

**MINUTES OF THE 2016 ANNUAL STOCKHOLDERS' MEETING
OF PHILEX MINING CORPORATION**

At the Marco Polo Ortigas Manila
Meralco Avenue, San Antonio, Pasig
On Wednesday, 29 June 2016 at 2:30pm

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
Mr. Oscar J. Hilado, Independent Director and Chairman of the Audit Committee
Mr. Wilfredo A. Paras, Independent Director
Bienvenido E. Laguesma, Director
Mr. Michael Victor N. Alimurung, 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
Michael T. Toledo, Senior Vice President - Public & Regulatory Affairs

Also Present:

External Auditors and Independent Election Inspectors
Sycip Gorres Velayo & Company (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 the Company's independent external auditors, Sycip Gorres Velayo & Company (SGV & Co.), who were also the Election Inspectors appointed by the shareholders at the 2015 Shareholder's Meeting.

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 in no case later than May 27, 2016, 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. 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.

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, **3,565,750,117** shares representing **72.17%** of the outstanding capital stock of the Company. Accordingly, there was a quorum for purposes of the meeting.

VOTING PROCEDURE

In accordance with corporate governance best practices, the corporate secretary explained the voting procedure for the meeting.

The required quorum for this 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, except with respect to the amendment of the By-Laws, which requires the affirmative vote of at least a majority of all of the outstanding capital stock. Only the items that are on the Agenda and in the Information Statement will be voted upon.

Voting is by balloting. Ballots were provided to shareholders and designated proxies upon registration. Secured electronic or online voting in absentia was also made available to certificated shareholders. Said shareholders had until 2:00 p.m. today to cast their online ballots on the Company website.

Where a shareholder designated a proxy, the proxy must vote in accordance with the stockholders' instructions, which instructions are indicated in the proxy submitted to the Company. There are spaces in the proxy for YES, NO or ABSTAIN, and the shareholder indicates how he wants his shares to be voted. For the election of directors, the names of all nominees are 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 names of nominees not being voted for.

At the 2015 annual meeting, the shareholders designated Mr. Jose Pepito Zabat, a Partner of the Company's independent auditors, as Election Inspector to serve as such until the close of today's annual meeting. The Election Inspector, together with the Company's stock transfer agent, Stock Transfer Services, Inc. (STSI) tabulated the proxies and the ballots.

The votes cast for each item will be announced when that particular item is taken up by the body.

IV. READING AND APPROVAL OF THE MINUTES 24TH JUNE 2015 STOCKHOLDER'S 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 24, 2015.

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 24, 2015. The Corporate Secretary reported that shareholders holding **3,564,964,610 shares** representing **72.16%** of the outstanding capital stock of the Company, voted YES to the approval of the Minutes of the Annual Stockholders' Meeting held on June 24, 2015. The said Minutes were therefore approved.

V. PRESENTATION OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015 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 the notes thereto for the year ended December 31, 2015 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, 2015.

2015 Annual Report Highlights

Mr. Austin reported that in the year 2015, the Company declared 111 million tonnes of new resources in the 800-600 meter level beneath the current ore body in Padcal. From this resource, approximately 18.3 tonnes were declared as reserves, having grades of 0.47 grams/tonne for gold and 0.20% for copper and corresponding to estimated mineral content of 218,000 ounces of gold and 68 million pounds of copper. This will further extend Padcal's life by at least two more years from 2020 to 2022.

The Company also announced the results of the Bumolo project, which is 2.5 kilometers beside the Padcal mine. The exploration work points to initial inferred mineral resources of 21.7 million tonnes and confirmed the potential the Company has been prospecting throughout these years. Admittedly, more work needs to be done to raise the quality and quantity of the initial resource estimates of the project. Nevertheless, this already increased the likelihood of further extending the life of Padcal beyond 2022.

In terms of operations, total ore milled from Padcal mine reached 9.2 million tonnes against 9.5 million tonnes as the mine operated for 357 days compared with 359 days the previous year. The lower tonnage was also attributed to ground conditions, the impact of unscheduled power outages on operations due to adverse weather conditions, and scheduled maintenance and equipment upgrades, particularly of the main conveyor belt in Padcal. Adhering to a sound mechanical maintenance program is necessary to maintain the mine in efficient working condition over the long-run, considering that the Padcal mine has been in operation for more than half a century. Incidentally, the Company is celebrating its 60th year anniversary this year as a publicly-listed company.

Despite the lower tonnage, gold output was higher by 3% to 108 thousand ounces as recovery improved to 83 percent from 78 percent amid steady ore grades at 0.438 grams per tonne. Gold revenues, however, amounted to P5.7 billion as a result of lower gold price.

