

**MINUTES OF THE  
2020 ANNUAL GENERAL STOCKHOLDERS' MEETING  
OF PHILEX MINING CORPORATION**

Held via remote communication and  
presided from the TV5 Media Center  
Reliance St., Mandaluyong City  
On Wednesday, 15 July 2020 at 4:00 p.m.

**Shareholders present:**

Registered online or represented by proxy: Shareholders holding 66.1% of the Company's outstanding capital stock

**Directors Present in Person at the Media Center:**

**Manuel V. Pangilinan**, Chairman  
**Eulalio B. Austin, Jr.**, Director, President and Chief Executive Officer  
**Marilyn A. Victorio-Aquino**, Director  
**Barbara Anne C. Migallos**, Director and Corporate Secretary

**Directors Present via Remote Communication:**

**Oscar J. Hilado**, Independent Director and Chairman of the Audit Committee  
**Wilfredo A. Paras**, Independent Director  
**Anita Bumpus Quitain**, Director  
**Michael G. Regino**, Director  
**Diana V. Pardo-Aguilar**, Director  
**Joseph H. P. Ng**, Director  
**Richard P. C. Chan**, Director

**Other Officers Present at the Media Center:**

**Romeo B. Bachoco**, Chief Finance Officer

**Others Present via Remote Communication:**

**Sycip Gorres Velayo & Company**, External Auditors of the Company  
Other Corporate Officers and Executives

**I. CALL TO ORDER**

At 4:00 p.m., the Chairman, Mr. Manuel V. Pangilinan, called the meeting to order and presided over the same. He introduced the Directors personally present at the TV 5 Media Center, from where the meeting was presided. Atty. Barbara Anne C. Migallos, Corporate Secretary, recorded the minutes of the meeting.

The Chairman also introduced the Directors present via remote communication: Mr. Oscar J. Hilado, Independent Director and Chairman of the Audit Committee; Mr. Wilfredo A. Paras, Independent Director; Comm. Anita Bumpus Quitain, Director; Comm. Michael G. Regino, Director; Diana V. Pardo-Aguilar, Director; Mr. Joseph H. P. Ng, Director; and Mr. Richard P. C. Chan, Director. The shareholders were also informed of the presence of the Company's senior officers, and independent external auditors, Sycip Gorres Velayo & Company (SGV & Co.).

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

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

The Corporate Secretary confirmed that the Notices were properly published, in accordance with the rules of the Securities and Exchange Commission (SEC). The Notice with the Agenda of the meeting was posted on the website of the Corporation. The Company also caused the publication of a copy of the Notice and Agenda in two (2) newspapers of general circulation and on three (3) online news platforms, all for two (2) consecutive days. This was disclosed to the SEC and the Philippine Stock Exchange.

## **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, upon tabulation of the stockholders who registered their attendance via the dedicated email provided for this purpose, there are present, in person or represented by proxy, stockholders representing **66.1%** of the outstanding capital stock of the Company. Accordingly, there was a quorum for purposes of the meeting.

The Corporate Secretary stated for the record that stockholders may participate and attend the meeting only by remote communication. A dedicated email address was disclosed consistent with SEC rules so that stockholders would be able to register and to submit proxies on the prescribed dates. Stockholders who registered are considered present at this meeting.

## **VOTING PROCEDURES AND GENERAL PROTOCOL**

At the request of the Chairman, the Corporate Secretary explained the voting procedures and general protocol for the meeting, as follows:

1. To approve an agenda item, the YES vote of at least a majority of those present is required. Only the items on the Agenda and in the Definitive Information Statement will be voted upon.
2. In the election of directors, cumulative voting, as explained in the Definitive Information Statement, may be adopted. Cumulative voting is explained in the Definitive Information Statement.
3. The eleven (11) nominees with the highest number of votes will be elected directors.
4. Proxy forms were made available as part of the Definitive Information Statement and in the Company website. The proxy form contains each item on the Agenda that requires stockholders' vote. There are spaces in the proxy form for YES, NO or ABSTAIN for each item. The deadline for submission of proxies was 5 July 2020.
5. Certificated stockholders could cast their votes through a secure online voting facility which can be accessed by logging on to the online voting platform of the Company. Online voting instructions were provided in the Definitive Information Statement. The deadline for submission of ballots was on or before 12:00 noon of 13 July 2020.

