

**MINUTES OF THE 2015 ANNUAL STOCKHOLDERS' MEETING  
OF PHILEX MINING CORPORATION**

At the Crowne Plaza Galleria Manila  
Ortigas Ave. cor. ADB Avenue,  
Ortigas Center, Quezon City  
On Wednesday, June 24, 2015 at 2:30 p.m.

**Directors Present:**

**Manuel V. Pangilinan**, Chairman  
**Juan B. Santos**, Vice Chairman  
**Eulalio B. Austin, Jr.**, Director, President and Chief Executive Officer  
**Robert C. Nicholson**, Director  
**Marilyn A. Victorio-Aquino**, Director  
**Bienvenido E. Laguesma**, Director  
**Barbara Anne C. Migallos**, Director and Corporate Secretary

**Officers Present:**

**Danny Y. Yu**, Treasurer, Senior Vice President, Chief Financial Officer,  
Compliance Officer and Corporate Governance Officer  
**Manuel A. Agcaoili**, Senior Vice President and Padcal Resident Manager  
**Benjamin Deodato R. Garcia**, Senior Vice President - Human Resources  
**Michael T. Toledo**, Senior Vice President - Corporate Affairs  
**Redempta P. Baluda**, Vice President - Exploration  
**Victor A. Francisco**, Vice President - Environment and Community Relations  
**Raymund Brett C. Medel**, Vice President – Chief Information Officer

**Also Present:**

**External Auditors**

**Sycip Gorres Velayo & Company** (SGV & Co.), represented by Messrs. Jaime  
F. del Rosario, Jose Pepito Zabat and other SGV auditors

**Independent Election Inspector:**

Jose Pepito Zabat of SGV & Co.

**I. CALL TO ORDER**

At 2:30 p.m., the Chairman, Mr. Manuel V. Pangilinan, called the meeting to order and presided over the same. Atty. Barbara Anne C. Migallos, Corporate Secretary, recorded the minutes of the meeting.

The Chairman introduced the Directors present at the meeting. The shareholders were informed of the presence of the Company's senior officers and of representatives of the Company's independent external auditors, Sycip Gorres Velayo & Company (SGV & Co.), including Mr. Jose Pepito Zabat, the Independent Election Inspector appointed by the shareholders at the last Annual Stockholders' Meeting held on June 25, 2014.

## **II. PROOF OF NOTICE OF MEETING**

The Chairman asked the Corporate Secretary if notices of the meeting were properly sent.

The Corporate Secretary certified that Notices of the Annual Stockholders' Meeting, together with the Agenda and the Information Statement, all duly approved by the Securities and Exchange Commission (SEC) were sent to shareholders on May 25, 2015, within the periods prescribed under applicable rules and consistent with corporate governance best practices. The Company also caused the publication of a copy of the Notice and Agenda in two (2) newspapers of general circulation on three (3) dates for each newspaper. The Corporate Secretary executed a certification attesting to these facts. The Chairman directed the Corporate Secretary to file the said certification with the minutes of the meeting.

### **VOTING PROCEDURE**

At the request of the Chairman, the Corporate Secretary informed the body of the voting procedure and general protocol for the meeting.

The Corporate Secretary said that in accordance with corporate governance best practices, the the voting procedure for the meeting will be as follows:

1. The required quorum for the meeting is the presence in person or by proxy of stockholders holding a majority of the outstanding capital stock. To approve an item on the agenda, the affirmative vote of at least a majority of those present is required. There are no items on the Agenda that require a higher vote as provided in the Corporation Code.
2. Voting is by balloting. Shareholders who are present and did not submit proxies before the meeting were given ballots upon registration. In the case of proxies submitted prior to the meeting, the proxy designated by the stockholders to represent them was provided with ballots for casting in accordance with the stockholders' instructions, as indicated in the proxy.
3. The proxy form distributed to shareholders with the Information Statement contained each item on the Agenda that requires shareholders' vote. There are spaces for YES, NO or ABSTAIN. In the case of the election of directors, the names of each of the nominees are stated in the proxy with three options: (1) VOTE FOR ALL; (2) WITHHOLD VOTE FOR ALL; and (3) WITHHOLD VOTE FOR CERTAIN NOMINEES, with space provided for the names of the nominees not being voted for. Votes are cast and counted in accordance with the shareholders' instructions, as reflected in the proxies.
4. Mr. Zabat of SGV & Co., the Election Inspector appointed by the shareholders at the last annual stockholders' meeting, together with the Company's stock transfer agent, Stock Transfer Services, Inc. (STSI) tabulated the proxies and the ballots.
5. The votes cast for each item will be announced when that particular item is taken up by the body.