Copper output, on the other hand, reached 34.1 million pounds as the higher recovery rate of 82 percent against 80 percent failed to offset the impact of lower tonnage and ore grades. Coupled with unfavorable copper prices, revenues from copper amounted to P3.5 billion. While the Company is constantly fine-tuning its systems and processes, external factors, such as the behavior of metal prices, are beyond its control.

In 2015, average realized prices for gold went down by 10 percent to US\$1,147 per ounce, while average copper prices fell by 23 percent to US\$2.29 per pound, from previous year's levels. In fact, gold prices remained at a five-

year low, while copper prices were at their lowest level for six years as of last year.

Other revenues, which came mostly from sales of silver and petroleum products, amounted to P242 million attributed to the steep decline in crude oil prices and the normal decline in production in Galoc oil field Phase II project. World crude prices tumbled to an average of US\$54 per barrel last year from US\$106 per barrel in 2014.

Combined, the Company generated consolidated revenues of P9.4 billion in 2015 compared with P10.9 billion in 2014.

Nonetheless, its ability to manage its costs and contain its expenses through organizational restructuring, operational enhancements and value engineering initiatives enabled it to thrive in this very tight pricing environment.

As a result, its consolidated operating costs and expenses were reduced by 13 percent to P7.3 billion in 2015, with general and administrative expenses substantially decreasing by 33 percent to P629 million from P943 million in 2014.

Specifically, on a per tonne basis, its operating cost has dramatically declined from an average of P859/tonne in 2014 to P844/tonne in 1Q2015 to P785/tonne by 4Q2015 and further down to P755/tonne as of 1Q2016.

All these enabled the Company to deliver a net income of P776 million, which was 10 percent better than 2014's P703 million, despite the persistent pressure on metal prices and lower production last year. Core net income amounted to P905 million.

Amid all these, the Company declared and paid out a cash dividend of two centavos per share in 2015 from its 2014 net income, amounting to P99 million.

Early this year, it declared property dividends, which were approved by the Securities and Exchange Commission, entitling shareholders of record as of March 15, 2016 to 17 Philex Petroleum shares for every 100 Philex Mining shares held. This will be payable on July 15, 2016 and correspond to a total dividend payout of P1.4 billion.

From a corporate standpoint, the divestment from its energy business will enable it to focus on its core activity of metals mining and allow Philex Petroleum to concentrate on oil and gas exploration. In relation to this, Philex Petroleum will be renamed PXP Energy Corporation, pending SEC approval.

In terms of the Company's financial position, its total assets remained significant at P43.5 billion as of the end of last year, the bulk of which are deferred exploration costs at P29.4 billion and property, plant and equipment at

P6.8 billion. These figures reflected the capital intensive nature of its business and indicate the level of internal exploration and development activities that were undertaken by the Company to ensure the long-term sustainability of operations.

On the liabilities side, the Company retired US\$25.8 million of its outstanding debt last year, which brought down its obligations to US\$70.5 million, or P3.3 billion, as of end-December 2015. It paid down an additional US\$5.0 million in the first four months of this year to further reduce the debt to US\$67.5 million as of end-April 2016. Moving forward, the Company believes this will allow it to save on interest payments and afford it considerable flexibility when it taps the capital markets for future expansion and entry into new projects.

In addition, it also disposed of non-core assets, like shares in Indophil Resources by participating in the company-initiated tender offer, to help generate cash and partially meet the working capital requirements.

The Company likewise made more judicious use of resources and realigned its investment program to projects that are in the more advanced stages of development and will deliver the fastest turnaround. As such, it spent 16 percent lower last year at P4.1 billion and prioritized the Silangan and Padcal projects, including its vicinity, which it believes remain as its most valuable assets. Expenditures for the Silangan Project amounted to P2.2 billion and Padcal operations accounted for P1.5 billion.

Padcal Operational Update

At the beginning of the year, the Company started to work on commissioned new draw points in the current ore body to address the low grades and ensure the availability of ore sources and continuity of operations. It developed 13 new draw points in the 782ML and 19 in 798 ML, with average copper grades of 0.225% for copper and 0.405 grams per tonne for gold.

To improve efficiency and reduce costs further, tailings cyclones were installed to increase water recovery. The initial installation, which consisted of a cluster of five cyclones, was commissioned last April 29, 2016. Ongoing optimization tests yielded a 35% recycling rate, from 24% previously using the existing two 250-foot thickeners, and point to estimated savings of P6.0 million annually on power consumption.

