

The background of the slide is a stylized city skyline. It features various building silhouettes in shades of blue and grey. In the foreground, there are several dark blue buildings with white window patterns. In the background, there are lighter blue and grey buildings, including a prominent church with a tall steeple and a cross. The overall style is modern and graphic.

BENEFICIAL OWNERSHIP IN THE METALLIC MINING SECTOR OF THE PHILIPPINES

Madeiline Joy Aloria
17 February 2016

DEFINITION OF BENEFICIAL OWNERS

- Natural person(s) who, directly or indirectly, ultimately **own(s)** or **control(s)** the corporate entity



BRIEF TIMELINE



2013

The Denmark and the United Kingdom (UK) committed to institutionalize a public registry of companies' beneficial owners.

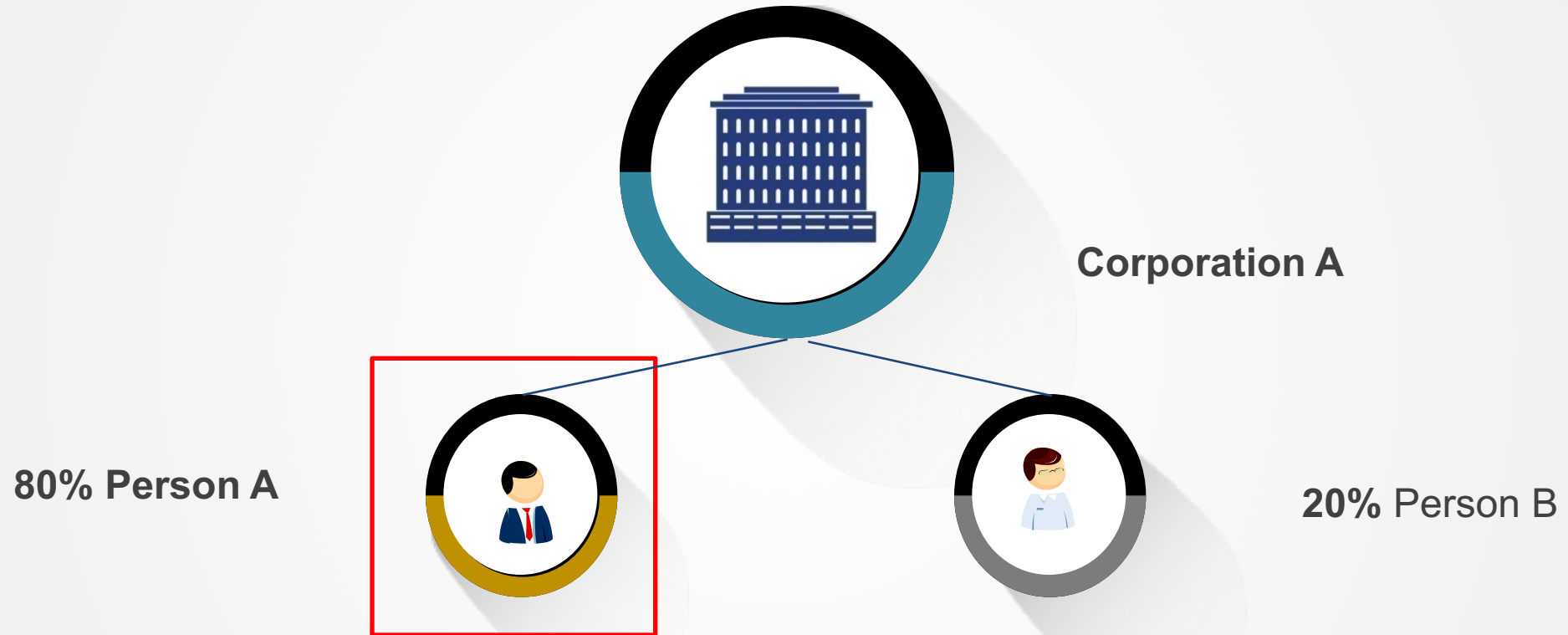
2014

Release of the "Guidance on Transparency and Beneficial Ownership" by the FATF

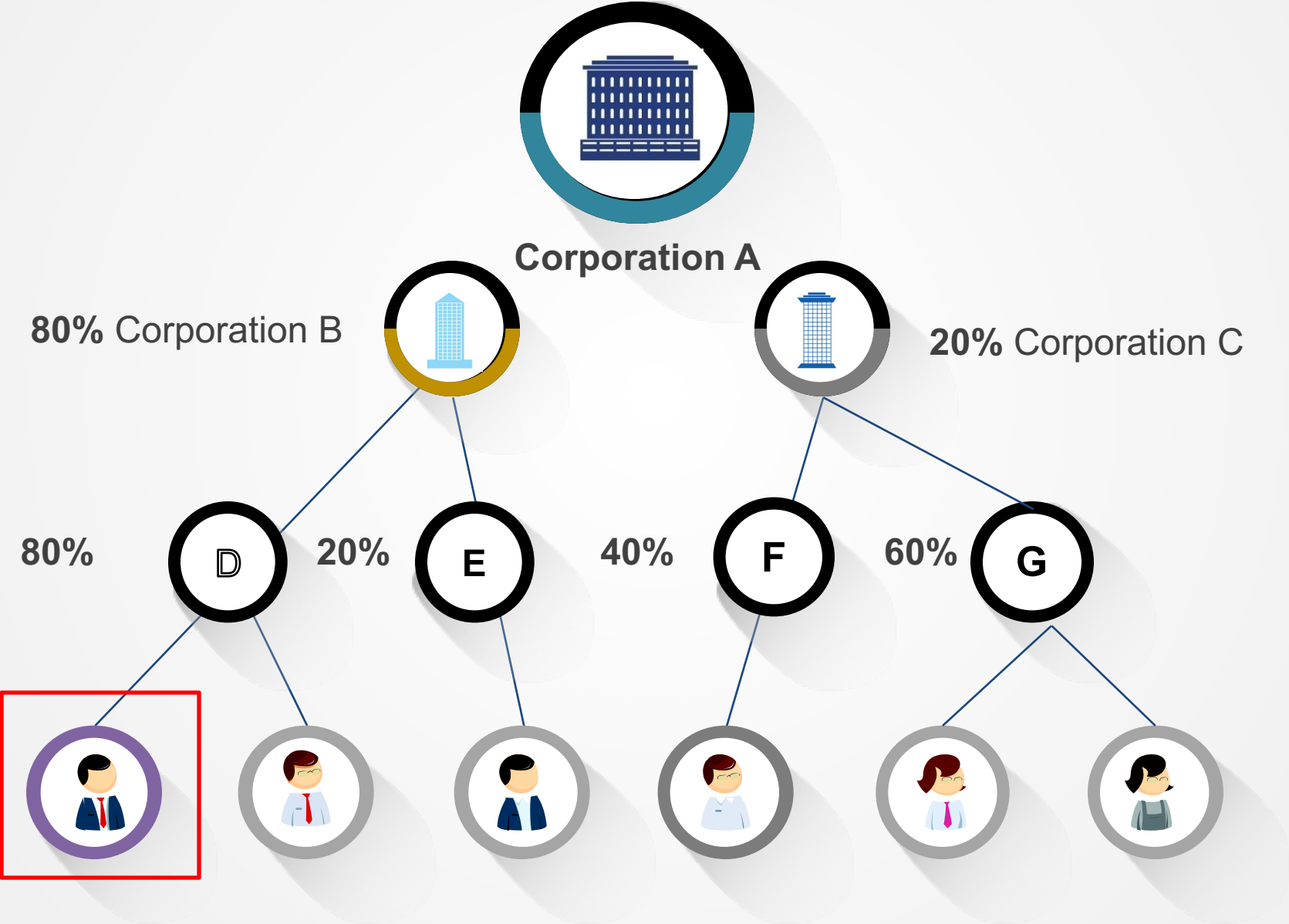
2015

The EU announced to require its member-states to create BO information registries