6. The tabulation of votes for each item on the Agenda requiring the vote of the shareholders will be posted on the Company's website.

### **III. CERTIFICATION OF QUORUM**

The Chairman then asked the Corporate Secretary if there was a quorum for the transaction of business. The Corporate Secretary informed the body that there are present, in person or by proxy, **3,419,194,171** shares representing **69.21%** of the outstanding capital stock of the Company, as certified by the STSI. Accordingly, there was a quorum for the conduct of business.

### **IV. READING AND APPROVAL OF THE MINUTES OF THE JUNE 25, 2014 STOCKHOLDERS' MEETING AND ACTION THEREON**

With legal notices sent and a quorum present, the Chairman proceeded to the reading and approval of the Minutes of the Annual Stockholders' Meeting held on June 25, 2014.

A stockholder moved that the reading of the Minutes of the said Annual Stockholders' Meeting be dispensed with, and that the said Minutes be approved. The motion was seconded.

The Chairman requested the Corporate Secretary to inform the body of the votes of the shareholders on the approval of the Minutes of the Annual Stockholders' Meeting held on June 25, 2014. The Corporate Secretary reported that shareholders holding **3,405,366,740 shares** representing **68.93%** of the outstanding capital stock of the Company, voted YES to the approval of the Minutes of the Annual Stockholders' Meeting held on June 25, 2014. The said Minutes were therefore approved.

### **V. PRESENTATION OF ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014 AND ACTION THEREON**

The next item on the agenda was the presentation of the Annual Report and the action thereon. The Annual Report includes the Company's financial statements and notes thereto for the year ended December 31, 2014 which were examined by the Company's external auditors, SGV & Co. Copies of the report were previously distributed to the shareholders.

The Chairman requested Engr. Eulalio B. Austin, Jr., the Company's President and Chief Executive Officer, to present the highlights of the Annual Report and the Audited Financial Statements for the year ended December 31, 2014.

#### ***2014 Annual Report Highlights***

The Company reported a net income of P703 million in 2014, which was more than double the P312 million reported in 2013. The improved profitability was driven by an increase in revenues, due to higher number of operating days, coupled with cost streamlining measures, which undermined the impact of declining ore grades and weak metal prices.

With last year's performance, the Board approved the declaration of cash dividends amounting to two centavos (P0.2) per share in February of this year.

This brought the total cash dividends declared and paid out of 2014 earnings to five centavos P0.5 per share, equivalent to a 22% payout of the Company's core net income for the year.

Meanwhile, Core Net Income amounted to P1.12 billion and represented a 4% improvement from 2013's P1.08 billion, after excluding extra ordinary gains and losses realized for both years.

The Company generated P10.9 billion in revenues, translating to a 4% improvement from P10.5 billion in 2013. Gold revenues were 6% higher year-on-year at P5.9 billion, while copper revenues reached P4.6 billion. Revenues from silver, coal, petroleum and others, which comprised the remainder of revenues, rose 31% to P394 million in 2014 from P300 million in 2013. The bulk of this came from petroleum revenues, which rose 45% due to the 61% increase in production at Galoc Phase 2 project following the addition of two wells.