It plans to install more new cyclones to further increase mill process water recovery and save on power, at the same time reduce fresh water-pumping from river systems for industrial use.

In addition, the height of the TSF3 open spillway is being raised to accommodate tailings from the operations, as the Company has abandoned the old system of water management. The plan is to complete the 1st Phase before

the year ends and the 2nd Phase next year to operate a tailings containment facility up to the projected end of mine life in 2022.

Silangan Update

In the Silangan project, which is the most advanced among the existing projects and tenements, the Company continued to implement responsible mining programs, like that in Padcal, in preparation for the project's next stages of development.

In fact, the Company has secured all the major permits, like the Environmental Compliance Certificate (ECC) for surface mining and the Amended Project Feasibility Study, related to the approved Declaration of Mine Project Feasibility (DMPF) in April 2015, to reflect the change in mining method, from the Department of Environment and Natural Resources that will allow it to move to the next critical stage of the project.

The next major document in need of finalizing is the Definitive Feasibility Study, which is currently undergoing parallel peer review and further optimization from third-party consultants. The whole process as well as the DFS report is expected to be completed within the year.

The Company announced that its subsidiary Silangan Mindanao Mining Company Inc. or SMMCI received the Presidential Mineral Industry Environmental Award for the past two years, which reflects the company's adherence to and implementation of an effective environmental preservation program prior to operations.

In addition, SMMCI also secured the ISO 14001 Certification for Environmental Management Systems (EMS) which showcases the company's compliance with strict and internationally-recognized EMS in all stages of project development. This followed the parent company's own Integrated Management System (IMS) Certification, ISO 14001:2004 and OHSAS 18001:2007 for environmental and safety management systems, respectively, obtained from TUV Rheinland in April 2015.

These certifications demonstrated the Company's overall commitment to environmental stewardship and workplace safety across all operations and exploration projects. As it awaits the DFS report, the entire organization continues to fulfill its role as a conscientious mineral resource Company.

In light of recent events that have highlighted the mining industry, Mr. Austin stated the Company's belief that the country's natural resources are bestowed from above and should be utilized accordingly and responsibly for the ultimate benefit of man. These natural endowments are prominent across the country in various faces. However, few people really realize and support the idea that

responsible mining can be a backbone for economic growth and national development.

The value of the country's four largest mineral resource reserves rank within the top ten, with nickel, copper and gold amongst the top five, in the world. The local mining industry itself provides 1% of the country's total economic output even under a depressed environment, employ 4% of the total labor force and account for 6% of the region's mineral exports.

While these figures reveal how critical mining is to the larger economy, the practical side of mining is even more compelling. Mining products are found in most packaging of consumer products and are major ingredients in appliances as microwave and conventional ovens, utensils, cooking ware, refrigerators, and air conditioning units that people use every single day. The steel used as foundations in the construction of cityscapes and various infrastructure as well as the components used for assembling the different modes of transport that people take to move around conveniently are all products of mining. The mobile phones and various equipment and gadgets that are used to communicate and get in touch with people's loved ones are basically made from copper, silver, and gold – which are all products of the Company.

Given the indispensability of mining in people's daily lives, mineral resource development will be most effective if performed in accordance with the mandates of law and with the primary consideration for national interest over personal advocacies. This should be organized in locations officially classified for such purpose, with operations extending beyond resource extraction and properly compensating the land with greater benefits for individuals and areas affected. Only then can mining generate the most efficient and best socio-ecological use of available resources.

This is where the marriage between an effective corporate social responsibility or CSR campaign and mineral resource development comes into play and the Company is extremely proud that it has been a staunch advocate of this principle for almost six decades now.

It is the Company's belief that for a CSR program to be effective, it has to have both magnitude and impact, with tangible and quantifiable results to show, borne out of carefully thought-out and faithfully-committed plans that outline the objectives, identify the beneficiaries, and are regularly evaluated for its effectiveness.

The Padcal Mine, together with the vibrant community built around the mining operations, is the Company's blueprint for and, by far, the most concrete manifestation of how mineral resource development and an effective CSR program should go hand in hand to maximize the gifts of nature, uplift the lives of

society, promote economic progress, and preserve the natural environment, simultaneously.

The Company has always believed that a symbiotic relationship should exist between mining operations and the communities within and around the areas of engagement. This could be achieved through programs that go beyond mere dole-outs but have indispensable benefits over the long-term.