6. Uncertificated stockholders could cast their votes to the dedicated email address within the same period through an online ballot provided to stockholders who registered attendance. The deadline of submission of ballots was on or before 12:00 noon of 13 July 2020 to the same dedicated email address.
7. In summary, the voting options for stockholders who registered their attendance are:
  - a. submit a proxy on or before 5 July 2020;
  - b. cast their votes online on or before 12:00 noon of 13 July 2020, for certificated shareholders; and
  - c. submit an accomplished ballot on or before 12:00 noon of 13 July 2020, for uncertificated shareholders.
8. For the election of directors, the names of each of the nominees are stated on the proxy, the ballot, and the voting platform. A stockholder may vote for all of the nominees; OR withhold a vote for all or for certain nominees. Votes are cast and counted in accordance with the stockholders' instructions, as reflected in the proxies.
9. The Company's stock transfer agent, Stock Transfer Services, Inc., is responsible for the tabulation of the votes, subject to review by the independent election inspector elected by the stockholders at the 2019 Annual General Stockholders' Meeting. The independent election inspector is Mr. Alexis C. Zaragoza, III, a partner of the SGV, the Company's independent external auditor.
10. The results of the voting on each item will be announced when the particular item is taken up by the body, and will be posted on the Company's website.
11. Stockholders were earlier requested to submit their questions on or before 12:00 noon on 13 July 2020, through the dedicated email address provided. Management will endeavor to answer all the questions. If, due to time constraints, not all questions are answered, responses to remaining questions will be sent via email.

#### **IV. READING AND APPROVAL OF THE MINUTES OF THE 26 JUNE 2019 STOCKHOLDERS MEETING AND ACTION THEREON**

The first business item on the agenda was the reading and approval of the Minutes of the Annual Stockholders' Meeting held on 26 June 2019 (2019 AGM). The Minutes of the 2019 AGM were posted on the Company's website five (5) business days after that meeting.

At the request of the Chairman, the Corporate Secretary presented the resolution for approval by the stockholders:

***"RESOLVED,** that the reading of the Minutes of the Annual Meeting of Stockholders held on 26 June 2019 be as it is hereby dispensed with, and that said Minutes are hereby approved."*

Based on the tabulation of votes, stockholders representing a total of **3,264,665,081 shares**, more than a majority of the shares present or represented at the meeting and constituting **66.1%** of the Company's total outstanding capital stock, voted in favor of the proposed resolution.

The Chairman declared the motion carried. The Minutes of the Annual Stockholders Meeting held on 26 June 2019 were approved.

**V. PRESENTATION OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 AND ACTION THEREON**

The next item on the Agenda was the approval of the Annual Report and of the Company's Audited Financial Statements and the Notes thereto for the year ended December 31, 2019. Copies of the report and the audited financial statements were previously distributed to the stockholders in accordance with pertinent SEC rules.

The Chairman announced that Engr. Eulalio B. Austin, Jr., the Company's President and Chief Executive Officer, will present the highlights of the Annual Report.

Engr. Austin greeted his fellow shareholders, members of the board, officers, employees of the Company and its subsidiaries, and distinguished guests a good afternoon and welcomed them to the Annual General Stockholders' Meeting for 2020.

Engr. Austin began by mentioning that it was the first time for the Company to conduct the Annual General Meeting online. Engr. Austin then emphasized that the kind of disruption that the COVID-19 pandemic has wreaked on people's lives and livelihoods cannot be over-emphasized.

It is good to note that while trade disputes and geo-political tensions in developed economies continued to dampen trade and investor confidence, Philex Mining Corporation ("Philex" or the "Company") experienced marked quarterly improvement in tonnage, metal outputs, and sustained metal prices within 2019. This, according to Engr. Austin, sparked management's optimism that 2020 will provide a window of opportunity to pursue business expansion plans and undertake debt reduction programs as the Company optimizes the remaining ore resources of the Sto. Tomas ore body in the Padcal Mine.

Engr. Austin announced the Company's focus for 2020: "Bridging the Gap". This aims to sustain and maximize the potential of Padcal Mine operations while the Company continues its search for additional mine assets that can be developed within or at the vicinity of the Padcal Mine area. The management also trained its sights on finding a strategic partner for the development of the Silangan Project in Surigao del Norte after obtaining all required regulatory permits and forging a partnership with financial advisors.