Padcal operated for a full year in 2014 compared with only about ten (10) months in 2013, equivalent to a 20% increase in operating days, and delivered a 23% increase in tonnage to 9.5 million tonnes. However, lower metal grades resulted in moderate improvements in metal output. Specifically, gold output in 2014 improved by only 5% to 105,008 ounces as gold grades were lower by 13%. Similarly, copper production rose 9% to 35.4 million pounds with copper grades falling by 10% from the previous year. In addition, metal prices continued to be sluggish. Since 2012, prices of gold and copper have fallen by 22% and 25%, respectively. Last year, gold prices were 2% lower from 2013 and averaged US\$1,270 per ounce. Copper prices, on the other hand, declined 9% year-on-year to an average of US\$2.98 per pound in 2014 from US\$3.27 per pound in 2013. Despite the continued drop in metal prices, gold revenues went up 6% to P5.9 billion. Copper revenues also remained steady over the past two years at around P4.6 billion annually.

Meanwhile, total costs and expenses rose 12% to P8.4 billion but this pace was slower than the 20% rise in operating days and 23% increase in tonnage, as the Company's cost streamlining initiatives played a critical role. These measures included a manpower rightsizing program to generate projected savings of P290 million annually, postponement of non-critical capital expenditures, and a conscious effort to reduce costs across all fronts. Already, these programs enabled the Company to reduce general and administrative expenses by 28% from 2013.

The Company's total assets stood at P44.6 billion as of end-2014 from P39.9 billion as at end-2013. The growth was attributed mainly to the rise in deferred exploration costs, to P25.8 billion from P22.4 billion, associated with additional investments in Silangan and other mining and oil exploration projects.

On the liabilities side, the Company continued to manage debt properly. Outstanding debt from local banks stood at P4.3 billion as of end-2014. As of the first half of this year, the Company has retired about P500 million of these short-term loans that should further ease the interest burden, improve cash flows and provide more flexibility moving forward.

The Company and wholly-owned subsidiary Silangan Mindanao Exploration Co., Inc. co-issued P7.2 billion worth of eight-year convertible bonds to specifically fund the Silangan Project's Definitive Feasibility Study.

In terms of capital expenditure, the Company spent 4% less last year as the Company focused on the Silangan project, Padcal and other mining explorations within its vicinity.

Capex related to Silangan continued to be significant and increased 11% year-on-year to P3.8 billion and comprised 65% of total capex last year. Capex for Padcal slightly went up to P1.8 billion last year from P1.7 billion in 2013, as broken ore inventory was increased from 12 months in 2013 to 15 months last year. This required additional investments in terms of new equipment and resources. Padcal accounted for 31% of the total capex in 2014.

Meanwhile, capex for oil & gas related exploration projects went down significantly to P67 million as the Company concentrated mainly on data gathering for Service Contract 75 located in North West Palawan.

As previously mentioned, the Company is working earnestly to extend Padcal's life of mine. In relation to this, the Company announced that it has identified an additional 111 million tonnes of estimated mineral resources from the 800-600 meter levels (ML). These resources correspond to potential, incremental contained metals of 473.0 million pounds of copper and 1.342 million ounces of gold.

Feasibility studies to mine within the 800-600ML, where the additional resources were defined, are currently on-going. Positive results from these studies will increase the likelihood of extending the mine's life beyond 2020. Nonetheless, the Company simultaneously continues to explore within the vicinity of the Padcal Mine to further identify additional resources and increase the Company's current mineral inventory.

Engr. Austin also reported on the Company's first quarter performance for 2015.

The Company generated total consolidated revenues of P2.4 billion in the first three months of the year compared with P2.9 billion in the same period of 2013. This was brought about primarily by the lower number of operating days and weak metal prices.

Revenues from gold amounted to P1.4 billion while revenues from copper totaled P912.4 million. Meanwhile, revenues from silver and petroleum products reached P57 million, which were significantly affected by the drop in oil prices.

The Company's first quarter performance yielded a Net Income of P305 million, 14% higher than 2014's P267 million. Net Income Attributable to the Equity Holders of the Parent Company was P329 million, which was 30% higher year-on-year.