Last year, the Company spent more than P120 million for its Community Development Program (CDP) and Social Development and Management Program (SDMP) initiatives to promote social and community development. These funds were utilized for various projects that directly benefited and served the host and neighboring communities and are designed to have lasting impacts in terms of improving lives, shaping the future of families and inspiring the dreams of their children and on top of the royalties it paid to the indigenous people or IP groups affected by its operations.

It also pursued its information, education and communications or IEC campaign to increase public awareness about the Company's activities and impact to the community. Being the most important stakeholders, the communities are empowered and involved in decision making. This kind of interdependence, developed through consultations, presentation of plans and projects, and constant dialogues with members, forms the backbone of its successful community engagement and development program.

Its health programs, on the other hand, promote the physical well-being of its host and neighboring communities through medical assistance, provision of well-equipped health centers, and conduct of regular medical and dental missions, among others. The Company's health program also includes financial support for the construction of health centers, improvement of sanitation, and access to clean water sources.

In Padcal, the Sto. Nino Hospital continues to operate and offers free medical services to employees and host communities. Without the hospital, the mine's host communities would have to travel to Baguio City and back for more than two hours just to receive medical attention.

In its other areas of engagement, like in Silangan, free medical and dental missions were conducted, and health centers and several medical facilities for the benefit of host and neighboring communities were also constructed.

The Company values quality education. In Padcal, for instance, it continues to sponsor a private elementary school, the St. Louis High School-Padcal and run a Technical Livelihood Education center for extra-curricular purposes. This blueprint is also being implemented across its other projects and areas of operation.

In Silangan, scholarship aids are regularly provided to students and Alternative Learning Systems are established to help out-of-school youths. This is on top of schools and educational facilities constructed, like day care centers, which directly benefit the communities around the Silangan project.

In addition, the Company supports livelihood programs to build partnerships, empower individuals, and promote stakeholder accountability that will help build self-reliant and sustainable communities even after a mine is decommissioned. The projects vary from farming and other agroforestry practices, to establishing cooperatives, to small-scale trading, and strengthen the Company's position that it is more than just an "obligated provider" but in fact a partner for development. In Padcal, coffee and organic vegetable-farming, livestock-raising and loom-weaving, are being supported, among others.

In Silangan, rice-cake making and processed-meat manufacturing are some of the projects being undertaken by Comrel personnel and participants from the host communities.

The Company also partners with the communities through public infrastructure projects that help in the delivery of social services and development of the countryside.

These projects include the construction of farm-to-market roads, multi-purpose buildings, places of worship, educational facilities, health centers, public comfort rooms and bridges. The Company also finances the improvement of water systems, provision of rural electrification, construction of critical infrastructure, and maintenance of existing access roads.

Being a conscientious mineral resource company, it is equally committed to preserve, conserve, rehabilitate and enhance the environment within and around its areas of operations by promoting environmental stewardship across all levels in the organization.

Through the Environmental Protection & Enhancement Program (EPEP), it ensures that the impacts of its activities are mitigated and measures are in place to certify compliance with existing regulations.

Last year, the Company spent P270 million for EPEP, mostly in the area of reforestation and rehabilitation, water monitoring and treatment, and waste management, among others.

Every year, the Company shells out considerable amounts for the benefit of its various stakeholders. Its CDP and SDMP funds go to host communities while the EPEP is utilized for environmental preservation. The taxes it pays, be it corporate, excise or withholding in nature, end up in the national and local

government coffers, which are used for the public sector's expenditure program and the royalties it spends are received by affected IP groups for giving consent to the use of their ancestral domain. In addition to this, it also allocates interest expenses to its creditors, pay its business partners for the goods and services they provide, give salaries to its employees, and distribute dividends, cash and otherwise, to its shareholders.

From 2013-2015, the Company shelled out a total of P4.8 billion in various taxes and fees alone. Half of this amount, or PHP 2.4 billion, is mining related in the form of SDMP, EPEP, excise taxes on minerals and royalties to IPs. This is despite the fact that its consolidated net income for the three-year period reached only P1.8 billion, which is significantly lower than what was procured each for regular taxes and mining-related fees.

Aside from the funds that the Company contributed in several forms, it feels the strong urge to help the government in its own way, through its own capacities and initiatives, guided by its mission of responsible mining. The Company understands that the provision of health, educational, livelihood, and infrastructure services are the government's obligation but it feels that the enormity of the task should not be left to the state alone. It believes that this most basic form of public-private sector partnership will be key in driving countryside development, social prosperity, and economic growth. In fact, the taxes collected from Barangay Camp 3, where the Padcal Mine is situated, is the highest among the collections of the 13 barangays located in the Municipality of Tuba, Benguet.