SAMPLE OWNERSHIP STRUCTURE



SAMPLE OWNERSHIP STRUCTURE



IMPORTANCE OF BENEFICIAL OWNERSHIP DISCLOSURE

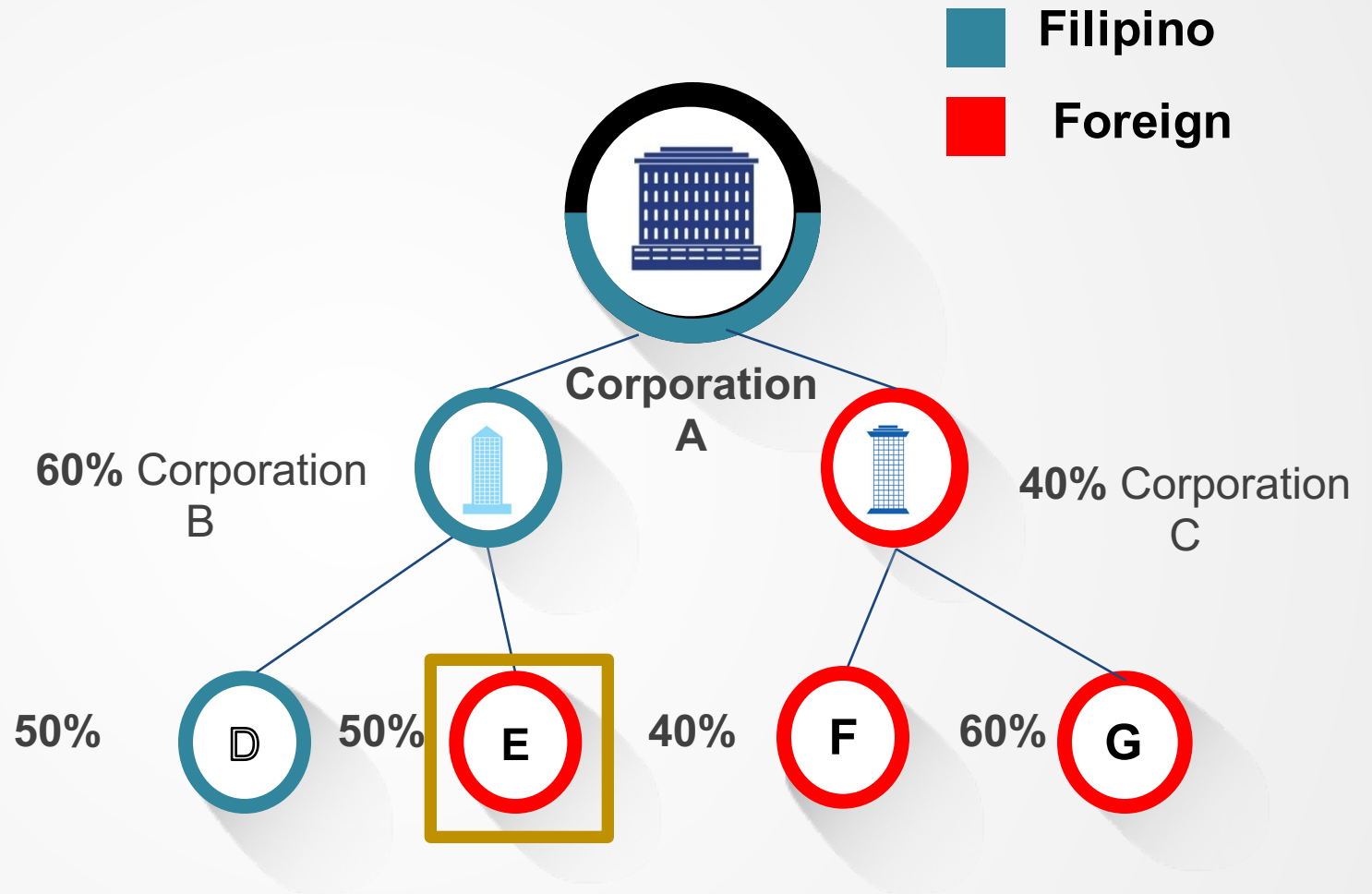
- Ensuring proper tax payments
- **Enforcing foreign ownership restrictions**
- **Promoting accountability of public officials**
- Detecting illicit cash flows

ENFORCING FOREIGN OWNERSHIP RESTRICTIONS

- The 1987 Constitution of the Philippines [Article XIII, Section 2] provides for the allowable participation of foreign entities in mining – at least 60% of the capital – to protect Filipinos rights over the country's natural resources.
- Foreign corporations under FTAA's are exempted from this.

ENFORCING FOREIGN OWNERSHIP RESTRICTIONS

- In recent years, firms are found to commit diminution strategies to game the rulings on foreign ownership. The common strategy is foreign entities layering under dummy Filipino corporations.