The first half of 2020, however, posed unprecedented challenges to the Company's operations. As if the prevailing regulatory environment and the local mining industry were not yet enough to pose challenges, the global pandemic from the Corona virus happened.

When national authorities enforced the Enhanced Community Quarantine (ECQ) or nationwide lockdown as a response to the health crisis, many local businesses were ordered to suspend operations and to implement strict protocols, such as observing physical distancing in workplaces to prevent the spread of the virus. Nonetheless, being an export-oriented company, Philex was allowed to remain operational during the ECQ, subject to conditions related to work arrangements for employees. This enabled the Company to deliver its commitments on copper concentrate shipments as well as on its regular commitments to other stakeholders such as suppliers, contractors and, most importantly, to its employees.

However, like in many other areas affected by the lockdown, the Company also faced disruptions in its supply chain—particularly, during the first two weeks of the implementation of the ECQ in the National Capital Region and in Region IV-A, where most of the Company’s supplies originate. According to Engr. Austin, the management immediately mitigated the operational risk by finding alternative supply chain sources and by doing adjustments in its operating parameters without sacrificing productivity. This quick response enabled the Company to post a positive core net income in the first quarter of 2020—a complete turnaround from a core net loss a year ago. Engr. Austin said this was mainly due to higher metal output and higher realized gold prices during the period.

Engr. Austin thanked the administration of President Rodrigo Roa Duterte—particularly, the Inter-Agency Task Force on Emerging Infectious Diseases (IATF) and the Philippine National Police (PNP)—for helping the Company during the ECQ and MECQ. He also expressed the management’s gratitude to the local government units of Itogon, Tuba, Baguio City, and the Province of Benguet for their assistance and support.

### 2019 Financial Performance

On the Company’s 2019 financial performance, Engr. Austin declared that Philex was already poised for a stronger financial rebound towards the end of the first half of the year. Favorable metal prices that peaked at \$1,518 per ounce for gold and \$2.96 per pound for copper contributed to the encouraging quarterly growth of revenues and core net income starting from the second quarter of 2019.

The Company’s core net income grew to Php 156 million by the end of the last quarter of 2019 from Php 39 million posted by the end of the third quarter. Full-year gross revenue stood at Php 7.399 billion in 2019, slightly lower than Php 8.314 billion in 2018. The decline was mainly due to lower tonnage milled and slightly lower grades as the Company continues to optimize the remaining minable reserves of Padcal Mine.

Tonnage milled improved on a quarterly basis from 1.832 million tonnes in the first quarter of 2019 to 2.174 million tonnes in the fourth quarter, to end the year with 8.113 million tonnes—just slightly lower than 8.517 million tonnes in 2018.

The Company continued its production process during the year and acquired additional mining equipment, which arrived during the second quarter of 2019. These efforts led an uptick in metal production output beginning on the second quarter and resulted to the highest gold and copper output registered during the last quarter. Throughout the year, gold and copper production growth was sustained. However, production output was still lower than the 2018 levels due to a reduction in tonnage in all grades during the first two (2) quarters of 2019 as the Company continues to manage its aging equipment.

Full-year gold output reached 53,064 ounces from 61,977 ounces; while copper reached 25.737 million pounds versus 26.575 million pounds year-on-year.

The Company’s full-year operating costs and expenses increased slightly by 1% to Php 6.917 billion from Php 6.821 billion in 2018 due to higher non-cash charges under Depletion, Depreciation, and Amortization. All other cash operating costs and expenses in 2019 were lower than that of 2018 combined as a result of lower tonnage.

Philex Mining continued to generate positive cash flow for its operations despite its reported net loss in 2019—mainly attributed to the one-time non-cash impairment provisions for mining assets. This enabled the Company to declare cash dividends of

Php0.01 per share to shareholders on record as of March 13, 2020 and payable on March 27, 2020.

### Commitments as a Right and Principled Miner

While the Company's business continues to face several headwinds, such as Executive Order No. 79, which provides that no new mineral agreement shall be entered into until a legislation rationalizing existing revenue sharing schemes and mechanisms shall have taken effect in the use of open-pit mining method, Engr. Austin confirmed that Philex remains steadfast in its commitment to be a right and principled miner.