During the first quarter, the Company replaced the cable of the main conveyor system from the underground to the mill plant and had to shut it down. This affected the delivery of ore to the mill plant. Power failures also contributed to the lower tonnage of 2.2 million tonnes for the period.

The gold grade of 0.435 grams/ton was slightly lower than last year, resulting in lower gold output of 25,997 ounces against 26,442 ounces in the first quarter of 2014. Copper grade of 0.204 were also lower and yielded an output of 8.4 million pounds of copper for the period. To compensate for the lower ore grades, the Company is continuously improving operational efficiencies to raise metal recovery rates. Improvements were already seen in the second quarter.

The Company likewise sustained corporate social responsibility (CSR) initiatives as it continues to promote responsible mining in the country.

Being a pioneer in the industry, the Company is very much aware of the importance of the community and the environment in the success of any enterprise, particularly mining, and understands very well how mining operations should strike the optimum balance between posting profits, preserving the planet, and progressing people.

Engr. Austin said that the Company believes that CSR is more than just providing financial support to families, delivering free health care and educational services, and protecting the environment. The Company has been a constant and strong partner in nation building by championing health, fostering education, generating livelihood, and building infrastructure, to enrich the overall quality of life of host communities.

In terms of health, the Company implements different health programs tailor-fit for the communities near its operations. These health programs include the conduct of regular medical and dental clinics and the provision of training on health awareness, first aid and use of herbal medicines for communities located far from the hospital.

In Padcal, for instance, the Company is operating the Sto. Nino Hospital, which caters to the employees as well as host and neighboring communities. The Company has also put up a new barangay health center near the Silangan project.

The Company also puts a premium to good education and believes that this will help secure a quality life and a bright future. The educational support the Company has provided to its employees, their dependents and people from host communities is a noteworthy achievement. This has been the case in Philex Mines Padcal Elementary School and St. Louis High School in Padcal, which have produced professionals who are now gainfully employed not only in the Philippines but around the globe as well. The Company will replicate this same model across other projects like in Silangan, where school buildings are being constructed across the different neighboring communities.

The Company's livelihood program, meanwhile, is focused on building partnerships, empowering individuals, and promoting stakeholder accountability to help create self-reliant and sustainable communities. Projects implemented under the Company's livelihood programs range from farming and other agroforestry practices, to technical skills development, to establishing cooperatives and even running small-scale trading businesses.

The Company also provides critical public infrastructure support by sponsoring high and low impact projects geared towards the development of the countryside. Among the significant activities under this campaign are the construction of roads, water systems, multi-purpose halls, educational facilities, health centers, hanging bridges, and places of worship.

In the area of environmental responsibility, the Company ensures that its practices adhere to the principles of a socially and environmentally responsible mining company. In all project areas, the Company implements environmental management programs alongside programs to attain production targets. A total of P435 million was spent last year alone for activities under the Company's Environmental Protection and Enhancement Program (EPEP).

The Company is also engaged in the rehabilitation of un-minable lands and disturbed areas within its tenements by adopting sustainable development strategies that focus on poverty reduction, through the generation of job opportunities and alternative livelihood sources; food security, through agro-forestry and food forestation; bio-diversity conservation, and climate change mitigation and adaptation, through ecological waste management and forest protection.

The Company received its Integrated Management System (IMS) Certification from TUV Rheinland in April this year that allowed the Company to regain its environmental ISO 14001 Certification, and affirmed its adherence to strict environmental protection and safety protocols across operations.

Engr. Austin also provided an update on the Silangan project in Surigao del Norte. The project is under Silangan Mindanao Mining Co., Inc. (SMMCI), a wholly-owned subsidiary of the Company.

The Company has already invested more than P13 billion in the project as of end of last year for the initial exploration and related works on the site. This is on top of the estimated commercial-operations project cost of about \$1.2 billion.