PROMOTING ACCOUNTABILITY OF PUBLIC OFFICIALS

- The 1987 Constitution of the Philippines [Article XI: Accountability of Public Officers, Section 1]
“Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives.”
- Republic Act 3019 or the Anti-Graft and Corrupt Practices Act (Section 3-e):
“..giving any private party any unwarranted benefits, advantage of preference in the discharge of his official administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence” is punishable by law.

PROMOTING ACCOUNTABILITY OF PUBLIC OFFICIALS

Ideal: Both beneficial owner and his/her relatives are <i>not</i> in public office	BO is a politician himself but has <i>no</i> other relative/s in public office
BO is not a politician but has other relative/s in public office	Both BO and relative/s are holding public office

PROMOTING ACCOUNTABILITY OF PUBLIC OFFICIALS

Roles of Mayor
and Vice Mayor

Favors from
mining company

Pass ordinances

Other responsibilities

Money

Security

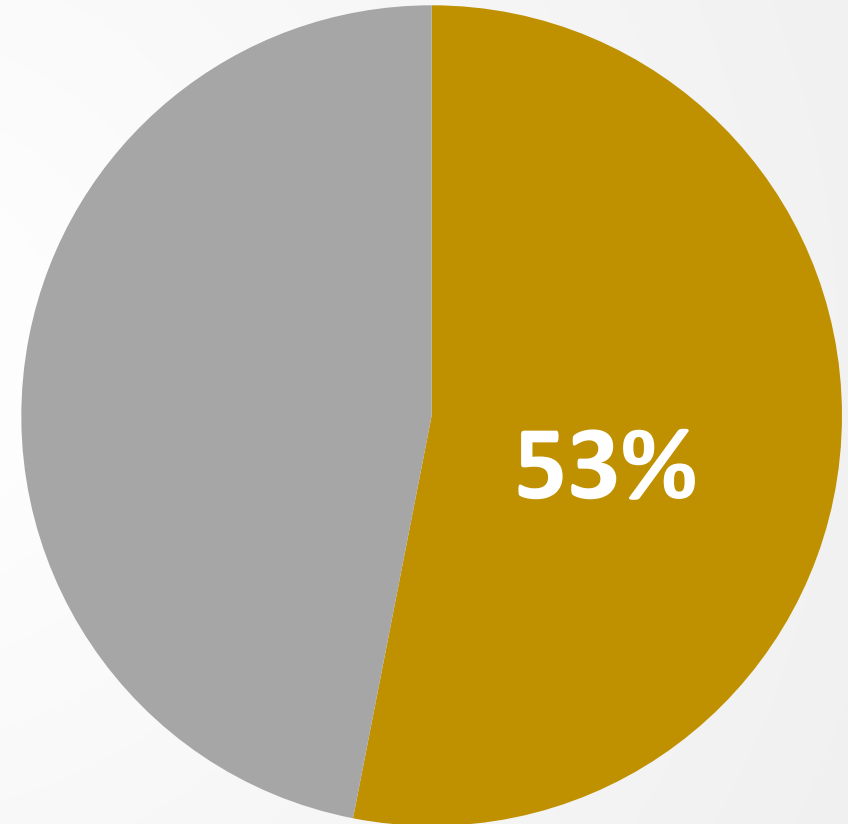
Other benefits

- **Governor:**
 - *Grants or cancels quarry, extraction, and gathering permits in their area of jurisdiction (RA 7942)*
- **Legislators**
 - *Makes laws, conducts investigations in aid of legislation, and attends to his/her constituents (1987 Constitution)*

FIRMS ANALYZED

The sum of the production values of 15 companies in the study comprise half of the total production value in Q1 2015.

Carmen Copper Corporation
Philex Mining Corporation
Rio Tuba Nickel Mining Corporation
Philsaga Mining Corporation
SR Metals, Inc.
Citinickel Mines & Development Corporation
Greenstone Resources Corporation
Taganito Mining Corporation
Apex Mining Company, Inc.
Eramen Minerals Inc.
LNL Archipelago Minerals Inc.
Benguet Corporation
Berong Nickel Project
Lepanto Consolidated Mining Company
Hinatuan Mining Corporation