Philex sustained its corporate social responsibility by setting aside at least 1.5% of its total operating costs for the Company's Social Development & Management Programs (SDMP) that benefits its neighboring communities. In 2019, Philex spent Php 95 million for SDMP, which is fully compliant to what is provided for by the Mining Law. Through the Company's health, education, livelihood, public infrastructure, and social-cultural programs, Philex was able to bring quality health services closer to the communities where it operates.

The Company's scholarship program not only helps families augment their household income, but it also nurtures student scholars, who become role models in their own communities.

Philex also creates economic opportunities through livelihood projects and other assistance on agroforestry activities that complement its environmental protection initiatives. In addition, the Company supports the development and provision of needed infrastructure, water systems, electrification, and various farming equipment, farm-to-market road improvements.

While development of the Silangan Project has yet to commence, the management has already started implementing CSR programs through the Company's subsidiary Silangan Mindanao Mining Company, Inc. (SMMCI). These programs focus on education, livelihood, and the promotion of socio-cultural activities within its host communities of eleven (11) barangays and four (4) municipalities in the Province of Surigao del Norte. SMMCI has also started to regularly conduct an extensive and comprehensive information, education, and communication (IEC) program with affected stakeholders as part of the environmental impact assessment process for the Silangan Project. The IEC promotes awareness and transparency in the plans, programs, and activities of SMMCI, including the direction and latest site developments of the Project. The management takes pride that, as of the moment, its social license to operate is still supported by the host communities and recently affirmed with shift of the mining method from open pit to underground sub-level cave mining.

The Mine and Geosciences Bureau, upon the proposal of the Chamber of Mines of the Philippines, of which Engr. Austin sits in as a member of the Board of Trustees and member of Executive Committee, approved the realignment of unutilized SDMP funds for social amelioration and assistance to host mining communities, in light of the hard lockdown. This allowed Philex to contribute a total of Php 13.7 million for social amelioration of Padcal's host and neighboring communities in the Province of Benguet as well as for food, equipment, and medical assistance to various LGUs. These were all part of the group-wide effort of the MVP Group of Companies under the banner of the Tulong Kapatid corporate social responsibility effort.

### Outlook beyond the Pandemic

The COVID-19 has disrupted work forces, supply chains, capital markets, and the prices of various commodities worldwide. Engr. Austin said that the mining and metal sectors are no exception. Companies involved in mineral exploration and development, such as Philex Mining, now face a host of challenges despite being allowed to continue operations during the lockdown. These include the health and safety of its workforce, which Engr. Austin affirmed to be the management's top priority, and a sustained supply chain source. While the Company's operation has continued in strict compliance with government-issued guidelines during the lockdown, the management was able to maintain the uninterrupted flow of critical materials and supplies, spare parts, and equipment needed in the Company's operations. In addition, the management was also able to identify and implement alternative sources of strategic materials and supplies as it feels the impact of limited options with many businesses heavily affected by the pandemic.

Engr. Austin proudly reported that these efforts resulted to a core net income of Php 103 million for the first quarter of 2020, as against a year-on-year core net loss of Php 112 million in 2019—a complete turnaround. The Company also generated a 15% increase in operating revenues of Php 1.860 billion from Php 1.614 billion during the period under review.

In spite of the challenges during time of ECQ, Philex was able to advance payment of Php 30.2 million income tax for the fourth quarter of 2019 on June 14, 2020 but paid on May 8, 2020 in support of the Department of Finance (DOF) and the Bureau of Internal Revenue's (BIR) drive for more revenue to beat COVID-19. The BIR, likewise, expedited the approval of the usage of tax credits for Philex to the extent of around Php 45 million, which gave the Company elbow room for tax payments. The balance of the tax credits will be applied to tax payments for the second quarter of this year.

Given the prospect of economic fallout from the pandemic, many companies around the world are now in survival mode in assessing their business models, operations, and capital employment strategies. This impacted the Company's ability to attract potential investors to the Silangan Project, which was envisioned to start before Padcal ceases operations—projected by end of 2022.

In any event, stockholders were reassured that management will pursue other options and strategies to get the Silangan Project started as it continues its search for strategic investors. The management will continue to study the extension of Padcal's mine life in the Sto. Tomas ore body and explore other business opportunities as well as the exploration of other prospects situated close to the Padcal mine.