As the Company ensures the long-term viability of its host communities, it simultaneously strengthens its compliance with its duties as a corporate citizen and a conscientious mineral resource company.

Mr. Austin stated that the Company is elated that all its efforts under these various programs were well recognized around the country and across the region.

In November last year, the Company was the top Philippine publicly listed company (PLC) in the Asean Corporate Governance Scorecard Awards held in the country and also among the top 50 PLCs in the ASEAN region. In addition, it was also named as one of the top five local firms in corporate governance at the highly prestigious 4th Annual Philippines Stock Exchange Bell Awards.

In the area of sustainability, the Company was cited as one of the Top Five Corporate Social Responsibility (CSR) companies in Asia at the Asia Corporate Excellence and Sustainability Awards (ACES) in Singapore, which pay tribute to companies that have carried out significant CSR campaigns or implemented policies that generate returns beyond financial gain.

The other awards the Company received were flashed on the screen, and these covered a broad spectrum of disciplines and showcasing the Company's depth as an organization across several grounds. Just recently, it also ranked within the top three in various categories in Finance Asia's Best Managed Companies' Poll 2016, on top of being voted as one of the Best Managed companies in the Philippines.

First Quarter 2016 Results

This year, it aims to sustain this momentum and its first quarter performance already provides encouraging results. Padcal mine operated for 90 days and milled 2.3 million tonnes of ore compared with 2.2 million tonnes in 1Q2015.

The higher tonnage resulted in improved copper output, which reached 8.43 million pounds from 8.36 million pounds the previous year, amid steady ore grades. Gold output, on the other hand, was affected by the natural depletion of higher grade ore and reached 24,200 ounces from 25,997 ounces last year. The mild improvement in gold prices coupled with higher copper output resulted in revenues of P2.41 billion P2.39 billion in the same period last year.

Amid the uncertainty in the market environment, the Company continued to manage its costs and expenses, which drove the 11% decline in consolidated cost and expenses to P1.67 billion from P1.89 billion last year. This was a direct result of the Company's initiatives to rationalize costs and expenses across the organization, particularly through manpower rightsizing, operational improvements and productivity enhancing initiatives.

As a result, the Company's bottom line came in 38% higher at P420 million, with Net Income Attributable to Equity Holders of the Parent Company rising 30% to P426 million and Core Net Income increasing 81% to P389 million. The improved performance was also reflected in its margins as operating margin rose to 24% from 14% and EBITDA margin jumped to 36% from 30%.

In terms of capital expenditure program, the shift in major mining activities reduced its capital outlays in 1Q2016 to P629 million, half of what was spent last year, as major drilling and exploration activities in Silangan were completed.

The encouraging results from the Bumolo project increased confidence on further extending Padcal's mine life beyond 2022 and, as such, resources will be realigned and readjusted to fund further exploration activities around Padcal to identify new ore bodies, augment existing resources and extend the mine's life anew, aside from utilizing the existing infrastructure in Padcal to make operations more efficient and viable.

While the political and business landscape may evolve in the coming year, the Company's priorities, specifically the four P's – people, planet, principles and profit – will endure and serve as its anchor for its value-creation objectives, which are as follows:

- Improve efficiency at Padcal through innovation and process re-engineering to address natural depletion of ore grades and volatile metal prices
- Extensively explore the vicinity of Padcal to identify new ore bodies and additional resources that will extend further Padcal's life of mine
- Complete and secure necessary documents, like the definitive feasibility study and other pertinent documents, to enable the Company to proceed with the succeeding stages of the Silangan project.
- Accelerate the diversification program to create a stronger and more stable revenue base and reduce dependency on a limited number of products
- Identify and execute the most appropriate business model, be it a joint-venture, farm-in or farm-out agreement, that will generate the best value for its non-core assets.
- Continue to embrace the challenge of being the face of responsible mining in the country and carrying the torch for the industry by constantly advocating sound, effective and world-class CSR, corporate governance, and sustainability programs

For almost six decades, the Company has thrived under the different economic cycles and political regimes and successfully adapted to the ever changing local and global business climate. With President-elect Duterte's administration and recent developments in the government regulatory bodies, particularly the DENR, the Company continues to uphold its tradition of responsible mining, though cautiously brace itself for the continued challenges ahead. The Company likewise fully subscribes to and supports the call for inclusive growth.

The Company knows that people are responsible for their own lives and their future and the organization is here to offer them alternatives through constant dialogue and extensive consultations before securing their consent to become its partners for growth, in compliance with laws and regulations.