DATA AVAILABLE

Data	Source/s
Production and Operation	Mines and Geosciences Bureau, Company websites
Company Profiles, Shareholder Information	Securities and Exchange Commission (General Information Sheets) , Philippine Stocks Exchange (PSE, Company websites
Company owners' relationship with politically-exposed persons	News articles, Department of Interior and Local Government, Official Gazette, local government websites
Tax payments	Bureau of Internal Revenue (Top 500), Extractive Industry Transparency Initiative (EITI)

GENERAL INFORMATION SHEETS (GIS)



107102014001974



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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24694.0165.0000

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Company Information

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Industry Classification
Company Type Stock Corporation

Document Information

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Document Type GENERAL INFORMATION SHEET
Document Code GIS
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No. of Days Late 0
Department CED/CFD/CRMD/MRD
Remarks

GENERAL INFORMATION SHEETS (GIS)

2853 . 0165 . 0001

5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE CENTRAL RECEIVING SECTION, GROUND FLOOR, SEC. BLDG., EDSA, MANDALUYONG CITY. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER WITH A STANDARD COVER PAGE. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE. CORPORATIONS SUBMITTING A COPY OF THEIR GIS ONLINE OR VIA INTERNET SHALL SUBMIT ONE (1) HARD COPY OF THE GIS, TOGETHER WITH A CERTIFICATION UNDER OATH BY ITS CORPORATE SECRETARY THAT THE COPY SUBMITTED ONLINE CONTAINS THE EXACT DATA IN THE HARD COPY.

6. ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.

7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

***** PLEASE PRINT LEGIBLY *****

CORPORATE NAME: APEX MINING CO., INC.		DATE REGISTERED: 2/28/1970
BUSINESS/TRADE NAME: APEX MINING CO., INC.		FISCAL YEAR END: December 31
SEC REGISTRATION NUMBER: 40621		CORPORATE TAX IDENTIFICATION NUMBER (TIN) 000-284-138
DATE OF ANNUAL MEETING PER BY-LAWS: Last business day of June		WEBSITE/URL ADDRESS: http://www.apexmining.com
ACTUAL DATE OF ANNUAL MEETING: JUNE 16, 2014		E-MAIL ADDRESS:
COMPLETE PRINCIPAL OFFICE ADDRESS: U1704 17F PRESTIGE TOWER COND., F. ORTIGAS JR. ROAD, ORTIGAS CENTER, PASIG CITY		FAX NUMBER: 706-2804
COMPLETE BUSINESS ADDRESS: U1704 17F PRESTIGE TOWER COND., F. ORTIGAS JR. ROAD, ORTIGAS CENTER, PASIG CITY		TELEPHONE NUMBER(S): 706-2805 to 06
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: SYCIP GORRES & VELAYO - JAIME DEL ROSARIO		SEC ACCREDITATION NUMBER (if applicable):
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:	INDUSTRY CLASSIFICATION: MINING	GEOGRAPHICAL CODE:

***** INTERCOMPANY AFFILIATIONS *****

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
SUBSIDIARY/AFFILIATE	SEC REGISTRATION NO.	ADDRESS

Date: 28-10-2014 Time: 6:35:2 PM

GENERAL INFORMATION SHEETS (GIS)

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SUBSCRIBED CAPITAL							
FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	2,802	Common	1,222,010,436	234,875,879	1.00	1,222,010,436.00	65.40%
TOTAL			1,222,010,436	TOTAL	TOTAL P	1,222,010,436.00	
FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	12	Common	646,629,228	1,529,199	1.00	646,629,228.00	34.60%
Percentage of Foreign Equity : 34.60%			TOTAL	646,629,228	TOTAL	TOTAL P	646,629,228.00
					TOTAL SUBSCRIBED P	1,868,639,664.00	100.00%
PAID-UP CAPITAL							
FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP	
	2,802	Common	1,222,010,436	1.00	1,222,010,436.00	65.40%	
TOTAL			1,222,010,436	TOTAL	P	1,222,010,436.00	
FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP	
	12	Common	646,629,228	1.00	646,629,228.00	34.60%	
34.60 %			TOTAL	646,629,228	TOTAL	P	646,629,228.00

Date: 28-10-2014 Time: 6:35:35 PM

GENERAL INFORMATION SHEETS (GIS)