Looking on the bright side, while there is much reason to view 2020 and the coming years with speculation and uncertainty because of the pandemic, the altered economic landscape also offers a glimmer of hope for the mining industry. In recent months, the price of gold has risen dramatically. This creates an opportunity for investors to take advantage of potential mergers and acquisition deals. In a very uncertain economic environment, investors in the mining industry tend to prefer large companies that have demonstrated grit and resilience over the years. This places Philex Mining on a good footing as it has built a solid track record of operating Padcal mine for the last 62 years and still counting, one of the longest operating mines in the country.

In reflection, Engr. Austin attested that, if there is anything that he has learned from this pandemic, it is to be ever more mindful of our impact on the world—not just in the places where the Company operates. As COVID-19 has shown, one small virus can bring down even the most powerful and developed nations of the world to their knees.

The crisis also served a platform for the people of Philex to demonstrate hardwork and dedication. For the two and a half months or so that the entire Luzon was under quarantine, Engr. Austin considered himself fortunate to have stayed in Padcal, in the heart of the Company's mining operations. He shared that his extended stay at Padcal brought him back to the days when he was still the Resident Manager of Padcal mine. This opportunity made him once again witness on a prolonged basis the day-to-day operations in Padcal, especially at its mill plant, where the processes are improved in order for the Company to still mine the remaining ore and further lengthen the mine life.

During the ECQ period, when companies were laying off its people, Engr. Austin observed that the morale of workers of Philex were maintained at high level. He pondered that maybe they were thinking that the captain of the ship was with them and would not allow the ship to sink.

Looking forward, while the months of quarantine allowed Philex to make great strides in the way the Company does things, of course, there will always be room for continuous improvements.

It was mentioned that the Company needs to revolutionize how things are done in order to survive in this volatile and ambiguous world. Drawing inspiration from the NBA team Golden State Warriors, which modified the landscape in basketball, Engr. Austin alluded to the team's famous expression: "Everybody contributes to the team." Each player has different position inside the court, and everybody is in constant movement, but all are in sync. The Warriors moved away from the standard approach, but the overarching denominator is teamwork. Teamwork, according to Engr. Austin, was also what allowed Philex to face previous challenges in crisis with greater resolve and determination; and the Company always ended up better than what it was.

Engr. Austin proudly commended the mining workers of Philex for being the most resilient workers he has met in the last 37 years that he had been in the mining industry. The pandemic has made him prouder of the women and men that constitute the Philex workforce, from the corporate office in Mandaluyong to the mine in Padcal, and to the Company's maintenance sites in Negros Occidental, Zamboanga del Norte, and Surigao del Norte.

With heartfelt gratitude, Engr. Austin expressed his sincerest appreciation to all the employees of Philex for their continued commitment in pursuing a higher purpose in improving the Company each and every day, to all the shareholders for their continued support, and to the Board of Directors for their valuable inputs. Engr. Austin thanked everyone for their unwavering belief in the future of Philex Mining Corporation.

#### Video Presentation

Following the President's Report, a short video presentation was shown featuring the great strides and efforts undertaken by the Company during the quarantine period. These include the Company's compliance with the government-implemented guidelines for its day-to-day mining operations and the distribution of social amelioration packages among Padcal's host and neighboring communities. The core message that the video conveys is that the well-being and safety of its employees remain to be the top priority of the Company during times of crisis.

#### OPEN FORUM

The Chairman requested the Corporate Secretary to inform the stockholders of the questions received, which will be answered at the meeting.



The Corporate Secretary identified the first question to be from stockholder Mr. Teodorico M. Tualla. Mr. Tualla asked what reliefs are available to these affected employees, and whether the Company has workmen's compensation system. Engr. Austin clarified that Philex, as an export-oriented company, was allowed to continue operations during the period of the COVID-19 pandemic. Therefore, employees continued to report for work and receive their due compensation, including their benefits. Engr. Austin assured that, during the quarantine period, the welfare and safety of Philex employees is of utmost importance. Efforts undertaken to keep the Padcal mine COVID-free include putting the mine on a lockdown and implementing entry and exit protocols in the mine's entrance gates. He is happy to mention that up to this time the mine camp is COVID-19 free.

