities is detailed below.

- Trade and other payables increased by ₱157.4 million due to purchases under Group's regular credit terms with the suppliers during the latter part of the year.
- Current portion of loans payable increased by ₱113.7 million due to ISRI's opening of trust receipts with a local bank for its equipment and supplies purchases. During the year, quarterly repayment of term loan and reclassification of maturing loan amortization from noncurrent loans were made.
- Income tax payable increased by ₱72.7 million as of December 31, 2021 which mainly comprise of the Group's income tax due for the fourth quarter of 2021 at the RCIT rate.

Consolidated Noncurrent Liabilities

The Group's consolidated noncurrent liabilities went down by 36% or ₱963.1 million to ₱2.6 billion as of December 31, 2021 from ₱3.6 billion as of December 31, 2020. The Group paid a total of ₱774.8 billion during the year for the amortization of long-term loan and maturing trust receipts agreement.

There is a decrease in Group's provision for retirement benefits by ₱22.3 million to ₱292.1 million based on annual actuarial valuation. Deferred income tax liabilities significantly decreased by ₱146.7 million to ₱82.7 million due to lower income tax rate. 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. Provision for mine rehabilitation and decommissioning decreased due to revised final mine rehabilitation and decommissioning plan which includes change in assumptions net of accretion and change in estimate.

Consolidated Equity

Consolidated equity was higher by ₱724.1 million to ₱8.3 billion as of December 31, 2021 from ₱7.5 billion as of December 31, 2020 mainly on the net income and other comprehensive income earned in 2021.

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	
		2021	2020
Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}}$	42.5%	45.1%
Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	4.2%	10.4%
Return on equity	$\frac{\text{Net income}}{\text{Total equity}}$	6.4%	15.9%
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.6 : 1	0.8 : 1
Debt-to-equity ratio	$\frac{\text{Total debt}}{\text{Total equity}}$	0.7 : 1	0.8 : 1
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.5 : 1	1.6 : 1
Debt service coverage ratio	$\frac{\text{EBITDA}}{\text{Loan principal plus interest payments}}$	2.9x	3.5x

The gross profit margin in 2021 is lower compared to 2020 due to lower realized metal prices and higher cost of production.

The lower return on assets and return on equity was a result of the impairment recognized during the year which reduced the net earnings of the Group in 2021 than in 2020.

Debt-to-equity ratio slightly decreased due to the increase in equity from net income and reduction of total debts the Group during the period due to the quarterly amortization of term loans. Asset-to-equity ratio also decreased this year compared to prior period due to faster growth in the Group's total stockholders' equity account as compared to the changes in its assets.

The current ratio in 2021 slightly decreased compared to 2020 due to higher trade payables resulting from near year-end purchases.

Debt service coverage ratio decreased as the Parent Company's EBITDA is lower in 2021 compared to 2020.

Material Event/s and Uncertainties

To the best of the Company's knowledge, there are:

- a. no known trends, events or uncertainties that would have any material impact on liquidity and revenue of the Company except for the potential impact of the on-going COVID-19 pandemic developments.
- b. no known events which may trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation;
- c. no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period except for the corporate guarantee issued by the Company to secure a bank loan of ISRI; and
- d. no material commitments for capital expenditures, general purpose of such commitments, and expected sources of funds for such expenditures.
- e. no significant elements of the items of income and expenses in the financial performance of the Company other than those described in the Company's audited financial statements.
- f. no seasonal aspects of the Company's operations that have a material effect on the Company's financial statements. There is no one period materially significant, whether higher or lower, than the periods during the year.

COVID-19 Disclosure

The Philippine government imposed various levels of community quarantine since March 16, 2020 to address the COVID-19 pandemic in the country.

The community quarantine in Davao de Oro affected the Maco mine's second to fourth quarter of 2020 and full year 2021 operations. The restriction on the movement of employees and the health protocols reduced the workforce which slowed down mine development. The Maco mine conducted contract tracing and isolation in coordination with the local government of Maco when some employees contracted the virus. Focus was made on higher grade ore to achieve gold production levels. The suspension of airport service in Davao City caused delays and lessened the frequency of the mine's gold bullion shipments. There was an increase in transportation cost due to the longer alternative routes.

The community quarantine imposed in the Benguet Province reduced the manpower available for the Sangilo mine rehabilitation and debugging. The Sangilo mine was included in the localized lockdown in October 2020 following the increase in COVID-19 cases within the tenement and Barangay Poblacion where the mine is located. The lockdown was lifted after the completion of swab testing conducted by the Rural Health Unit. ISRI has doubled up on its mitigation measures and disinfected the areas where the COVID-19 cases were identified.

Despite the movement restrictions imposed by the local and national government, the Group was able to increase its production output and generate net income in 2021 and 2020. The Group continues to adhere to the safety and health standards imposed by the national and local government to address the continuing COVID-19 pandemic.

Item 7. FINANCIAL STATEMENTS

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

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

INFORMATION ON INDEPENDENT ACCOUNTANTS AND OTHER RELATED MATTERS

External Audit Fees and Services

Audit and Audit-Related Fees

In 2021 and 2020, the audit was basically engaged for the purposes of the external auditor expressing 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 ensuring the 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 total Group audit fees for the foregoing services were ₱7.0 million and ₱6.7 million in 2021 and 2020, respectively.

Tax Fees

Professional fees paid for tax services amounting to ₱1.0 were paid in 2021 and in 2020.

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. The external auditors then present the audited financial statements of the Company to the Audit Committee after the completion of the audit.

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 and subsequent interim periods.

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>		
Jose Eduardo A. Alarilla	Chairman of the Board	71
Walter W. Brown	Chairman Emeritus	82
Luis R. Sarmiento	Director	64
Stephen A. Paradies	Director	66
Michael Ray Aquino*	Director	55
Joselito H. Sibayan	Independent Director	63
Valentino S. Bagatsing	Independent Director	63
<i>Officers</i>		
Jose Eduardo A. Alarilla	Chairman of the Board	71
Luis R. Sarmiento	President & CEO	64
Gil A. Marvilla	SVP for Project Development	72
Richard C. Licang	VP-Resident Manager for Maco Operations	65
Rodulfo A. Palma	VP-Legal and Mine Compliance & Risks	53
Eric C. Andal	VP for Geology & Exploration	46
Emelita C. Fabro	VP-Corporate Administration	60
Silverio Benny J. Tan	Corporate Secretary	65
Jonas S. Khaw	Asst. Corp Secretary	43
Billy G. Torres	VP Finance, Treasurer and Compliance Officer	38

**from March 11, 2022*

The directors of the Company have terms of office for one year or until their successors are elected and qualified.

Profile

Below is the profile of each of the Company's directors and officers.

Ramon Y. Sy was Chairman of the Board of the Company until he passed away on September 16, 2021. The Board then elected Jose Eduardo J. Alarilla to assume the Chairmanship of the Board.

Jose Eduardo J. Alarilla, Chairman of the Board

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., MORE 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.

Luis R. Sarmiento, Director; President & CEO

Luis R. Sarmiento was elected as President & CEO of the Parent Company on June 28, 2019, after having been previously appointed as Senior SEVP & COO on October 1, 2018. He was also elected as President of ISRI and MORE on June 28, 2019. Prior to joining the Parent Company, he was the President of Orica Explosives Philippines, Inc., He was also the President of Orica Nitrates, Inc. and a Director of Nitro Asia Company, Inc. A licensed mining engineer, Mr. Sarmiento served as President of the Philippine Mine Safety and Environment Association, President of the Philippine Association of Industrial Explosive, Inc., and Director of the Chamber of Mines of the Philippines. He was conferred as Outstanding Mapuan Awardee in the field of mining engineer in 2005., as Outstanding Mining Engineer Awardee by the Philippine Society of Mining Engineer in 2008, and as Outstanding Mining Engineer of the Year Awardee by the Professional Regulations Commission in 2012. Mr. Sarmiento is a graduate of Mapua Institute of Technology with a degree of Bachelor in Science in Mining Engineering in 1979.

Walter W. Brown, Director and Chairman Emeritus

Walter W. Brown has been in the Board of Directors of the Company since October 2013 and was the President & CEO of the Company and the Chairman of ISRI until his retirement on June 28, 2019. Mr. Brown 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 of ABCI, a publicly-listed company; and Chairman of Palm Concepcion Power Corporation, which has a 2x135 MW coal-fired power plant in Concepcion, Iloilo. Mr. Brown was former President of Philex Mining Corporation, a publicly-listed company, and National Grid Corporation of the Philippines.

Stephen A. Paradies, Director

Mr. Paradies is a Director of International Container Terminal Services, Inc. (ICTSI), a publicly listed company. He is also a Director of Sureste Properties Inc. ICTSI Warehousing, Inc. and Sociedad Puerto Industrial Aguadulce S.A. Mr. Paradies was formerly the Senior Vice President-Treasurer of Aboitiz & Company, Inc.; a Trustee of Bloomberry Cultural Foundation, Inc.; a Director of Union Properties, Inc.; Prime Metro BMD Corp., and Chairman of NapaGapa Beverages, Inc. and MORE Electric & Power Corporation. Mr. Paradies received his Bachelor of Science degree, major in Business Management, from the Santa Clara University, California, USA.