It has shown that it can deliver, as what it created in Padcal, and is confident that it can replicate this model across its projects and operations. From

a community which previously relied on menial jobs and meager incomes, its programs enabled the families to enjoy better lives and look forward to a brighter future for their children, even after mining activities have ceased.

With its rich experience, Mr. Austin stated that he has every confidence that the organization will continue to thrive and be an advocate of responsible mining. Philex Mining Corporation will always be a gift of God, a work of man.

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

Open Forum

Mr. Jose T. Ferrer, shareholder, asked if the Company plans to give shareholders a cash dividend aside from the property dividend declared earlier this year.

Mr. Austin said that, at present, there is no plan to declare a cash dividend because the Company needs the cash to finance its day-to-day operations.

Mr. Ferrer then asked for an update on the mineral resource for Silangan, noting that the latest declaration of mineral resource was in 2011. Mr. Austin distinguished between the mineral resource and mineral reserves. He said that the former, which was declared in 2011, will not change. It is the mineral reserves, which take into account the mining method used and the milling process, that will be released by the Company after the relevant studies. This is an ongoing process.

Ms. Nelita Valdez, a shareholder, stated that she was worried that the incoming government was anti-mining, in light of the declarations of the President and the appointment of Ms. Regina Paz Lopez as DENR Secretary. She asked what the Chairman foresees the industry outlook to be, considering that the price of stocks has dipped below the price at which she acquired it.

In response, the Chairman said that President Duterte does not appear to be anti-mining *per se*, but he is against irresponsible mining. To put it positively, the President is for mining as long as it is conducted in a responsible way. President Duterte has mentioned that there is a mining law so the government can only regulate, not prohibit mining. As to the appointment of Ms. Lopez, the Chairman said that the President has the sole prerogative to appoint who he wishes to appoint, and the Company respects his decision to appoint Ms. Lopez.

Mr. Robin Pettyfer, shareholder, praised the Company for continuing to operate in a challenging environment, particularly because mining in the Philippines has been demonized for illegal mining practices, and because a higher tax is imposed on mining in the Philippines compared to other nations like

Canada. Mr. Pettyfer said that the views of the incoming administration on mining, was an exciting opportunity for the Philippines to show the resource potential in the country to the world. He said that if the Philippines can leverage minerals in a responsible way, everyone will benefit. He suggested that in the upcoming six years, the Company open up camps to train illegal miners in Padcal and Silangan and eventually absorb into the Company the best of these trainees. This project would be in collaboration with the DENR. The Chairman thanked Mr. Pettyfer for his support and suggestion.

Mr. Jam Medina, shareholder, asked if the Company had an estimate of mineral reserves for Silangan, and for the position of management with regard to gold prices moving forward. The Chairman stated that the definitive feasibility study for Silangan, which shall include the mineral reserves for the project, is expected to be released before the end of the year. If the Company does decide to proceed with the development of the mine, it foresees that the mine will be operational by 2020. With respect to Mr. Medina's second question, the Chairman said that it is difficult to have a view on gold prices.

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, 2015. 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 **3,561,868,407 shares** representing 72.09% 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, 2015. 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 2015

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 2015. 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 were 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 **3,561,846,963 shares** representing **72.09%** 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. AMENDMENT OF THE BY-LAWS

The Chairman took up the next item on the Agenda, which was the amendment of Article III of the Company's By-laws. The Corporate Secretary explained that on April 27, 2016, the Board of Directors adopted a resolution to approve the amendment of Article III (Officers) of the Company's By-Laws to provide that the President shall be the Chief Executive Officer; to expressly provide for Senior Vice Presidents; to authorize such other incidental amendments or changes as are necessary or appropriate to make the provisions of Article III consistent with the said amendments including the merger of the powers and duties of the President and Chief Executive Officer under Section 3 of the said Article III; and to submit the resolution to amend the By-Laws for these purposes for the approval and ratification by the shareholders at today's annual general meeting of shareholders.