Once operational, the mine has a projected life of 30 years for the first phase. The first five years is forecasted to produce five to seven million tonnes of ore annually, ramping up to an annual tonnage of ten million tonnes. With the rich metal content of the ore bodies, the operating cost is expected to be highly competitive against global benchmarks.

The project is expected to be a mid- to large-scale mining operation by international standards. Silangan's current resource estimates register average metal grades of 0.68 g/t for gold and 0.56% for copper and indicate the presence of about five billion pounds of copper and nine million ounces of gold for the first 30 years. In comparison, Padcal has mined out 5.9 million ounces of gold and 2.2 billion pounds of copper in its more than five-decade existence at average metal grades of 0.61 g/t for gold and 0.32% for copper. Of Padcal's remaining mineral inventory, Silangan's grades are more than twice that of Padcal in terms of copper and 84% higher in terms of gold.

Engr. Austin presented a diagram showing project milestones and where the project is now. The Pre-Feasibility Study (PFS) was completed and presented to the Company's Board of Directors in August 2014, within the scheduled timeframe. The PFS indicated that Silangan is a viable project, which facilitated the project's Definitive Feasibility Study (DFS). In the meantime, the project's Declaration of Mining Project Feasibility (DMPF) has been approved by the DENR, which allows SMMCI to proceed with the working terms of the Mineral Production Sharing Agreement, subject to compliance with the conditions of the Order. The Company is at 2018 or early 2019 for the commencement of initial ore production at Silangan.

The DFS is currently being undertaken by a team of international and local experts. It is expected to be finalized by the 4th quarter of 2015. This will pave the way for the project financing and the mine development stages.

Bulk sampling was already completed, where a total of 100 metric tonnes of samples from the ore body, representing the first five to ten years of the mining plan, were prepared and sent to a laboratory in Perth, Australia for pilot plant runs to validate the earlier results of metallurgical test works conducted. The pilot

plant has a capacity of approximately 50kg/hr, simulating the different processes and stages of mineral extraction and production.

Site preparation and optimization as well as equipment selection are likewise ongoing to facilitate mine development. The site for the tailings storage facility has also been identified.

Parallel studies on hydrogeology, geomechanics, mine planning and mill design are also being conducted in coordination with AECOM Engineering of Australia. Specifically, in terms of geology, the final Mineral Resource Model to be employed is being finalized and is expected to be completed by the 3rd quarter of this year. The process flow has also been selected, which is currently undergoing testing, validation, and optimization through the pilot plant runs. Basically, there will be three processes involved, each delivering a different product. Flotation will generate copper concentrates like Padcal; acid leaching will produce copper cathodes; and further leaching will yield gold.

For the mine ancillaries, embankment construction planning has also commenced for the tailings storage facility (TSF). Location planning, including the construction of the Company's own port and assessment of power sourcing options, is likewise underway to map out logistics and advance infrastructure development.

With the necessary government permits secured and critical pre-development phases documents in process, the project is currently embarking on an early works program (EWP) which is aimed at reducing the risks of development and production delays.

The EWP involves enabling works like surveying, site preparations such as clearing and grubbing, initial embankment construction, equipment procurement, detailed engineering, and most especially, social preparations through community engagement.

Host and neighboring communities around the site have been engaged to gain their support and familiarize them with the benefits of mining. Representatives of the host communities were shown the Padcal Mine so that they can appreciate the benefits of responsible mining. The Company is glad that SMMCI's early social and community development projects are being embraced and welcomed by local officials and residents of the surrounding communities.

Seven (7) municipalities, consisting of 21 barangays, have already benefitted from the various projects on health, education, livelihood and enterprise, and public infrastructure. Over the long-term, SMMCI has outlined a pipeline of projects under its social development and environmental protection agenda.

Under health programs, SMMCI has completed more than sixteen medical and dental missions. In addition, the monthly Free Medical Consultation in host barangays of Tubod and portions of Placer, which is already on its fourth year, has also provided medical services to children, adult women and senior citizens.

In terms of education, SMMCI, through its Community Development Program or CDP, has provided scholarship grants to some 4,000 elementary and high-school students from the municipalities of Tubod, Placer, Sison, Tagana-an, and Mainit.