Joselito H. Sibayan, Independent Director

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 a Director of ABCI, a publicly-listed company. He obtained his Masters degree from the University of California in Los Angeles and his BS Chemical Engineering from De La Salle University-Manila.

Valentino S. Bagatsing, Independent Director

Valentino S. Bagatsing is the President and Chief Executive Officer of Investment & Capital Corporation of the Philippines (ICCP). He is an Independent Director of Mapfre Insular Insurance Corporation. He was previously a Principal Investment Officer for the International Finance Corporation (IFC), the private sector investment arm of the World Bank Group. He worked at the World Bank group from June 2006 to April 2019. He has also served various senior capacities in Investment, Mortgage and Commercial banking in the Philippines (1993-2006) and in the United States (1982-1992). A Certified Public Accountant, Mr. Bagatsing earned his MBA in Finance at the McLaren School of Business, University of San Francisco and his accounting degree at San Beda College, Manila. He is also a member of the Society of Fellows of the Institute of Corporate Directors (ICD) and the Financial Executives Institute of the Philippines (FINEX).

Michael Ray B. Aquino, Director (from March 11, 2022)

Mr. Michael Ray B. Aquino is the Vice President for Security of Bloomberry Resorts and Hotels Inc. with responsibility over facility security in Solaire Resort and Casino. He started as Deputy Director in 2013 and went up through the organization to his current position in 2019. He is actively involved in coordination and government relations relating to the corporate social responsibility projects of Solaire Cultural Foundation. Mr. Aquino was an officer in the Philippine National Police (PNP) and its predecessor agency the Philippine Constabulary, after his graduation from the Philippine Military Academy (PMA) in 1988. Among the positions he held in the PNP was Chief Operations Division of the Presidential Anti-Organized Crime Task Force and Deputy Director of PNP Intelligence Group. Mr. Aquino has a Bachelor of Science from PMA, a Master in Government Management from the Pamantasan ng Lungsod ng Maynila, and has units towards Master of Business Management from the University of the Philippines in Visayas- Cebu

Gil A. Marvilla, SVP for Project Development

A Certified Public Accountant, 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 MORE; and Managing Director and VP for Finance & Administration in PT Brown Indonesia and ABCI.

Richard C. Licang, VP-Resident Manager for Maco Operations

Mr. Richard C. Licang is a graduate of Adamson University where he earned his degree as Bachelor of Science in Mining Engineering. After passing the licensure examination in 1981, he started his career in mining at Batong Buhay Gold Mines, Inc. as Mine Shift Engineer. He also worked in Mines and Geosciences Bureau - Region I and became one of the directors of Philippine Institute in Mining and Quarrying before starting his stint in Apex Mining Co., Inc. as Mine Shift Manager in 2010. He was promoted successively as Area Manager, as Mine Division Manager, and recently as Vice President for Operation and Resident Manager for Maco Operations.

Rodulfo A. Palma, VP – Legal, Mine Compliance and Risks

Rodulfo A. Palma was an officer of the Natural Resources Development Corporation when he moved in 2003 to the Philippine Mining Development Corporation, both are GOCC attached to the DENR. He left PMDC in 2009 to engage in law practice and has provided consulting works for firms engaged in mineral exploration and development, agribusiness development and export, before he joined Apex in 2013 as Legal Officer for Maco Operations. From 2016 up to now, he is the President of the Alliance of Responsible Miners of Region XI, and the current President of the Compostela Valley Provincial Business Chamber, and Business Chamber of Maco, Inc. He has finished Bachelor of Arts major in Public Administration and Bachelor of Laws.

Eric S. Andal, VP for Geology & Exploration

Dr. Eric S. Andal completed his Undergraduate and Master's degree at the National Institute of Geological Sciences of the University of the Philippines-Diliman and his doctoral degree in Geology, specializing in Geochemistry, at the Graduate School of Natural Science and Technology of Kanazawa University in Ishikawa, Japan. In 2006 he joined Philex Mining Corporation as Senior Geologist and was assigned as Project Manager for Lascogon Mining Corporation and later concurrently as Exploration Project Manager of Silangan Mindanao Mining Co. Inc., both subsidiaries of Philex.. In 2010 he worked with Atok Big-Wedge Company, Inc. as Exploration Geologist engaged in evaluation of local and foreign projects prior to joining Monte Oro Resources and Energy, Inc. (MOREI) as Head of the Exploration Group in Sierra Leone, West Africa. He was later assigned to MOREI's Special Projects team overseeing Paracale Gold Limited, and later Itogon-Suyoc Resources, Inc. where he served as Assistant Vice President for Operations.

Emelita C. Fabro, VP – Corporate Administration

Emelita Cruz Fabro began her career in the broadcasting industry and in the academe before moving to Vietnam to work in an NGO. Her involvement in this organization lead to her to a PR role in 2006 for a Canadian Mining company, Olympus Pacific Minerals. In 2009 she returned to the Philippines and joined the Parent Company with a role in the Administration, Community Relations and HR. She later became the HR and Administration Group Manager for Silangan Mindanao Mining Co., Inc. She is a graduate of Bachelor of Mass Communication in Pamantasan ng Lungsod ng Maynila where she also took Masteral Units in Communication and in Education.

Silverio Benny J. Tan, Corporate Secretary

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 of 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 Razon & Co. Inc., Prime Strategic Holdings Inc., Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., Cyland Corp., and Trident Water Company Holdings Inc.. He is also a Director of MORE Electric and Power Corporation, 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 (BLOOM), a publicly-listed company, Manila Water Company Inc. (MWC), another publicly listed company, Sureste Properties, Inc., Bloomberry Resorts and Hotels Inc., Lakeland Village Holdings Inc., Devoncourt Estates Inc., OSA Industries Philippines Inc., Pilipinas Golf

Tournaments, Inc., Bloomberry Cultural Foundation Inc., ICTSI Foundation Inc., MORE and ISRI; and Assistant Corporate Secretary of International Container Terminal Services, Inc. (ICTSI), a publicly-listed company.

Jonas S. Khaw, Asst. Corp. Secretary

Atty. Khaw is a partner in the law firm Picazo Buyco Tan Fider & Santos. He is the corporate secretary of Medco Holdings, Inc. and assistant corporate secretary of Bloomberry Resorts Corporation. Atty. Khaw holds a Juris Doctor and Bachelor of Science in Management Engineering degrees both from the Ateneo de Manila University.

Billy G. Torres, VP-Finance, Treasurer and Compliance Officer

A Certified Public Accountant, Mr. Billy G. Torres worked as a senior associate auditor of Isla Lipana & Co. before moving to Apex Maco mines as Comptrollership Head in 2012. He received his Bachelor of Science in Accountancy from Polytechnic University of the Philippines with Latin honors. He is concurrently the Treasurer of MORE and ISRI.

Significant Employees

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

Family Relationships

There are no family relationships among officers and directors of the Company and its Subsidiaries.

Involvement in Certain Legal Proceedings

To the knowledge and information of the Company, none of its present members of the Board of Directors and officers are presently or during the last five years involved in any material proceeding, involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere. To the knowledge and information of the Company, none of the members of its Board of Directors and 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 Company are considered regular employees 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 may approve and extend to its managerial, supervisory and R&F employees.

The aggregate compensation paid or incurred in 2021 and 2020, and estimated to be paid in 2022 to the Officers and members of the Board of Directors of the Company are as follows (in millions):

CEO and Four Most Highly Compensated Officers as a Group

<u>Year</u>	<u>Salary</u>
2022 (Estimated)	P42.8
2021	49.1
2020	54.1

Aggregate Compensation of All Officers and Directors as a Group

<u>Year</u>	<u>Salary</u>
2022 (Estimated)	₱56.8
2021	62.3
2020	69.5

The aggregate compensation for the CEO and four most highly compensated officers as a group paid in 2021 and 2020 are for Luis R. Sarmiento (CEO), Ramon Y. Sy, Gil A. Marvilla, Rodulfo A. Palma and Billy G. Torres while the compensation expected to be paid in 2022 are for Luis Sarmiento (CEO), Gil A. Marvilla, Rodulfo A. Palma, Richard C. Licang and Billy G. Torres.

Compensation of Members of the Board of Directors

The members of the Board of Directors 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 their compensation (whether direct or indirect) being as members of the Board of Directors.