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: APEX MINING CO., INC.							
DIRECTORS / OFFICERS							
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	INC'R	BOARD	SEX	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NO. (TIN) FOR FILIPINOS AND FOREIGNERS
1. WALTER WILLIAM BROWN c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N	M	M	Y	President and CEO	NCM	421-163-188
2. RAMON Y. SY c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N	C	M	Y	Chairman and CFO	NCM/CRCM	107-202-819
3. NOEL V. TANGLAO c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N	M	M	Y	EVP	CRCM/ ACM	120-133-926
4. GRACIANO P. YUMUL, JR. c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N	M	M	Y	SVP- Exploration and Devt	NA	126-427-330
5. MODESTO B. BERMUDEZ c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N	M	M	Y	SVP- Ops/ins/RM	NA	104-613-293
6. DENNIS A. UY c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N	M	M	Y	NA	CRCM/ ACM	172-020-135
7. JOSELITO H. SIBAYAN c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N	M	M	Y	NA	NCM/ ACM	900-379-833
8. ROSANNA PARICA c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N		F	N	Corporate Secretary	NA	119-040-615
9. SILVERIO BENNY TAN c/o 17F Prestige Tower, Ortigas Ctr, Pasig City	N		M	Y	Asst Corporate Secretary	NA	138-005-178
10.							

GENERAL INFORMATION SHEETS (GIS)

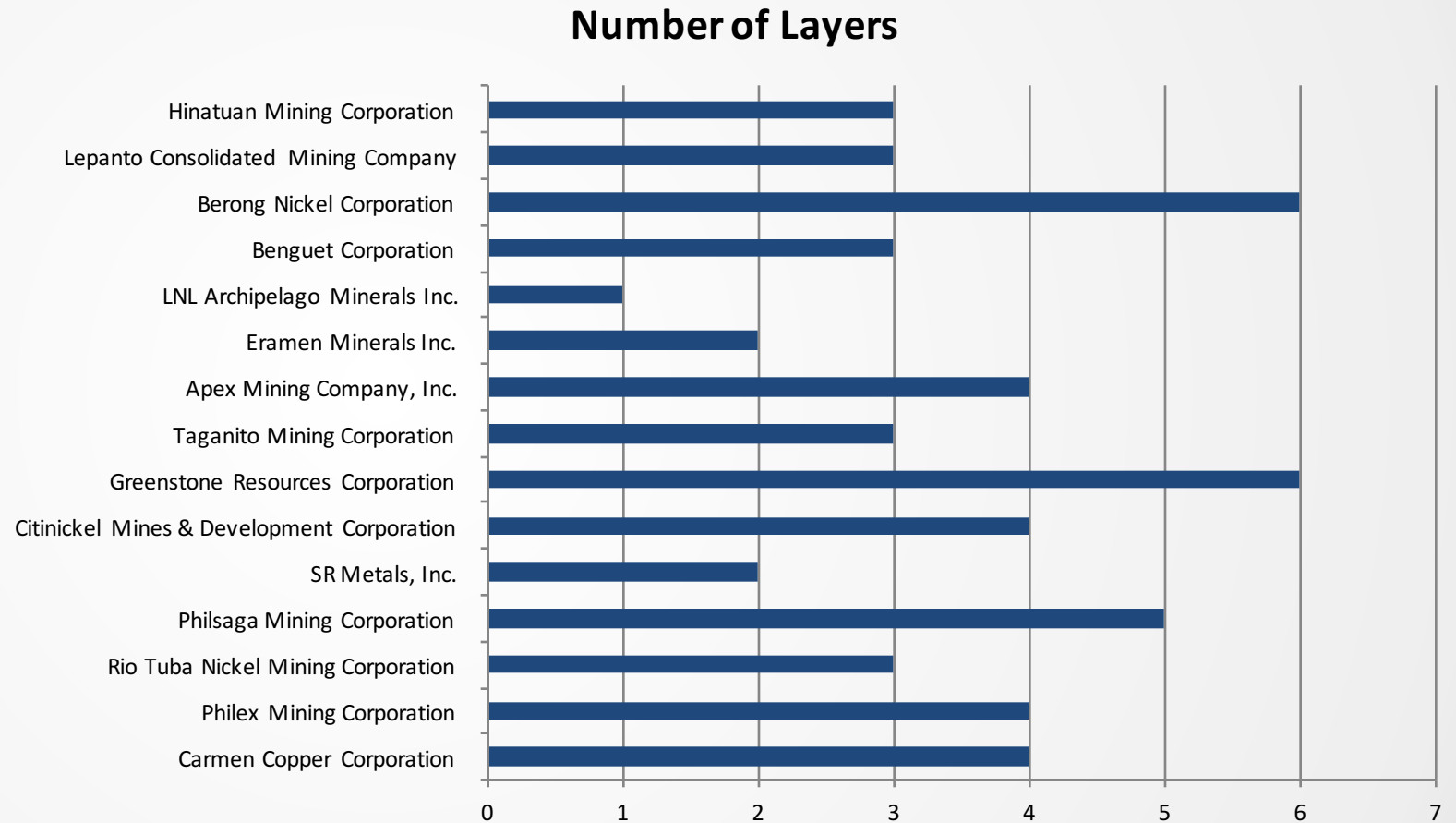
GENERAL INFORMATION SHEET						
STOCK CORPORATION						
===== PLEASE PRINT LEGIBLY =====						
CORPORATE NAME:		APEX MINING CO., INC.				
TOTAL NUMBER OF STOCKHOLDERS:		2,802	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:		1,546	
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:		4,859,477,543.00				
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED			% OF OWNER- SHIP	AMOUNT PAID (PhP)	TAX IDENTIFICATION NO. (TIN) FOR FILIPINOS AND FOREIGNERS
	TYPE	NUMBER	AMOUNT (PhP)			
1. MONTE ORO RESOURCES & ENERGY, INC. Filipino 3304C West Tower, PSE Centre, Exchange Road Ortigas Center, Pasig City	C	869,308,632	869,308,632.00		869,308,632.00	236-728-212-000
	TOTAL	869,308,632	869,308,632.00			
2. MINDANAO GOLD LIMITED Malaysian 8 Jalan Perak, 50450 Kuala Lumpur, Malaysia	C	645,100,029	645,100,029.00		645,100,029.00	000-696-446-284
	TOTAL	645,100,029	645,100,029.00			
3. PCD Nominee Corp. Filipino 37F Enterprise Bldg., Ayala Ave., Makati City	C	211,568,130	211,568,130.00		211,568,130.00	004-774-849-000
	TOTAL	211,568,130	211,568,130.00			
4. MAPULA CREEK GOLD CORPORATION Filipino Maco, Compostela Valley	C	117,813,231	117,813,231.00		117,813,231.00	006-408-873
	TOTAL	117,813,231	117,813,231.00			
5. PCD Nominee Corp. (Non-Filipino) Filipino 37F Enterprise Bldg., Ayala Ave., Makati City	C	2,942,960	2,942,960.00		2,942,960.00	004-774-849-000