The second question was from Mr. Wilson Dy, who asked (1) how COVID-19 affects Philex Mining; (2) what is Philex' solution to oil spill problem in the future; (3) how Philex helps Filipino miners during pandemic; and (4) how Philex addresses reforestation of mining site issue. Engr. Austin reiterated that Philex was allowed to continue operations with the full support of the government, through the BOI, DTI, and DILG-National. Management was able to provide the local government units with the needed documents to allow Philex to operate. Engr. Austin once again thanked these government agencies and LGUs that provided support for the Company. Engr. Austin also shared that, since they are expecting issues on the availability of critical material supplies, management already identified and sourced out from alternative suppliers here and abroad. This was made possible by relaxing the Company's purchasing policy and by allowing entry of new suppliers. These efforts contributed to the uninterrupted sources of supplies resulting to unhampered mining operations.

On the issue of oil spill, Engr. Austin stated that Philex is not a heavy user of oil because its operation is underground mining, producing copper and gold. Thus, the chances of having huge oil spills are remote. Possible oil spills could only happen at the pier during the loading of concentrate onto the ship. Nonetheless, the Company's loading conveyor has an oil catchment device, in case there are minimal oil spillages from the running of these conveyors. Engr. Austin reassured that oil spillages mitigations, although minimal, at the Padcal mine is also part of the Company's emergency response procedure.

On the matter of reforestation, Engr. Austin said that Philex is compliant with the legal mandate to provide post-closure mine rehabilitation program and is in cooperation with the LGUs in its host communities for various environmental protection activities. Engr. Austin expounded that Philex also has an approved final mine decommissioning plan, wherein the reforestation programs were incorporated, to maintain the lands disturbed within 10 years from its closure.

The Corporate Secretary said that the 3<sup>rd</sup> question was from Ms. Edelyn Jimeno. Considering the disclosure that the Padcal mine has a remaining life of up to 2022, Ms. Jimeno asked if the Company is ready to close or start a new project. Engr. Austin clarified that the Sto. Tomas ore body deposit is projected to be financially feasible up to December 2022, at assumed metal prices and operating costs. The Company is exploring other mining assets within its tenements in Padcal as possible alternatives to extending the life of Padcal. Nonetheless, the Company already has a final mine rehabilitation decommissioning program approved by the Mines and Geosciences Bureau. On the Silangan Project in Surigao del Norte, while government approvals for the underground soft-level cave mining method and the assistance of global financial investors have already been obtained, the management is still searching for potential investors or strategic partners. The COVID-19 pandemic, however, made the search for strategic partners more challenging.

The Corporate Secretary informed the body that the foregoing are the only questions to be answered during the meeting. Other questions that were received will be answered promptly through email.

At the request of the Chairman, the Corporate Secretary presented the resolution for approval by the stockholders:

*“RESOLVED, that the Annual Report, together with the Audited Financial Statements and the notes thereto of the Corporation for the year ended 31 December 2019, be as they are hereby approved.”*

The Corporate Secretary stated that based on the tabulation of votes, stockholders owning **3,263,529,481** shares, more than a majority of the shares present or represented at this meeting and constituting **66.1%** of the Company’s total outstanding capital stock, voted in favor of the proposed resolution. There were no votes against and 1,135,600 shares (0.02%) abstained.

The Chairman declared the motion carried. The Annual Report and the Audited Financial Statements and notes thereto for the year ended 31st December 2019 has been approved, ratified and confirmed.

## **VI. RATIFICATION AND APPROVAL OF THE ACTS OF THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS**

The next item on the agenda was the ratification and approval of the acts of the Board of Directors and Officers of the Company during the past year.

At the Chairman’s request, the Corporate Secretary presented the resolution for approval by the stockholders:

*“RESOLVED, that all acts, contracts, proceedings, elections and appointments made or taken by the Board of Directors, and/or executive officers and management of the Corporation during the past year and up to today’s meeting, as set forth in the Minutes of the Meetings of the Board of Directors and the Committees, and/or all acts and proceedings performed or taken pursuant thereto, be as they are hereby, approved, ratified and confirmed.”*

Stockholders owning a total of **3,263,529,481 shares**, or at least a majority of the shares present or represented at this meeting and constituting **66.1%** of the Company’s total outstanding capital stock, voted in favor of the approval and ratification of the acts of the Board of Directors and Officers of the Company during the past year. There were no against votes and 1,135,600 shares (0.02%) abstained from voting.