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 December 31, 2021, the following beneficially owns at least five percent (5%) of the issued and outstanding common shares of the Parent Company:

<u>Name of Record Owner</u>	<u>Name of Beneficial Owner</u>	<u>Citizenship</u>	<u>No. of Shares</u>	<u>%</u>
Prime Strategic Holdings, Inc.	Enrique K. Razon Jr.	Filipino	2,511,329,207	40.32
Mindanao Gold Ltd.	Mindanao Gold Ltd.	Malaysian	597,051,165	9.59
MORE	MORE	Filipino	555,133,447	8.91
Lakeland Village Holdings, Inc.*	Lakeland Village Holdings, Inc.	Filipino	474,613,599	7.62
Devoncourt Estates, Inc.*	Devoncourt Estates, Inc.	Filipino	423,904,339	6.81

**On March 24, 2022, Prime Strategic Holdings, Inc. ("PSHI") completed the mandatory tender offer for common shares of the Company as a result of its subscription of shares in Lakeland Village Holdings, Inc. and Devoncourt Estates, Inc. which increases the direct and indirect shareholdings of PSHI to approximately 54.75% of the total issued and outstanding shares of the Company.*

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. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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 as of December 31, 2021 follows:

Name of Beneficial Owner	Citizenship	No. of Shares	%
Jose Eduardo J. Alarilla*	Filipino	898,517,939	14.43
Walter W. Brown	Filipino	36,743,202	0.59
Luis R. Sarmiento	Filipino	1	0.00
Stephen A. Paradies	Filipino	549,900	0.01
Joselito H. Sibayan	Filipino	299	0.00
Valentino S. Bagatsing	Filipino	1	0.00
Gil A. Marvilla	Filipino	647,767	0.01
Richard C. Licang	Filipino	—	0.00
Rodulfo A. Palma	Filipino	—	—
Eric S. Andral	Filipino	—	—
Emelita C. Fabro	Filipino	—	—
Silverio Benny J. Tan	Filipino	11,606,747	0.19
Jonas S. Khaw	Filipino	—	—
Billy G. Torres	Filipino	—	—

**Indirectly through Lakeland Village Holdings, Inc. and Devoncourt Estates, Inc. This ceased when PSHI completed its tender offer and acquired control over these shares.*

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, 2021.

Other than the corporate guarantee issued by the Company over the bank loan of ISRI, there have been no guarantees provided for any related party receivables and payables. For the years ended December 31, 2021 and 2020, 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

Item 13. 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 2020 Integrated Annual Corporate Governance Report (I-ACGR) to the Philippine SEC on June 30, 2021 and is posted in the Company website. The I-ACGR for 2021 will be filed with the SEC before June 30, 2022 as required by SEC Memorandum Circular 13.

Part V – EXHIBITS AND SCHEDULES

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

A. Exhibits

- i. Audited Consolidated Financial Statements and Notes for the year ended December 31, 2021
- ii. Supplementary Schedules

B. Reports on SEC Form 17-C in 2021

Date Filed	Particulars
March 31	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
April 14	Request for extension to file SEC Form 17-A
April 19	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
April 23	Notice of Annual Stockholders' Meeting
May 17	Request for extension to file SEC Form 17-Q
May 18	Press Release: Apex Mining Reports 401% 2020 Earnings Growth
May 18	Annual Report
June 30	Results of Annual Stockholders' Meeting
June 30	Results of Organizational Meeting of the Board of Directors
September 17	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
November 19	Press Release: Apex Mining Reports Higher Nine Months Revenue; Wins Big at the Safest Mines Awards
December 14	Change in Shareholdings of Directors and Principal Officers
December 17	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
December 23	Change in Shareholdings of Directors and Principal Officers
December 29	Material Information/Transactions – Tender Offer of Shares

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 29, 2022.

By:



LUIS R. SARMIENTO
President & CEO



BILLY G. TORRES
VP-Finance, Treasurer and Compliance Officer



SILVERIO BENNY J. TAN
Corporate Secretary

APR 29 2022

SUBSCRIBED AND SWORN to before this _____, affiant(s) exhibiting to me their respective Passports, to wit:

<u>Names</u>	<u>Passport No</u>	<u>Date and Place of Issue</u>
Luis R. Sarmiento	P80058718	10/27/2021 DFA Manila
Silverio Benny J. Tan	P4294418B	01/04/2020 DFA NCR East
Billy G. Torres	P6369014A	03/10/2018 DFA NCR North

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Book No. 130
Series of 2022

ATTY. FERDINAND D. AYALAO
Notary Public
Appointment No. 184 (2020-2021)
Extended Until June 30, 2022
For Pasig City, Pateros and San Juan City
Roll No. 46377; MCLB
IBP LRN 92459; O.R. No. 255086; 06-21-2001
TIN 123-011-785; PTR 3129164; 01-05-20; Pasig
Unit 5, G/F West Tower PSE Bldg., Exchange Road
Ortigas Center, Pasig City Tel. 0285452321

Annex A: Sustainability Report Disclosures

Contextual Information

Company Details	
Name of Organization	Apex Mining Co., Inc. (APX)
Location of Headquarters	3304B West Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City
Location of Operations	Maco, Davao de Oro
Report Boundary: Legal entities included in this report	Head Office, Pasig City Maco Gold Mine, Davao de Oro
Business Model, including Primary Activities, Brands, Products, and Services	Exploration, mining, and production of gold and silver bullions
Reporting Period	01 January to 31 December 2021
Highest Ranking Person responsible for this report	Luis R. Sarmiento, ASEAN Eng. President and CEO

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
<p>APX's sustainability report is based on the framework of the Global Reporting Initiative (GRI) standards.</p> <p>Emerging as highly critical are the following: community, corporate governance, employee safety, and environmental management.</p> <p>APX started the process of identifying the most material topics to its business operation and stakeholders in 2019.</p>

¹ See [GRI 102-46](#)(2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (in thousands)	Units
Direct economic value generated (revenue)	7,410,311	PhP
Direct economic value distributed:		
a. Operating costs	4,767,790	PhP
b. Employee wages and benefits	735,384	PhP
c. Payments to suppliers	3,594,869	Php
d. Interest payments to loan providers	298,066	PhP
e. Taxes paid to government	976,690	PhP
f. Investments in community (e.g. donations, CSR)	192,078	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>APX's operations provide employment opportunities:</p> <ul style="list-style-type: none"> • direct employment to the host and neighboring communities • indirect employment through various contractors and suppliers <p>APX's operations generate business for other enterprises.</p> <p>APX pays taxes to the local and national governments.</p> <p>APX provides funds for community development and environmental protection and enhancement.</p>	<p>employees, host and neighboring communities, suppliers, contractors, and local and national government</p>	<p>APX practices sustainable and responsible mining.</p> <p>Its mission is to promote the well-being of stakeholders by embracing safety as a way of life, achieving world-class environment standards, and upholding a holistic approach to wellness.</p> <p>APX has a strategic business plan anchored on APX's core values:</p> <ol style="list-style-type: none"> 1. rapid growth of resources is assured 2. outstanding mining image is maintained 3. optimal production is achieved 4. adequate fund is properly secured 5. outstanding external relationships is sustained 6. indigenous peoples' good relations are maintained 7. all risks are identified and managed

		8. five-star systems is supported 9. world standard environmental practices 10. high performance, one team is demonstrated
What are the risk/s identified?	Which stakeholders are affected?	Management approach
General threats: <ul style="list-style-type: none"> • dip in world market prices of gold and silver • lawless groups in the vicinity of the mine sites • destructive weather conditions • legislation prejudicial to the mining sector COVID-19 threat: <ul style="list-style-type: none"> • restricted mobility 	employees, stockholders, lenders, suppliers, host communities	<ul style="list-style-type: none"> • Annual business and strategic planning. • Monthly management review of performance against targets and objectives. • Monitoring of production and operating costs. • Regular virtual meetings between Management and Board of Directors to ensure continuous operations. • APX maintains its security on high alert status, ensures sufficient security forces manning the tenements, and coordinates with the Armed Forces of the Philippines (AFP). • Implements regular identification, monitoring and reporting of safety hazards and risks, including threats of unfavorable weather conditions.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
High prices of gold and silver in world market.	employees, host communities, suppliers, contractors, and local and national government	<ul style="list-style-type: none"> • Periodic review of short and long term plans to optimize the opportunity of high gold and silver prices. • APX has a short-term gold forward agreement available with refiner/buyer as protection against gold price volatility.

Climate-related risks and opportunities²

Governance Disclose the organization's governance around climate related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	Enterprise Risk Management (ERM) Committee: <ul style="list-style-type: none"> • composed of members of the Board of Directors (BOD) • ensures that effective and integrated risk management process is in place • periodically revisits risk management strategies to anticipate emerging or changing material exposures. The VP/Resident Manager of Maco and the VP for Geology & Exploration regularly report business risks, including climate-related risks that pose material adverse effects to Maco's operations, to the BOD.
a) Describe management's role in assessing and managing climate-related risks and opportunities	Management adheres to best practices in risk management: <ul style="list-style-type: none"> • to ensure safe workplace for employees • to protect APX properties • to ensure business continuity • to protect host and neighboring communities.
Strategy Disclose the actual and potential impacts ³ of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Short-term climate-related risks: heavy rains, floods, landslides, and forest fire. Negative impact: reduced revenue due to business interruption, increased costs, higher cost of capital, and non-availability of insurance
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Hazards and risks normally encountered in exploration, development, and production of precious metals (unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, and other conditions involved in the drilling and removal of material) could damage or destroy the mines and other infrastructures. Power shortages and outages may lead to increase in generator use and/or shutdown of operations. Supply chain disruptions may result in delivery delays of supplies, equipment, and services.