In addition, four school buildings – the Industrial Arts building in Barangay Timamana, the pre-school building in Barangay Capayahan, and school classrooms for San Isidro Elementary School in Placer and Upper Patag Elementary School in Sison, were contributed under the Community Development Program (CDP).

As part of its livelihood generation and enterprise development, SMMCI also organized training under the following courses – organizational assessment, leadership and values formation, commercial cooking, beauty care, dressmaking, and natural farming – to empower community members to sustain their own means of livelihood.

The CDP's public infrastructure support campaign, on the other hand, facilitated the construction of 16 various facilities, like potable water systems, drainage canals, access roads through graveling, and bleachers, together with the improvement and extension of community offices.

Last year also marked the start of stronger relationship between SMMCI and the communities through the public-private partnership (PPP). Conducted in collaboration with the Department of Social Welfare and Development-Kalahi, the PPP attracted 80 local volunteers, who participated and worked on project management, materials procurement and control, and construction of projects like school buildings and drainage canals.

SMMCI has also been implementing various environmental plans and programs to fulfill the Company's environmental responsibility and comply with government regulations. For example, at Silangan's nursery there are more than 12,700 assorted forest and fruit-tree seedlings and agro crops ready for planting to help restore the rich foliage of Silangan's natural environment.

In recognition of these efforts, SMMCI has received a number of citations, including the highly-coveted Presidential Mineral Industry Environment Award last year. These are seals of approval not just for SMMCI but for the entire Philex organization's conscientious and responsible approach to mineral resource development.

The Chairman thanked Engr. Austin for his report and opened the floor for questions from stockholders.

### ***Open Forum***

Mr. Jose T. Ferrer, shareholder, referring to the reduction of milling tonnage caused by power failures, inquired whether Padcal is connected to the national grid. Engr. Austin said that Padcal's power requirement is sourced from the Sual Power Plant, an independent power producer, which transmits the power through the national grid. In response to a follow up question from Mr. Ferrer, Engr. Austin said that Padcal has a diesel-powered generator set with capacity of 5.6 MW as backup power for critical maintenance power requirements.

Mr. Ferrer asked for an update on Silangan and Kalayaan. The Chairman said that the focus now is on the Silangan project. As stated in Engr. Austin's report, the DFS for the Silangan project is expected to be completed in October/November of this year. This will determine the funding program for the project. If the schedule is met, commercial operations can commence by 2018 to early 2019.

Ms. Esperanza Lopez, shareholder, asked how much were the audit fees paid to SGV & Co. as independent auditors in 2014. Mr. Danny Y. Yu, Treasurer, Chief Financial Officer, and Senior Vice President, said that the audit fee paid to SGV & Co. for 2014 was about P5.0 million.

Mr. Emilio G. Peralta, shareholder, asked whether the Company sets aside a budget for social development, and if so, suggested that a portion be set aside for projects that mitigate the effects of climate change. Engr. Austin confirmed that the Company complies with the Mining Code requirement to spend an equivalent of 1%-1.5% of direct mining and milling costs on social development projects. The Chairman said that the Company will look into projects on climate change as suggested by Mr. Peralta.

Mr. Peralta also congratulated the Company for the improved income in 2014 compared to 2013. He commented that the Philex Mining income and dividends to shareholders in 2014 would have been higher if not for decreased revenues in oil and gas due to depressed oil prices.

Mr. Guillermo Gili, Jr., shareholder, asked why financing for the Silangan project was needed when the Company has unappropriated retained earnings. The Chairman said that there is a great deal of capex being devoted to development of Silangan mine. Financing is necessary to help the Company strike a balance between the requirements for its future, which is represented by the Silangan project, and dividends to shareholders. The Chairman noted that while management is trying to extend the current mine life of Padcal, the future of the Company is in Silangan.