The said resolutions adopted by the Board are as follows:

"RESOLVED, as it is hereby resolved, that Article III of the Company's By-Laws be amended to provide that the President shall be Chief Executive Officer, and to expressly provide for Senior Vice Presidents, such that the said Article III shall read as follows:

"ARTICLE III

OFFICERS

Section 1. Election/ Appointment - Immediately after their election, the Board of Directors shall formally organize by electing the Chairman, ~~<deleted>~~ and President from among themselves. At said meeting, the Board shall also elect or appoint the Treasurer, and Corporate Secretary, Executive Vice-President(s), one or more Senior Vice-Presidents, and Vice-Presidents, all of whom need not be directors of the Corporation, and who shall be referred to as By-Laws Officers.

x x x

x x x

x x x

Section 2-A. Chief Executive Officer. <deleted>

Section 3. President. The President, who shall be a director, <deleted> shall be the Chief Executive Officer. He shall also have supervision and direction of the Day-to-Day business affairs of the Corporation and have the following specific powers and duties:

1. To preside at meetings of the Board of Directors and Stockholders in the absence of the Chairman or Vice Chairman, if any.
2. To be responsible for the general supervision and administration and management of the business affairs and property of the Corporation.
3. To initiate, develop and carry out corporate objectives and policies and formulate and implement long range projects, plans and programs including those for executive training, development and compensation.
4. To establish general administrative and operating policies, and to ensure they are carried out under his supervision and control.
5. Unless otherwise determined by the Board of Directors, to represent the Corporation at all functions and proceedings or to designate the representative or proxy of the Corporation in all meetings at which the Corporation must be present.
6. To execute on behalf of the Corporation all contracts, obligations and agreements which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors.
7. To make reports and recommendations to the Board of Directors and Stockholders.
8. To sign certificates of stock.

9. To assign the exercise or performance of his powers, duties and functions to any other officer or officers, subject always to his supervision and control.

10. To recommend specific projects for the attainment of corporate objectives and policies for the approval of the <deleted> Board of Directors.

<deleted>

<deleted>

11. To appoint, remove, suspend or discipline employees of the Corporation, prescribe their duties and determine their salaries and, when necessary, require bonds in such amounts as he may determine, and to secure the faithful discharge by said employees of their original trust.

12. To oversee the preparation of the budgets and the statements of accounts of the Corporation.

13. To prepare such statements and reports of the Corporation as required by law.

14. To exercise such other powers and perform such other duties and functions as the Board of Directors may, from time to time, assign.

<deleted>

x x x

x x x

x x x

Section 5. The Senior Vice-President(s) and Vice-President(s). The Senior Vice-President(s) and Vice-President(s) shall perform such duties as may from time to time be assigned to them by the Board or the President <deleted>.

X X X

X X X

X X X

RESOLVED, FURTHER, that the foregoing amendment be submitted for approval by the Company's shareholders at the Annual Shareholders' Meeting of the Company on June 29, 2016, 2:30 p.m. at Marco Polo Ortigas Manila, Meralco Avenue and Sapphire Street, Ortigas Centre, Pasig City, Metro Manila 1600."

The Corporate Secretary explained that prior to the amendment, Article III of the By-Laws provided that the President shall be the Chief Operating Officer. The amendment that the President shall be the Chief Executive Officer is consistent with the present situation in the Company, and with the corporate governance best practice that the positions of Chairman and of CEO be held by different persons. Mr. Manuel V. Pangilinan was previously Chairman and CEO until he relinquished the position of CEO in 2013. Mr. Eulalio B. Austin, Jr., previously President and Chief Operating Officer, has since then been the Company's President and Chief Executive Officer.

Further, Article III of the By-Laws previously provided for Vice-Presidents, but did not expressly mention Senior Vice Presidents. The position of "Senior Vice President" is a classification of the position of Vice President, but for clarity, the amendment was for the By-Laws to expressly provide for Senior Vice Presidents.

As stated earlier, the amendments included such other incidental amendments to make the provisions of Article III consistent, including the merger of the powers and duties of the President and Chief Executive Officer under Section 3 of the said Article III.

A stockholder moved to approve, ratify, and confirm the said resolutions adopted by the Company's Board of Directors to amend Article III of the By-Laws to provide that the President shall be Chief Executive Officer; to provide for Senior Vice Presidents; and to authorize such other incidental amendments or changes as are necessary or appropriate to make the provisions of Article III consistent with the said amendments, including the merger of powers and duties of the President and Chief Executive Officer under Section 3 of Article III. The motion was seconded.

At the Chairman's request, the Corporate Secretary informed the body that shareholders holding **3,565,750,117 shares**, representing **72.17%** of the outstanding capital stock voted YES to the approval of the amendment of Article III of the By-Laws. The Chairman thus declared that the amendments to Article III of the Company's By-Laws are approved.

VIII. APPOINTMENT OF INDEPENDENT AUDITORS

The next item on the Agenda was the appointment of the Company's independent auditors. The Chairman 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 2016.

A stockholder moved for the appointment of SGV & Co. as independent auditors of the Company for 2016. The motion was seconded.