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

³ For this disclosure, impact refers to the impact of climate-related issues on APX.

a) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	<p>APX has a Central Safety, Health and Environment Committee (CSHEC):</p> <ul style="list-style-type: none"> • composed of department heads from key functional areas of APX's operation, and Employees' Representatives • headed by a Chairman as Chief Risk Manager • has oversight responsibilities regarding risk management.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	<p>The CSHEC reviews the risk management strategies in view of emerging risk exposures.</p> <p>Management evaluates the risk management plan proposed by CSHEC.</p> <p>CSHEC monitors the implementation of approved strategies and activities.</p>
b) Describe the organization's processes for managing climate-related risks	<p>The CSHEC meets monthly to identify, assess, and report on the different safety and climate-related risks which would impact the mining operations, or have already taken place:</p> <ul style="list-style-type: none"> • risks are rated as to priority - high, medium, and low • high risks are immediately discussed and control measures are set-up • committee reports are submitted to top management and disseminated to all departments for information and action.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<ul style="list-style-type: none"> • The risk management processes are integrated into the organization. In March 2021, APX was recertified to ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System), as well as certified to ISO 45001:2018 (Occupational Health and Safety).
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organization to assess climate-related risks and	<p>Below are the metrics to assess the magnitude of climate-related impacts on its operations:</p> <ul style="list-style-type: none"> • hours of generator use

opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> • number of days of operations interruption due to climate-related risks • rainfall and flooding alerts • delays in deliveries/number of times that stock outs were experienced • safe man hours
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Constant monitoring and reporting of resource utilization and consumption aims to produce optimal resource efficiencies and safe man hours.
	Constant monitoring of logistics and supply chain performance aims to produce an optimal and efficient model to secure reliable supply and inventory of materials and parts.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers*.	8.22	%

**Local suppliers are those selling locally produced materials and services.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>In 2021, APX procured Php 121.9M (8.22% of its total purchases) from local suppliers, including cooperatives in the Masara Line.</p> <p>APX assists cooperatives in developing their own business and community based livelihood.</p> <p>APX creates employment opportunities and skills enhancement for the members of its host and impact communities.</p>	local suppliers, end-users, buyers	<p>Sustain operations capital thru the support of the SDMP fund.</p> <p>APX prioritizes purchases from cooperatives and local suppliers.</p>

What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Sustainability and technical capability of local suppliers to produce and provide services.</p> <p>Quality consistency.</p> <p>Limited human resources and decreased production capacity due to COVID-19 quarantine restrictions.</p> <p>Logistics and trucking</p>	end-users, suppliers, buyers	<p>Continued assistance to cooperatives and similar organizations to improve their production facilities and capabilities.</p> <p>Alternative local non-cooperative suppliers are considered.</p> <p>Forecasting and purchasing plans consider production and delivery lead-times, (e.g. timber).</p> <p>Renewal of Supply Agreement (e.g. V-Belts and splicing services).</p> <p>Continued compliance to COVID-19 protocols on logistics and trucking.</p> <p>Maximized use of APX trucks for the regular trips and disrupted supply from Tagum Warehouse to the mine site.</p>
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
Livelihood opportunities	host and impact communities, cooperatives and other socio-civic organizations	Support local livelihood programs through the SDMP.

Anti-corruption

Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Employee Code of Conduct was discussed during employee onboarding.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>APX's Code of Conduct:</p> <ul style="list-style-type: none"> • printed brochures and electronic version (on Apex website) • disseminated to all employees across the organization. <p>The members of the Board of Directors are veteran businessmen and experienced chief executives of utmost integrity.</p> <p>The Directors attend Corporate Governance seminars every year.</p>	<p>employees, suppliers, contractors</p>	<p>Year-round campaign to remind employees of key policies and ensure that awareness remains high:</p> <ul style="list-style-type: none"> • anti-corruption policies and procedures are discussed during employee on-boarding • channels to reach employees: pep talks, meetings, email blasts, website and social media • policies on Related Party Transactions (RPT) and Conflict of Interest (COI) Disclosure Policies are communicated to all vendors through Dun & Bradstreet • any material infraction in the Code of Conduct and Ethics is reported and discussed during the Board meetings.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>a. Company reputation - if the corruption incident is made public.</p> <p>b. Financial loss to APX – if the incident involves purchases.</p> <p>c. Demoralization among employees - if the incident is not immediately addressed.</p>	<p>employees, suppliers, contractors</p>	<p>The HR Dept. monitors the employees' compliance to the Code of Conduct & Ethics.</p> <p>In 2021:</p> <ul style="list-style-type: none"> • zero cases of corruption • 151 Code violations investigated: <ul style="list-style-type: none"> - 66 absences without leave - 21 property damages - 1 working under the influence of alcohol - 23 safety disobedience - 40 negligence

What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
APX is always seeking better ways to communicate its anti-corruption policies to the employees and other relevant stakeholders.	employees, suppliers, contractors	<p>Maximize the use information communication technology.</p> <p>More pep talks to remind employees of the Code of Conduct Policy.</p>

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
There were no incidents of corruption in 2021.	none	<p>Institutional policies:</p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics • Conflict of Interest Policy • Fair Dealings/ Insider Trading Policy • Material Related Party Transactions
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Financial loss</p> <p>Substandard material deliveries</p> <p>Penalties for violations of law</p>	employees, suppliers, contractors	<p>Strict implementation of penalties and sanctions for violators.</p> <p>Vision- Mission-Goal and The Malasakit Values orientation.</p> <p>Policies disseminated to accredited suppliers and those applying for accreditation:</p> <ul style="list-style-type: none"> • Conflicts of Interest • Disclosure Agreements • Related Party Transaction • Data Privacy Act • No Gift Giving Policy

What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
Zero-tolerance for corruption can lead to: <ul style="list-style-type: none"> • more stringent safety and security procedures • conduct of investigation and interrogation for speculative or unconfirmed information. 	employees, suppliers, contractors	Review of policies and procedures during management meetings, IMS committee and management reviews, and monthly CSHEC meetings.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	48,417*	MWh
Energy consumption (gasoline)	0	MWh
Energy consumption (LPG)	none	GJ
Energy consumption (diesel)	266	MWh
Energy consumption (electricity)	91,232	MWh

*By sourcing energy through Power Sector Assets and Liabilities Management (PSALM).

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	N/A	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
APX uses efficient use of all energy resources. In 2021, APX consumed 48,417 MWh of electricity from renewable sources, which is 53% of the total 91,232 MWh electricity consumption.	energy suppliers, host and neighboring communities	APX appointed an energy conservation czar and energy conservation coordinators in each department. The Enercon czar is tasked to develop action plans to optimize energy cost. APX's standard energy-saving programs: <ul style="list-style-type: none"> • turning-off lights, computers, and air-conditioning units when not in use

		<ul style="list-style-type: none"> generator sets are used as standby units for when there are unexpected power outages and scheduled repairs only.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Unavailability of cheap sources of power and fuel.</p> <p>Alternative energy sources may entail higher cost, and untested networks or systems.</p>	energy suppliers, host and neighboring communities	<p>APX extensively evaluates suppliers' systems before securing long-term contracts.</p> <p>APX continuously implements cost reduction initiatives through its Integrated Management System's Energy Conservation Program (EnerCon).</p>
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
<p>With so many suppliers, APX can negotiate for favorable terms for power and fuel supplies.</p> <p>Negotiated contracts plus internal generator capability allow APX to optimize its energy mix.</p>	energy suppliers, host and neighboring communities	APX maintained an 11MW contracted capacity for FDC (4MW) and PSALM (7MW) in 2021.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	44,678,268	Cubic meters
Water consumption	20,753,077	Cubic meters
Water recycled and reused	489,740	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
In 2021, APX consumed a total of 20,753,077 cubic meters of water for domestic, industrial and UG (underground) use.	employees, host and neighboring communities	<p>Water-saving initiatives:</p> <ul style="list-style-type: none"> faucet and gate are installed in all outlets and controlled by a maintenance plumber during non-peak hours to

		<p>ensure that the supply of water will be supervised and will be made available only when is needed</p> <ul style="list-style-type: none"> • catch basins and reservoirs • drainage of clean excess water directly back to bodies of water • regular monitoring of water discharge through the flowmeter device and bucket method.
<p>Water naturally flowing in the underground mines is pumped out to allow underground mining:</p> <ul style="list-style-type: none"> • in 2021, 50,118,345 cubic meters of water was pumped out to prevent flooding of the underground mine. 	employees, host and neighboring communities	APX constructed dewatering sumps for excess water coming from underground. The pumped-out water passes through the constructed series of underground silt traps to allow settlement of suspended solids, then in a large settling pond located at the main portal, and finally released to the river.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
Underground operations may develop leakage that can lead to soil and groundwater contamination.	employees, host and neighboring communities	<p>Mitigations:</p> <ul style="list-style-type: none"> • contaminated water from underground passes through silt traps and sumps before being discharged • bund walls in critical areas at the Mill Plant may contain possible spillage.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
APX recycles water for its day-to-day operations.	employees, host and neighboring communities	Clear water is discharged from the tailings storage facility (TSF) through its toe drain. The discharged water or excess water is then recycled and delivered back to the Mill Plant for use in operations.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
a. Renewable (Water)	489,740	Cubic meters