Mr. Edward Tipton, shareholder, thanked the Company for the high school scholarships it bestowed on students of the Baguio City National High School. Given the K12 program of the government which will extend high school from 4 years to 6 years, Mr. Tipton said that he hopes the Company will extend the scholarships to the 5<sup>th</sup> and 6<sup>th</sup> years. He also requested that the Company consider increasing the number of its scholars in Baguio City National High School. The Chairman thanked Mr. Tipton for his kind words, and assured him that the scholarships will not stop at 4 years, and will continue to the 5<sup>th</sup> and 6<sup>th</sup> years.

Thereafter, a shareholder moved for the approval of the Annual Report and the Audited Financial Statements and the notes thereto for the year ended December 31, 2014. The motion was seconded.

The Chairman requested the Corporate Secretary to inform the body of the votes in favor of the motion. The Corporate Secretary reported that shareholders holding **3,401,907,334 shares** representing **68.85%** of the outstanding capital stock of the Company voted YES to the approval of the annual report and the audited financial statements and the notes thereto for the year ended December 31, 2014. The said Annual Report and the Audited Financial Statements were thus declared approved.

## **VI. RATIFICATION AND APPROVAL OF THE ACTS OF THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS DURING THE CORPORATE YEAR 2014**

The next item on the agenda was the ratification and approval of the acts of the Board of Directors and the executive officers of the Company in 2014. The Information Statement containing a summary of the major actions of the Board

were distributed to the shareholders before the meeting. All Board actions are reflected in the Minutes of Meetings of the Board which are available for inspection.

A shareholder moved for the approval, ratification and confirmation of all acts made or taken by the Board of Directors and executive officers of the Company for the past year. The motion was seconded.

At the Chairman's request, the Corporate Secretary informed the body of the votes of the stockholders on the matter. The Corporate Secretary reported that shareholders holding **3,402,273,200 shares** representing **68.87%** of the outstanding capital stock of the Company voted YES to the ratification and approval of all acts made or taken by the Board of Directors and executive officers of the Company during the past year. The motion to ratify and approve all of the acts made or taken by the Board of Directors and executive officers of the Company during the past year was thus declared approved.

## **VII. APPOINTMENT OF INDEPENDENT AUDITORS**

The Chairman said that the next item on the Agenda is the appointment of the Company's independent auditors. He said that the Audit Committee and the Board of Directors recommended the appointment of Sycip Gorres Velayo & Company (SGV & Co.) as independent auditors of the Company for 2015.

A stockholder moved for the appointment of SGV & Co. as independent auditors of the Company for 2015. The motion was seconded.

At the Chairman's request, the Corporate Secretary informed the body that shareholders holding **3,418,412,857 shares** representing **69.19%** of the outstanding capital stock of the Company voted YES to the appointment of SGV & Co. as the independent external auditor of the Company for 2015. The Chairman thus declared the appointment of SGV & Co. as independent auditors of the Company for 2015 approved.

## **VIII. APPOINTMENT OF ELECTION INSPECTORS TO SERVE UNTIL THE CLOSE OF THE NEXT ANNUAL MEETING**

The next item on the agenda was the appointment of Election Inspectors. The Chairman explained that every year, the shareholders appoint an Election Inspector who will serve as such for the ensuing year and until the close of the next annual stockholders' meeting. In the past years, a representative of the Company's independent auditors, SGV & Co. was appointed.

A stockholder moved for the appointment of Mr. Jose Pepito Zabat of SGV & Co. as Election Inspector. The motion was seconded.

At the Chairman's request, the Corporate Secretary informed the body that shareholders holding **3,418,451,718 shares** representing **69.19%** of the outstanding capital stock of the Company voted YES to the appointment of an Election Inspector for 2015. The Chairman thus declared the appointment of Mr. Zabat as Election Inspector of the Company for 2015 was approved.

## **IX. ELECTION OF DIRECTORS, INCLUDING INDEPENDENT DIRECTORS**

The Chairman then proceeded to the election of directors for the ensuing year. There are eleven (11) seats to be filled, and two (2) of the directors must be independent directors. The Corporate Secretary was then requested to read the names of the nominees.