RESULTS

CORPORATE OWNERSHIP LAYERS

- Multiple layers have to be scrutinized in order to arrive at the names of natural persons owning the company



FILIPINO-FOREIGN OWNERSHIP

FILIPINO-FOREIGN OWNERSHIP

- There are discrepancies between foreign ownership declared in the GIS and when grandfather test is used

	Filipino Ownership declared in the GIS	Grandfather rule
Carmen Copper Corporation	99.99999995192%	87%
Philex Mining Corporation	60.59%	60%
Rio Tuba Nickel Mining Corporation	60%	40%
Philsaga Mining Corporation	99.99988%	60%
SR Metals, Inc.	100.00%	100%
Citinickel Mines & Development Corporation	96%	72%
Greenstone Resources Corporation	60%	4%
Taganito Mining Corporation	65%	
Apex Mining Company, Inc.	89.40%	72%
Eramen Minerals Inc.	100%	100%
LNL Archipelago Minerals Inc.	100%	100%
Benguet Corporation	82.96%	
Berong Nickel Corporation	60%	24%
Lepanto Consolidated Mining Company	91%*	
Hinatuan Mining Corporation		69%

POLITICALLY-EXPOSED PERSONS

		Firm	Ownership	Position
Edgar Erice	Caloocan City (2 nd District) representative	SR Metals, Inc.	3.4%	-
Ronaldo B. Zamora	San Juan City, Lone district	NAC	0.02%	-
Richard J. Gordon	Senatorialable	Atlas Mining	0.00%	Independent Director
Roderico V. Puno	Brother of Antipolo (1 st District) representative Roberto V. Puno	Atlas Mining	0.00%	Corporate Secretary