b. non-renewable (Sodium Cyanide)		
• Sodium Cyanide	1,332,000	Kg
• Activated Carbon	77,235	Kg
• Lime	830,300	Kg
Percentage of recycled input materials used to manufacture the organization's primary products and services (water)	2	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Interruption of milling and mining operations.	employees, host and neighboring communities, suppliers	Enhancement and protection of watershed and tributaries. Secure short- and long-term supply agreements for reagents. Optimum use of materials used in the operation.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
Depleted water supply during the dry season. Shortage in supply due to market demand.	employees, host and neighboring communities, suppliers	Regular monitoring of water level and identification of alternative water sources. Secure short- and long-term supply agreements for reagents. Maintain 3-month inventory level.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
Process improvement to reduce materials consumption and increase gold and silver recovery.	operations, host and neighboring communities, suppliers	The Corporate Technical Services (CTS) identifies potential new or emerging technologies, equipment or processes that can be implemented in the mine to improve output. The CTS attends fora, conferences and similar events to keep abreast of the latest innovations in the mining industry.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	One (01)	#
Habitats protected or restored	1. Mangrove Forests in Bucana, Maco (3 ha) 2. Bongabong, Pantukan (7 ha)	ha
IUCN ⁴ Red List species and national conservation list species with habitats in areas affected by operations	1. Malayabas (<i>Tristanniopsis decorticata</i>) 2. Kalantas (<i>Toona calantas</i> Merr.) 3. Yakal (<i>Shorea astylosa</i>) 4. Apitong (<i>Dipterocarpus grandiflorus</i>) 5. Red Lauan (<i>Shorea negrosensis</i>) 6. White Lauan (<i>Shorea contorta</i>) 7. Mayapis (<i>Shorea palosapis</i>) 8. Almaciga (<i>Agathis philippinensis</i>) 9. Narra (<i>Pterocarpus indicus</i>) 10. Batikuling (<i>Litsea leytensis</i>) 11. Alupag (<i>Euphoria didyma</i>) 12. Pahutan (<i>Mangifera monandra</i>) 13. Antipolo (<i>Artocarpus blancoi</i>) 14. Tree Fern (<i>Cyathea contaminans</i>) 15. Kalingag (<i>Cinnamomum mercadoi</i>) 16. Dawn Bat (<i>Eonycteris robusta</i>) 17. Philippine Sailfin Lizard (<i>Hydrosaurus pustulatus</i>)	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Possible disturbance of the natural habitats of the native wildlife and loss of flora and fauna.	host and impact communities	Conducted Progressive rehabilitation on buffer zone, open and grassland, kaingin, and secondary growth forest areas. Over time, these areas will enhance the wildlife.

⁴ International Union for Conservation of Nature

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Top three risks:</p> <ul style="list-style-type: none"> • wildlife hunting • slash-and-burn farming • illegal cutting of trees by the neighboring communities 	<p>employees, regulatory bodies (ex. Department of Environment and Natural Resources -Mines and Geosciences Bureau), and host and neighboring communities</p>	<p>APX's biodiversity conservation efforts:</p> <ul style="list-style-type: none"> • guard against illegal activities within the tenement to preserve the foraging and roosting sites of avifaunal species (in partnership with the DENR-MGB) • information education campaign (IEC) on the protection of wildlife and other identified man-made illegal activities (e.g. kaingin, poaching and illegal cutting of trees) directed at employees and the residents of the host and neighboring communities
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
<p>APX implements biodiversity-focused programs as part of its Annual Environmental Protection and Enhancement Plan (AEPEP).</p>	<p>employees, regulatory bodies (ex. Department of Environment and Natural Resources -Mines and Geosciences Bureau), host and neighboring communities</p>	<p>APX deploys monitoring and surveillance personnel tasked to ensure the proper implementation of wildlife protection initiatives within its tenement.</p> <p>2021 activities:</p> <ul style="list-style-type: none"> • developed 11.85 hectares • planted 5,935 seedlings of fast-growing bamboo and dipterocarp species. • donated 15,875 assorted seedlings to farmers and government agencies under the National Greening Program

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	13,192	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	45,429	Tonnes CO ₂ e
Energy indirect (Scope 3)	36	Tonnes CO ₂ e
Emission of ozone-depleting substances (ODS)	0	Tonnes CO ₂ e

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
APX emitted a total of 58,657 Tonnes CO ₂ e of GHG in 2021.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX's GHG Reduction Plan is currently being implemented and will be evaluated after three years to determine significant results.</p> <p>APX's mitigation activities:</p> <ul style="list-style-type: none"> • limit the use of ozone-depleting substances in all activities and equipment • pollution control devices • regular maintenance servicing of equipment.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Can contribute to climate change, respiratory diseases and air pollution.	employees, host and neighboring communities, and government agencies	<p>Implementation of GHG action plan:</p> <ul style="list-style-type: none"> • use of Adblue to reduce harmful emissions of nitrogen oxides (NO_x) for new equipment • new equipment purchased has engines that are Euro IV to V • using of inverter type air-conditioning units • turning-off of lights, computers, and air-conditioning units when not in use • using of LED lighting system.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
Reduction of GHG emissions through the effective implementation of GHG reduction programs/ projects and policies.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX's Action Plan to reduce its GHG emissions includes both short- and long-term efforts:</p> <ul style="list-style-type: none"> • maintain existing reduction measures using energy and cost-saving technologies • improve the productivity of logistical facilities and equipment • implement low-carbon mine design and processes • use low-carbon transport management system • audit energy and GHGs tracking systems • forest rehabilitation, protection, and management • energy conservation education and promotion • community energy planning • energy efficiency financing assistance program.

Air Pollutants

Disclosure	Quantity	Units
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg

Source	Parameters			Remarks
	Sulfur Oxides (SO ₂)	Nitrogen Oxides (NO ₂)	Carbon Monoxide	
200 hp Steam Boiler	2.33	17.19	203.50	PASSED
Regeneration Kiln	4.17	17.60	11.50	PASSED
GENSET (2MW)- Level 880	88.37	11.78	2.52	PASSED
GENSET (500KW) Tagbaros Area	-	17.00	157.47	PASSED
GENSET (500KW) Mill Plant	-	11.06	37.35	PASSED
GENSET 1 (2MW)	4.91	13.32	158.72	PASSED
GENSET 2 (2MW)	2.19	13.34	175.42	PASSED
GENSET 1 (1.5MW)	2.21	10.06	149.92	PASSED
GENSET 2 (1.5MW)	4.29	14.99	150.19	PASSED
GENSET 3 (1.5MW)	2.32	14.30	166.50	PASSED
GENSET 4 (1.5MW)	3.75	17.09	178.65	PASSED
FURNACE 1	2.04	10.23	110.29	PASSED

FURNACE 2	65.00	15.71	126.03	PASSED
CLEAR AIR ACT LIMIT	700 mg/Ncm	2,000 mg/Ncm	500 mg/Ncm	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
APX ensures that its air emissions are within the regulatory limits set by the DENR.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX's strategies in managing air pollution: <ul style="list-style-type: none"> • water spraying on haul roads • silt scraping • installation and maintenance of tire wash • installation and maintenance of dust boxes (dust collector system at prep. lab.) • motor vehicle maintenance • observance of speed limits • air quality monitoring • tree planting along barangay and mine access roads.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
Can lead to air pollution and potential health risks.	employees, host and neighboring communities	APX installed Pollution Control Devices (PCD) and conducted regular PMS for every stationary source within its operation. The company also issued special PPE to workers who are directly involved in air pollution-mitigation tasks.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
Conduct regular monitoring of air emissions to better assess the effectiveness of its efforts to maintain good air quality in the mine site and in the surrounding communities.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX commissioned a third-party environmental service provider to conduct source emission testing on its pollution sources.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	34,598.15	kg
Reusable	3,800.15	kg
Recyclable	6,945.00	kg
Composted	9,842	kg
Incinerated	0	kg
Residuals/Landfilled	14,011	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
<p>APX has an effective solid waste management system in place.</p> <p>In 2021:</p> <ul style="list-style-type: none"> • 28% of solid waste were composted • 20% were recycled • 11% were reused • 40% were disposed of in landfills. 	<p>employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities</p>	<p>Proper waste disposal:</p> <ul style="list-style-type: none"> • biodegradables were turned into vermicompost or mulch to augment mine rehabilitation activities • recyclables were sold to third-party buyers • residual waste were temporarily stored at the Maco Sanitary Landfill • hired a Waste Management personnel (waste segregator) to properly quantify, through actual weighing, the solid waste generated by the mine site.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Generation of solid waste</p>	<p>employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities</p>	<p>Solid waste management program.</p>

What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
APX recycles and reuses materials that are still in good condition.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau)	Rock bolts and worn-out pipes are recycled and reused for ongoing engineering projects.
APX seeks to contribute to the decrease in the amount of waste being landfilled and generate income at the same time.		APX sells the scrap waste to third-party buyers to divert waste from the scrap yard and the MRF. In 2021, a total of 330,463 kilos of scrap iron, scrap tires and recyclable materials was sold to a third-party buyer.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated		
Used batteries	479	Pcs
Oil contaminated materials	28	Drums
Pathological waste	15	Kg
Used oil	112,600	Liters
Waste with cyanide	663,475	Tons
Total quantity of used oil transported*	70,000	Liters
Total quantity of used batteries transported*	329	Pcs

**For 2021, only used oil and used batteries were transported to accredited third-party transporters and treaters; other hazardous wastes were stored until they reach the required quota.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
APX's operation generates hazardous waste.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	Hazardous waste management strategies: <ul style="list-style-type: none"> • three-chamber oil-water separator facility and temporary used oil storage area at mechanical shops • assay laboratory chemical waste treatment • hazardous waste segregation • temporary hazardous waste storage facility • engagement of a DENR-accredited hazardous waste transporter and treater

		<ul style="list-style-type: none"> • cyanide neutralization process (the treatment of Sodium Metabisulfite or SMBS at tailings hopper before pumping at the TSF for final disposal.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
Hazardous wastes are a health risk to people and a threat to the surrounding flora and fauna.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	Hazardous waste management mitigation measures: <ul style="list-style-type: none"> • process optimization • use of new emission-control technologies.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
APX generates income from used batteries and used oil. Lessen storage of hazardous materials.	employees, accredited buyers, host and neighboring communities	APX is exploring the use of environment-friendly and biodegradable materials to reduce its generation of hazardous waste. APX has contracted a government-accredited third-party transporter and treater for the disposal of hazardous waste (ex. oil and used lead acid batteries).