The Corporate Secretary reported that there were eleven (11) nominees for the eleven (11) seats on the Company's Board of Directors for election at this Annual Stockholders' Meeting. The Nominations Committee screened the eleven (11) nominees including the nominees for independent directors and thereafter prepared a Final List of qualified candidates, which was incorporated in the Information Statement for the meeting. The following are the nominees:

1. Mr. Manuel V. Pangilinan
2. Mr. Juan B. Santos
3. Engr. Eulalio B. Austin, Jr.
4. Ms. Eliza Bettina R. Antonino
5. Atty. Marilyn A. Victorio-Aquino
6. Mr. Oscar J. Hilado (Independent Director)
7. Atty. Bienvenido E. Laguesma
8. Atty. Barbara Anne C. Migallos
9. Mr. Robert C. Nicholson
10. Mr. Wilfredo A. Paras (Independent Director)
11. Mr. Edward A. Tortorici

The Chairman asked the Corporate Secretary to inform the body of the votes cast for each of the eleven (11) nominees to the Company's Board of Directors. The Corporate Secretary reported that each of the eleven (11) nominees for the eleven (11) seats on the Board received more than sufficient votes to elect each of them as Director of the Company. Consistent with corporate governance best practices, the vote tally for the election of directors will be posted on the Company's website.

The Chairman thus declared all of the eleven (11) nominees as duly elected members of the Company's Board of Directors.

## **X. OTHER MATTERS**

No other matters were raised.

**XI. ADJOURNMENT**

There being no other matters to discuss, on motion made and duly seconded, the meeting was adjourned at 3:30 p.m.

Prepared by:

**BARBARA ANNE C. MIGALLOS**  
Corporate Secretary

Attest:

**MANUEL V. PANGILINAN**  
*Chairman*

**Philex Mining Corporation**  
**Annual Stockholders' Meeting**  
**24 June 2015 Minutes**

## PHILEX MINING CORPORATION - 2015 AGM Voting Results

Total Outstanding Shares: 4,940,399,068

No. of shares present or represented by proxy: 3,419,194,171

Percentage of attendance: 69.21%

(in '000s)

AGENDA ITEM	Votes in favor		Votes against		Abstain	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Item 4 – Reading of Minutes and Action thereon	3,405,366	68.93%	NIL		13,827	0.28%
Item 5 – Approval of annual report and audited FS	3,401,907	68.85%	NIL		16,923	0.34%
Item 6 – Ratification of acts of Board and Executive Officers	3,402,273	68.87%	NIL		16,923	0.34%
Item 7 – Election Inspector	3,418,451	69.19%	NIL		N/A	
Item 8 – Appointment of Independent auditors	3,418,412	69.19%	12	0	770	0.02%
Item 9 – Election of Directors						
1) Manuel V. Pangilinan	3,300,169	66.80%	121,243	2.45%	NIL	
2) Juan B. Santos	3,300,152	66.80%	121,243	2.45%	NIL	
3) Eulalio B. Austin, Jr.	3,300,140	66.80%	119,298	2.41%	NIL	
4) Eliza Bettina R. Antonino	3,300,140	66.80%	121,243	2.45%	NIL	
5) Marilyn A. Victorio-Aquino	3,300,140	66.80%	121,243	2.45%	NIL	
6) Bienvenido E. Laguesma	3,302,085	66.84%	119,298	2.41%	NIL	
7) Robert C. Nicholson	3,300,140	66.80%	121,243	2.45%	NIL	
8) Barbara Anne C. Migallos	3,296,579	66.73%	119,298	2.41%	5,506	0.11%
9) Edward A. Tortorici	3,300,140	66.80%	121,243	2.45%	NIL	
10) Oscar J. Hilado (Independent Director)	3,299,152	66.78%	NIL		NIL	
11) Wilfredo A. Paras (Independent Director)	3,301,315	66.82%	NIL		770	0.02%