The Chairman declared the motion carried. All acts made or taken by the Board of Directors and/or the officers of the Corporation during the past year are approved and ratified.

## **VII. 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 recommended the appointment of Sycip Gorres Velayo & Company (SGV & Co.) as the independent auditors of the Company for the year 2020.

At the Chairman's request, the Corporate Secretary presented the resolution for approval by the stockholders:

***"RESOLVED,** that accounting firm of Sycip, Gorres Velayo & Company, as recommended by the Audit Committee and the Board of Directors, be appointed as the external auditor of the Corporation for the year 2020 and until its successor is duly appointed."*

The Corporate Secretary said that based on the tabulation of votes, stockholders owning a total of **3,264,665,081 shares**, or at least a majority of the shares present or represented at this meeting, and constituting **66.1%** of the Company's outstanding capital stock, voted in favor of the appointment of SGV & Co. as the independent external auditors of the Company for 2020.

The Chairman declared the motion carried. SyCip Gorres Velayo & Company were appointed as the independent auditors of the Company for 2020.

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

The next item on the agenda was the election of directors for the ensuing year.

The Corporate Secretary said that there were eleven (11) nominees for the eleven (11) seats on the Board of Directors. Two (2) of the nominees were nominees for independent director. The Nominations Committee screened the nominees and prepared a Final List of Candidates, which was incorporated in the Information Statement for the meeting. The following are the nominees:

1. Manuel V. Pangilinan
2. Eulalio B. Austin, Jr.
3. Marilyn A. Victorio-Aquino
4. Oscar J. Hilado (Independent Director)
5. Wilfredo A. Paras (Independent Director)
6. Anita B. Quitain
7. Michael G. Regino
8. Diana V. Pardo-Aguilar
9. Barbara Anne C. Migallos
10. Joseph H.P. Ng
11. Richard P.C. Chan

The Corporate Secretary reported that each of the eleven (11) nominees for the eleven (11) seats on the Board had received sufficient votes to elect them as Director of the Company. Consistent with corporate governance best practices, the tabulation of the votes would be posted in the Company's website.

Thereafter, the Chairman declared that the following had been elected as directors of the Company, to serve as such for the ensuing year and until their successors have been duly elected and qualified:

1. Manuel V. Pangilinan
2. Eulalio B. Austin, Jr.
3. Marilyn A. Victorio-Aquino
4. Oscar J. Hilado (Independent Director)
5. Wilfredo A. Paras (Independent Director)
6. Anita B. Quitain
7. Michael G. Regino
8. Diana V. Pardo-Aguilar

9. Barbara Anne C. Migallos
10. Joseph H.P. Ng
11. Richard P.C. Chan

## **IX. OTHER MATTERS/ADJOURNMENT**

The Chairman asked if there are any other matters that need to be taken up.

The Corporate Secretary said that every year the stockholders appoint an Election Inspector who will serve as such for the ensuing year and until the close of the next annual stockholders' meeting. A representative of the Company's independent auditors is usually appointed. The Corporate Secretary proceeded to present the resolution for approval:

***“RESOLVED, that an election inspector be appointed to serve as such for the ensuing year and until the close of the next annual stockholders' meeting, and that Mr. Alexis C. Zaragoza III of Sycip Gorres Velayo & Company, be appointed as the election inspector of the Company.”***

The Corporate Secretary stated that stockholders holding **3,261,893,381 shares**, or a majority of the shares present or represented at this meeting and constituting **66.02%** of the outstanding capital stock of the Company, voted in favor of the appointment of an election inspector to serve as such for the ensuing year and until the close of the next annual stockholders' meeting. There were no against votes and 2,771,700 shares (0.06%) abstained from voting.

The Chairman declared that Mr. Zaragoza of SGV & Co. is appointed the election inspector of the Company and shall serve as such for the ensuing year and until the close of the next annual stockholders' meeting.

There being no other matters to discuss, the meeting was adjourned at 4:50p.m.

Prepared by:

**BARBARA ANNE C. MIGALLOS**  
*Corporate Secretary*

Attest:

**MANUEL V. PANGILINAN**  
*Chairman*

***Philex Mining Corporation***  
***Minutes of the Annual General Stockholders' Meeting***  
***Held on 15 July 2020***