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	50,827,181	Cubic meters
Percent of wastewater recycled	2	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
In 2021, APX discharged 708,8936.30 cubic meters of tailings slurry into its tailings storage facility (TSF).	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX ensures water resource efficiency by: <ul style="list-style-type: none"> • managing and reducing the amount of water discharged • recycling of wastewater from the TSF for milling operations

		<ul style="list-style-type: none"> monitoring the volume of water discharged through the flowmeter device installed in the TSF toe drain and through the bucket method (for other discharge outlets). <p>In 2021, the volume of water recycled from the toe drain back to the mill plant was approximately 489,740 cu.m. (2 % the total vol. of water discharged).</p>
What are the risk/s identified?	Which stakeholders are affected?	Management approach
In the future, stricter government regulations on the quality of water discharges by mining companies may be imposed, which may incur additional cost.	regulatory bodies: (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX continuously monitors its water discharge parameters and improves existing practices through new technologies and better controls.</p> <p>Maintains existing structures such as oil/water separator facility, settling ponds, polishing pond and earth sumps to mitigate the impact of water pollution to nearby bodies of water.</p>
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
Continuous improvement in managing its natural resources and hazardous wastes.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	<p>APX has a Water Treatment Facility equipped with a settling pond and an oil-water separator installed in significant discharge points such as mechanical repair bays and used oil storage facilities.</p> <p>It also has a tailings storage facility or TSF (a containment facility for wastewater discharges from milling operations).</p>

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
An NOV lodged against APX can led to a negative perception about the company among it stakeholders.	employees, host and neighboring communities	APX diligently complies with all relevant environmental regulations, especially on the permit conditions, the implementation of environment programs and other related concerns.
What are the risk/s identified?	Which stakeholders are affected?	Management approach
Can lead to penalties, suspension and even closure if issues and concerns were not resolved.	employees, host and neighboring communities	APX keeps abreast with the latest on relevant government laws and regulations through research, attendance to relevant training and coordination with concerned govt. agencies.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management approach
Strict compliance to the government's environmental regulations ensures that APX is able to maintain its good reputation and promote responsible mining. Non-issuance of NOVs by regulatory bodies ensures that APX's operations run smoothly.	employees, regulatory bodies (ex. Department of Environment and Natural Resources - Mines and Geosciences Bureau), host and neighboring communities	APX presents its environmental initiatives and programs through its AEPEP.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee Data (as of December 31, 2021)

Disclosure	Quantity	Units
Total number of employees ⁵	1,631	person
a. Number of female employees	130	person
b. Number of male employees	1,501	person
Attrition rate ⁶	3%	%
Ratio of lowest paid employee against minimum wage	0	%
Total number of workers through contractors	1,131	person
a. Number of female workers	88	person
b. Number of male workers	1,043	person

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	20	42
PhilHealth	Y	8	91
Pag-ibig	Y	41	690
Parental leaves	Y	5	11
Vacation leaves	Y	616	20,711
Sick leaves	Y	135	2,437
Medical Benefits (aside from PhilHealth)	Y	35	568
Housing assistance (aside from Pag-ibig)	Y	23	70
Retirement fund (aside from SSS)	Y	3	17
Work from home (20 employees)	Y	34	17
Flexible-working Hours (9am to 5pm for Head Office Only)	Y	13	13

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>APX provides competitive salary and benefits packages.</p> <p>In 2021, APX provided productive employment to 1,729 people.</p>	<p>APX enhances its competitive salary and benefits packages with the following:</p> <ul style="list-style-type: none"> • medical, dental and hospitalization • meal allowance for supervisor employees and rice allowance for rank & file employees

⁵ Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

⁶ Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

	<ul style="list-style-type: none"> • free Uniform for surface and underground employees • mobile phone allowance ranging from P500 to P2,000 per month • medicine & laboratory reimbursement annually of up to 8,000 per month • hospitalization benefit according to job level which ranges from P100k to P250k; this includes employee's dependents, too • St. Peter Life Plan in case of employee death • mortuary fund benefit <p>In 2021, HR re- aligned employee benefits to allow for flexibility in the process of salary pay-outs and to accommodate several re-designed policies.</p> <p>Mitigation measures against COVID-19:</p> <ul style="list-style-type: none"> • flexible work arrangement • work-from-home schemes • reduced number of working hours • freeze hiring <p>A total of 79 employees availed of the voluntary retirement package APX offered, paying 1.5 months for every year of service.</p>
What are the risk/s identified?	Management approach
<p>a. Employee attrition in 2021 was 10.92%</p> <p>b. Reduced manpower in the mine site</p>	<p>The company implements employee engagement programs:</p> <ul style="list-style-type: none"> • Supervisory Development Program - 63 employees participated in 2021 • Health Wellness Programs - gym, Zumba sessions, non- body contact sports (tennis, badminton, walking and biking)
What are the opportunity/ies identified?	Management approach
<p>APX provides employment opportunities to its host and neighboring communities.</p>	<p>APX provides scholarship programs and skills training to residents of its host and neighboring communities. Upon completion of the program or training, they are hired either directly by APX or indirectly through contractors when their particular skill set is required by APX.</p> <p>2021 highlights:</p> <ul style="list-style-type: none"> • APX absorbed 33 scholars of the Center for Industrial Technology and Enterprise (CITE) into its work force

	<ul style="list-style-type: none"> P13.89 million was spent in support of various school activities and scholarships in the host and neighboring communities
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Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	108,033	Hours
a. Female employees	12	Hours
b. Male employees	108,021	Hours
Average training hours provided to employees		
a. Female employees	8	hours/employee
b. Male employees	8	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Training opportunities to employees: technical operations of equipment; development of soft skills; continuing education for professional/licensed employees.	In 2021, APX provided 108,033 hours of training to its employees.
What are the risk/s identified?	Management Approach
Technical employees are not familiar with latest technology.	<ul style="list-style-type: none"> Performance monitoring Skills effectiveness assessments Trainings
What are the opportunity/ies identified?	Management approach
Performance evaluation Recognition of exemplary work	<ul style="list-style-type: none"> Annual performance reviews done every November Exemplary employees are sent to attend national trainings and visit supplier factories abroad 360-degree performance review of candidates who are up for promotion. <p>Special recognitions: Safest Worker and Honesty</p>

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%

Number of consultations conducted with employees concerning employee-related policies	0	#
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What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
<p>APX is a non-unionized company. Nevertheless, the company maintains an open-line of communication with its employees as a tool for a healthy labor-management relations.</p> <p>APX was also region 11's winner of two awards from the National Conciliation and Mediation Board (NCMB): Most Outstanding LMC for Industrial Peace and Most Outstanding Grievance Machinery for Industrial Peace, both in the unorganized sector.</p>	<p>The company strengthens its relationship with its employees through the Labor Management Cooperation Council called AMCINERO. Employee representatives elected from each cluster represent their fellow employees in dialogues and help the company in formulating policies. This is also in compliance with the MGB mandate.</p>
What are the risk/s identified?	Management approach
<p>Labor relations that are not effectively managed may escalate into conflict between the management and the workers. This, in turn, may negatively impact operation and may entail cost.</p>	<p>The company has an Industrial Relations Office that handles disputes among workers and grievances raised by them, as well. This ensures that workers have an avenue where their concerns are raised and addressed.</p> <p>The company also has its designated counselor who handles counselling in relation to work and family problems that might affect their work.</p> <p>New policies are communicated to employees through several channels, such as email, bulletin boards, and pep talks.</p> <p>New policies are implemented two (2) weeks after these have been cascaded to give more time for feedback from employees.</p>
What are the opportunity/ies identified?	Management approach
<p>The company provides opportunities for employees to share their thoughts and insights for the improvement of its operations.</p>	<p>Through the AMCINERO, the APX is able to encourage the involvement of its employees in decision- and policymaking.</p>

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of females in the workforce	130	7.97%
% of males in the workforce	1501	92.03%

Number of employees from indigenous communities and/or vulnerable sector*	224	13.73%
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*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
The high percentage of male versus female employees is not unique to APX. Rather, it is a function of the mining industry's nature to be typically male-dominated and not due to a preference for a specific gender. The distribution in number and percentage is a natural consequence of the open selection process.	APX is a an equal employment opportunity employer. This principle of non-discrimination is also applied in the promotion of employees.
What are the risk/s identified?	Management approach
There is no significant risk identified.	APX maintains an equal opportunity and treatment to all nurturing a work environment that is free from any form of discrimination.
What are the opportunity/ies identified?	Management approach
Employing people from all walks of life, regardless of gender, religion, physical abilities and the like can provide APX with a wider talent, labor and expertise base. Prioritizing IPs or members of the host and neighboring communities in employment also strengthens the engagement of the community stakeholders with the company.	The company's inclusive policy applies to its talent acquisition, learning & education, career development planning, employee welfare, compensation & benefits, and other aspects of human resource management & development.

Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety

Disclosure	Quantity	Units
Total Man-Hours	6,974,553	Man-hours
No. of work-related injuries/illnesses	26	#
No. of work-related fatalities	0	#
No. of safety drills	10	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
Safety is very much ingrained in APX's corporate DNA, counting it among the	The Comprehensive Safety Program is covers:

<p>cornerstones in promoting the well-being of all its stakeholders.</p> <p>In 2021, the Mines and Geosciences Bureau Region XI (MGB RXI) presented APX with a Safety Milestone Award for recording 2,185,750 man-hours without lost time accidents (LTAs) in its mine, mill and exploration operations for the period covering 11 March to 30 June 2021.</p> <p>APX has a Comprehensive Safety Program:</p> <ul style="list-style-type: none"> • zero fatalities in 2020 • policies and guidelines against COVID-19 were formulated following IATF guidelines 	<p>Institutionalization of the principles and practice of safety through the APX's vision, mission and core values.</p> <ul style="list-style-type: none"> • APX, through its core of leaders and administration managers, provides a safe and healthy workplace • top management leads in the implementation of safety policies. <p>Implementation of organizational rules and policies (core safety values):</p> <ul style="list-style-type: none"> • Quality, Environment, Safety and Health Policy • Employee Safety Orientation • HIV/AIDS Workplace Policy and Program • Drugs and Alcohol Policy • TB Treatment and Prevention Control Policy <p>Holding of monthly safety meetings to identify safety points that can be incorporated into daily work routines.</p> <p>Consistent and continuous rollout of management and employee training such as new worker orientation, refresher courses, safety skills training, or in-house/external training sessions.</p> <p>Implementation of proper housekeeping through 5S.</p> <p>Provision of health control and services:</p> <ul style="list-style-type: none"> • first aid and minor medical treatment for employees and host and neighboring communities • employment of physicians, nurses, dentists, dieticians, pharmacists, and midwives • on-site ambulance <p>Provision of Personal Protective Equipment (PPE)</p> <p>Monitoring</p> <ul style="list-style-type: none"> • safety officers inspect and monitor working areas • safety officers may stop any activity on-the-spot if unsafe acts or conditions are observed
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	<p>Emergency Response and Preparedness Program (ERPP) – MGB-approved ERPP is the framework of APX's safety in the workplace</p> <p>Safety awareness – sustained IEC for the employees and communities</p> <p>Granting of safety incentives (monetary) to employees who apply the best safety practices in the workplace</p> <p>COVID-19 Guidelines and Protocols</p>
What are the risk/s identified?	Management approach
<p>The risks associated with its operations are classified into four types:</p> <ol style="list-style-type: none"> 1. <u>Chemical</u> <ul style="list-style-type: none"> - This includes excessive airborne concentrations of acids/mist, solvents/vapors/gases, dust/particulates, heavy metals or fumes. 2. <u>Physical</u> <ul style="list-style-type: none"> - This includes noise, inadequate illumination, extreme temperatures, radiation, extreme pressure, vibration, poor ventilation. 3. <u>Biological</u> <ul style="list-style-type: none"> - This includes bacteria, virus, fungi, molds, and microorganisms. 4. <u>Ergonomic</u> <ul style="list-style-type: none"> - This includes improperly designed tools or work areas, improper lifting or reaching, poor visual conditions, and repeated motion in an awkward position. 	<p>APX applies the Hazard Identification, Risk Assessment and Control (HIRAC) and Job Hazard Analysis (JHA) to its operations.</p> <p>Hazard control measures are:</p> <ol style="list-style-type: none"> 1. <u>Elimination</u> <ul style="list-style-type: none"> - The hazard is eliminated through design. 2. <u>Substitution</u> <ul style="list-style-type: none"> - The hazard is prevented or minimized by using a different equipment or tool. 3. <u>Engineering controls</u> <ul style="list-style-type: none"> - The hazard is prevented or minimized through isolation and guarding. 4. <u>Administrative controls</u> <ul style="list-style-type: none"> - The hazard is prevented or minimized through training and work scheduling. This prevents mistakes caused by lack of knowledge or adequate rest. 5. <u>PPE</u> <ul style="list-style-type: none"> - The hazard is prevented or minimized through the use of PPEs. This is considered as a last resort by APX. <p>For cases of human negligence or non-compliance, APX issues a disciplinary action.</p>

What are the opportunity/ies identified?	Management approach
Strengthening of the Comprehensive Safety Program through continuous training and consultation with relevant stakeholders during the formulation of the Annual Safety & Health Program (ASHP).	In 2021, APX provided 66 training courses on health, safety, and disaster preparedness via on-line and face-to-face modalities. The topics included BOSH, first aid (BLS-CPR), OHS, rock mechanics, blasting and LTO theoretical driving. Refresher courses for underground equipment operators covered mechanized lifting, scaffolding, fire safety, working at height, electrical safety, mine rescue, rope rescue, water search & rescue, SDP and oil spill management. The supervisor development program included developing vision and mission and SWOT analysis.

COVID-19 RESPONSE AND PROTOCOL

Disclosure	Quantity	Units
Positive	58	Person
Recovered	58	Person
Mortality	0	Person

Vaccination	Quantity	Units
Vaccinated (Full-dose; Regular Employee)	1614	Person
Unvaccinated	17	Person
Adverse Effect	0	Person
Mortality	0	Person
Total Adherence to Vaccination (Regular Employee)	98.95%	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Policies and guidelines to mitigate the negative impact of COVID-19 were implemented in accordance with the guidelines set by Company's COVID Management Team (CMT), the Local & National IATF and the regulatory agencies. These policies and guidelines were reviewed and updated as the situation evolved.	employees, suppliers	APX coordinated with LGUs, MHOs and other government agencies for the proper guidance and implementation of measures to contain the transmission of COVID-19 virus.

What are the risk/s identified?	Which stakeholders are affected?	Management approach
<p>Failure of production and mine operation</p> <p>Increase in active cases and the rate of morbidity among COVID-19 patients</p>	employees, contractors, suppliers, and host and neighboring communities	<p>Through its ad-hoc Containment Management Team (CMT), APX implemented a whole-of-company and community approach.</p> <p>In the Mine Site, the company ramped up its wellness programs to ensure that the employees' physical and mental wellbeing were not adversely affected.</p>
What are the opportunities identified?	Which stakeholders are affected?	Management approach
<p>Continuing operations despite COVID restrictions</p> <p>Screening of employees to ensure minimal risk for transmission of COVID-19</p> <p>Creating vaccination program against COVID-19</p>	employees, contractors, suppliers, and host and neighboring communities	<p>APX set-up its own facilities to hasten its detection and proper management of COVID-19 cases:</p> <ul style="list-style-type: none"> • a molecular laboratory with top-of-the-line laboratory equipment and manned by medical technologists • isolation facility for in-house patients <p>APX also implemented the following:</p> <ul style="list-style-type: none"> • isolation of confirmed cases • deployment of skeletal workforce/ manpower • application of 7-7 work schedule during skeletal workforce/manpower • implementation of COVID-19 protocols • launch of its own COVID-19 vaccination program

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in APX policy
Forced labor	Y	Republic Act 9208 (Anti-Trafficking in Persons Act) Philippine Constitution (Sec. 18.(2), Article III of the Constitution) - prohibition on involuntary servitude
Child labor	Y	Anti-Child Labor Policy Republic Act 7658 (An Act Prohibiting the Employment of Children below 15 Years of Age in Public and Private Undertakings) Republic Act 9231 (Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act)
Human Rights	Y	Philippine Constitution (Article III "Bill of Rights" of the Constitution) Anti-Sexual Harassment in the Workplace Policy, including the amendment to Republic Act 7677 (Safe Streets and Public Spaces Act) Republic Act 11313 (Bawal Bastos Law)
Security of Tenure	Y	Labor Code of the Philippines Book 6 Article 279

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
APX's Code of Business Conduct and Ethics is aligned with the Philippines' labor laws and human rights policies. APX was recognized by the Department of Labor and Employment (DOLE) Region XI as a Lifetime awardee of "Child Labor-Free Establishment"	APX's Code of Business Conduct and Ethics is implemented in conjunction with other company policies and Philippine labor laws. APX treats all employees equally, recognizing the diversity (age, gender, ancestry, culture, religion, education, physical and mental abilities) of its workforce.
APX has one active labor case as of December 2021, involving illegal dismissal.	The AMCINERO foster harmonious relationship between employees and management. In cases of violations, APX continues to execute administrative proceedings affording due process to erring employees. It also respects the right of the dismissed employee to file a labor case.