At the Chairman's request, the Corporate Secretary informed the body that shareholders holding **3,261,109,487 shares** representing **66%** 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 2016. The Chairman thus declared that the appointment of SGV & Co. as independent auditors of the Company for 2016 is approved.

IX. 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 **3,565,743,444 shares** representing **72.17%** of the outstanding capital stock of the Company voted yes to the appointment of an Election Inspector for 2016. The Chairman thus declared the appointment of Mr. Zabat as Election Inspector of the Company for 2016 as approved.

X. 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. Mr. Robert C. Nicholson
5. Atty. Marilyn A. Victorio-Aquino
6. Mr. Edward A. Tortorici
7. Atty. Bienvenido E. Laguesma
8. Atty. Barbara Anne C. Migallos
9. Mr. Michael Victor N. Alimurung
10. Mr. Oscar J. Hilado (Independent Director)
11. Mr. Wilfredo A. Paras (Independent Director)

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.

XI. OTHER MATTERS

Mr. Edward Tipton, shareholder, congratulated the newly elected directors and asked the Board of Directors to increase its allocation for the high school scholarships it bestows on the students of the Baguio City National High School, especially in light of the K12 program of the government. The Chairman stated that they will certainly consider it.

XII. 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
29 June 2016 Minutes

Annex A Voting Results

1. Approval of minutes of previous stockholders' meeting	Total No. of Votes for YES	PERCENTAGE	Total No. of Votes for NO	PERCENTAGE	Total No. of Votes for ABSTAIN	PERCENTAGE
Total	3,564,964,610	72.16%	4,042	-	803,936	0.02%
2. Approval of annual reports and Audited financial Statements for the previous year	Total No. of Votes for YES	PERCENTAGE	Total No. of Votes for NO	PERCENTAGE	Total No. of Votes for ABSTAIN	PERCENTAGE
Total	3,561,868,407	72.09%	4,042	-	3,900,139	0.08%
3. Ratification and approval of the acts of the Board of Directors and executive officers.	Total No. of Votes for YES	PERCENTAGE	Total No. of Votes for NO	PERCENTAGE	Total No. of Votes for ABSTAIN	PERCENTAGE
Total	3,561,846,963	72.09%	4,042	-	3,921,583	0.08%
4. Approval of amendment of Article III of the By-laws to provide that the President shall be	Total No. of Votes for YES	PERCENTAGE	Total No. of Votes for NO	PERCENTAGE	Total No. of Votes for ABSTAIN	PERCENTAGE
Total	3,565,750,117	72.17%	5,667	-	16,804	-
5. Appointment of Sycip, Gorres, Velayo & Co. as independent auditors.	Total No. of Votes for YES	PERCENTAGE	Total No. of Votes for NO	PERCENTAGE	Total No. of Votes for ABSTAIN	PERCENTAGE
Total	3,261,109,487	66.00%	-	-	14,577	-
6. Appointment of election inspectors	Total No. of Votes for YES	PERCENTAGE	Total No. of Votes for NO	PERCENTAGE	Total No. of Votes for ABSTAIN	PERCENTAGE
Total	3,565,743,444	72.17%	-	-	29,144	-
7. Election of Directors	Total No. of Votes for YES	PERCENTAGE	Total No. of Votes for NO	PERCENTAGE	Total No. of Votes for ABSTAIN	PERCENTAGE
Total	3,565,762,894	72.17%	-	-	-	-

NAME OF DIRECTOR	Yes		No		Abstain	
	('000)	percentage	Percentage		('000)	Percentage
Manuel V. Pangilinan	3,467,108	70.2%	0	0	92,853	1.9%
Juan B. Santos	3,553,256	71.9%	0	0	6,706	0.1%
Eulalio B. Austin Jr.	3,558,180	72.0%	0	0	1,781	0.0%
Robert C. Nicholson	3,553,256	71.9%	0	0	6,706	0.1%
Edward A. Tortorici	3,553,256	71.9%	0	0	6,706	0.1%
Marilyn A. Victorio-Aquino	3,553,256	71.9%	0	0	6,706	0.1%
Barbara Anne C. Migallos	3,553,256	71.9%	0	0	6,706	0.1%
Bienvenido E. Laguesma	3,553,256	71.9%	0	0	6,706	0.1%
Michael Victor N. Alimurung	3,553,256	71.9%	0	0	6,706	0.1%
Oscar J. Hilado (Independent)	3,559,961	72.1%	0	0	-	0.0%
Wilfredo A. Paras (Independent)	3,559,961	72.1%	0	0	-	0.0%