What are the risk/s identified?	Management approach
Non-utilization of the grievance channels by the employees will limit APX's capability to resolve their concerns – potentially leading to a high attrition and low employee morale.	<p>Employee Welfare Office under the Human Resources (HR) Department:</p> <ul style="list-style-type: none"> venue where employees raise their concerns and arrange for dialogues and consultations counseling sessions are also done to ensure emotional and psychological stability of the concerned employee <p>Grievance Committee:</p> <ul style="list-style-type: none"> composed of representatives from Human Resources, Legal, and concerned Department Managers implements provisions of the Grievance Policy ensures a transparent and respectful process of addressing grievances
People intentionally ignoring the policies and violating the rules.	<p>APX follows due process for cases of policy violations:</p> <ul style="list-style-type: none"> serving the twin notices: notice to explain and schedule of hearing and notice of decision violators are sanctioned based on the Employee's Code of Discipline after <p>Whistleblowers are protected by APX's Whistleblower Protection Policy.</p>
What are the opportunity/ies identified?	Management approach
There are no significant opportunities identified.	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: YES

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in APX policy
Environmental performance	Y	APX Supplier Accreditation List of requirements – provided thru D&B. APX vendor accreditation policy – PRO OCP-01.
Forced labor (RA 10364)	Y	
Child labor (RA 9231)	Y	
Human Rights (UDHR)	Y	
Gender Law (RA 9710)	Y	
PWD (RA 7677)	Y	

Intellectual Property Rights (RA 165, 166, PO 49)	Y	
Bribery and corruption	Y	Conflict of Interest (COI) Disclosure, Related Party Transaction (RPT); Code of Business Conduct & Ethics

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
<p>Damage to company reputation and administrative cost from the imposed penalties.</p> <p>Non-compliance occurs during Procurement transactions and negotiations affecting buyer-supplier relationship.</p>	<p>Provide preventive policies as part of the accreditation process such as:</p> <ul style="list-style-type: none"> • accomplishment of COI disclosure and RPT form. • supplier compliance to PO Terms & Conditions. • supplier compliance to regulatory requirements, APX Code of Business Conduct and Ethics. • supplier annual performance evaluation
What are the risk/s identified?	Management approach
Monitoring and re-validation of supplier disclosure and compliance to the said sustainability topic.	Suppliers and contractors are required to submit the updated disclosure of the RA's provided in the sustainability topics during renewal of accreditation.
What are the opportunity/ies identified?	Management approach
Improve the validation and monitoring of supplier compliance on sustainability topic.	Explore and consult with Dun & Bradstreet on other methods of supplier screening concerning non-financial parameters.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be	Location	Vulnerable groups (if applicable)*	Does the particular operation have impact on indige-	Collective or individual rights that have been identified that or particular concern for	Mitigating measures (if negative) or enhancement measures (if positive)
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business operations)			nous people (Y/N?)	the community	
Mining operations	Masara, Maco, Davao de Oro	PWDs, financially disadvantaged, IPs (indigenous peoples)	Yes	<p>Right to work</p> <p>Right to a healthy environment</p>	<p>APX employs 224 individuals belonging to indigenous communities.</p> <p>To mitigate the impact of air emissions to the surrounding communities, APX implemented the following control measures:</p> <ul style="list-style-type: none"> • road watering/ spraying using water tanker truck at mine access road during prolonged dry season to control dust emissions brought about by moving vehicles and equipment • regular preventive maintenance schedule (PMS) of service vehicles, equipment and stationary air pollution sources (e.g. generator sets and boilers) • installed air pollution control devices (e.g. lead fume scrubber, acid scrubber and dust collector system) at the mill plant, assay

					<p>and sample Prep laboratory</p> <ul style="list-style-type: none"> • conducted enrichment planting and tree planting within the Tenement. <p>APX is carbon negative by 418,170 TonnesCO₂e. Its carbon footprint is only at 58,657 tonnesCO₂ while its total carbon stock (the capacity to absorb carbon emission) is 476,827 C.</p> <p>Finally, the generated hazardous waste from the operations were safely stored at the Hazardous waste storage facility located within the vicinity of APX.</p> <p>To comply with government regulations, APX hired a third-party accredited transporter and treater (Arc Merchandising) to properly handle the transporting, disposal, and treatment of hazardous waste.</p> <p>In 2021, a total of 700 drums of used oil and 329 pieces of used batteries were disposed and treated.</p>
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Underground mining operation	Masara, Maco, Davao de Oro	children and youth, elderly, PWDs, financially disadvantaged	Yes	Right to a healthy environment	Wastewater discharge is monitored in various strategic locations inside the tenement to ensure that it is within the Department of the Environment and Natural Resources' (DENR) standards.
Milling operations	Masara, Maco, Davao de Oro	Children and youth, elderly, PWDs, financially disadvantaged	Yes	Right to a healthy environment	APX engaged the expertise of Engineering Development Corporation of the Philippines (EDCOP) in the design, engineering, construction surveillance and monitoring of a multi-million Tailings Containment Dam in the mine site. The Tailings Dam is closely monitored by APX and EDCOP to ensure that its construction and operation is in accordance to the national and global standards.

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certificate Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _

Certificates	Quantity	Units
FPIC process is still undergoing	0*	#
CP secured	1	#

**FPIC process was completed for MPSA 225 and MPSA 234 before APX started its operations and resulted to a Certificate of Precondition*

What are the risk/s identified?	Management approach
The absence of an FPIC from the community, LGU, IPs, and other stakeholders is a violation of RA 7942 and will compromise APX's operations and reputation.	<p>APX went through the FPIC process with all stakeholders before it started its operations in 2006.</p> <p>The company received proper consent to operate with the signing of the Mineral Production Sharing Agreement (MPSA) with the stakeholders.</p>
What are the opportunity/ies identified?	Management approach
APX's collaboration with the mining community where it operates -- from the planning of development programs, projects and activities to its implementation and monitoring -- deepens their sense of belongingness and ownership of the projects. This, in turn, encourages them to give their full support to APX's operation even during the pandemic.	APX ensures strict compliance to all regulatory and statutory laws by integrating them into its Mission, Vision and Work Culture.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study? (Y/N)
Customer Satisfaction	Excellent	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
APX deals with only one buyer of the gold and silver bullions it produces.	<p>A quarterly survey is being conducted for the customer satisfaction as part of the requirements of APX's Integrated Management System.</p> <p>APX is covered by a refining and transportation agreement renewable every two years.</p>
What are the risk/s identified?	Management approach
Non-renewal of refining and transportation agreement with current buyer.	There are other available refiners/customers who may accept, refine and buy APX's product since gold and silver are high demand commodities.
What are the opportunity/ies identified?	Management approach
None	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
The bullions are shipped to only one buyer.	
What are the risk/s identified?	Management approach
MGB's changing reportorial requirements.	Closely coordinate with MGB to address deficiencies that may arise from the changes in the reportorial requirements.
What are the opportunity/ies identified?	Management approach
None	

Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
APX deals with only one buyer of the bullions that it produces.	
What are the risk/s identified?	Management approach
N/A	
What are the opportunity/ies identified?	Management approach
N/A	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
APX deals with only one buyer of the bullions that it produces.	
What are the risk/s identified?	Management approach
N/A	
What are the opportunity/ies identified?	Management approach
N/A	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
APX deals with only one customer	
What are the risk/s identified?	Management approach
N/A	
What are the opportunity/ies identified?	Management approach
N/A	

SUSTAINABLE DEVELOPMENT

Product of Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Gold and Silver Bullions	<p>#8 Decent Work and Economic Growth</p> <p>#9 Industry, Innovation, and Infrastructure</p>	<p>The mining process, if done haphazardly, will negatively affect the people, the environment and the planet, as a whole. In the case of APX's operations, the production of gold and silver bullions requires opening of underground tunnels, removal of ores from the source and milling them until the metals are extracted.</p> <p>APX conscientiously practices responsible and sustainable mining practices to ensure that the natural ecosystems are always protected amidst the company's conduct of business. Management ensures resources are available and deployed to minimize the impact of APX's operation on the environment and the lives of the people living in its host and neighboring communities. It strictly complies with existing mining laws and ordinances and regularly coordinates with the relevant government agencies for monitoring, reporting and other administrative tasks.</p> <p>APX's annual Social Development and Management Plan (SMDP), designed and revised every year in consultation with relevant stakeholders (local government units, regulators and community stakeholders) are responsive to the needs of its host and neighboring communities, particularly in livelihood generation (education, skills training, and the like). The company's scholars, upon completion of their respective courses, are employed by the company either directly (if organic positions are open) or indirectly (through its contractors and 3rd party suppliers/vendors).</p> <p>APX's work with small scale or artisanal miners also ensures that small scale miners, while not employed by APX, are able to work and earn a decent living. Since 2019, APX's subsidiary, Itogon-Suyoc Resources, Inc (ISRI) has also been ramping up with collaboration with the small-scale miners in its tenements. APX also explores cutting edge and new technologies that help make mining technologies and processes more</p>	

		green. This, aside from its host of modern solutions to waste disposal, processing of water effluents and the like.
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**None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*