

APEX MINING CO., INC.

Minutes of the Annual Meeting of the Stockholders
Held on 30 June 2017, 3:00 PM
at Valle Verde Country Club, Pasig City

I. CALL TO ORDER

The meeting was called to order by the Chairman, Mr. Ramon Y. Sy. The Corporate Secretary, Atty. Silverio Benny J. Tan, certified that all the stockholders were duly notified of the annual meeting and that stockholders representing 4,823,373,729 shares out of 6,227,887,491 outstanding shares, or 77.45% of the outstanding capital stock of the Corporation were present or represented in this meeting and there was therefore a quorum to continue with the general meeting.

II. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD ON JUNE 30, 2016

Upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on June 30, 2016.

III. REPORT OF THE CHAIRMAN AND THE PRESIDENT

The President Walter W. Brown, introduced Dr. Graciano P. Yumul, Jr., EVP for Geology Exploration and Operations, to report on the Company's geology, exploration, development and operations.

Dr. Yumul showed photos of the various phases of underground operations (from Modelling, Mine Planning, Production and Under Ground Drilling). He reported that the Company has updated its mineral resources and reserves report as required under the Philippine Mineral Reporting Code. The total combined proven and probable mineral reserves of Maco Gold Mine as of December 31, 2016 is 1,368,000 tonnes with an average grade of 7.10 grams per tonne, of which about 250,000 gold ounces is recoverable. Maco gold mine has an estimated remaining mine life of 10 years.

The mill operation has increased its milling rate from 1500 tonnes per day to 1800 tonnes per day commencing in March 2017. The mill has a high recovery rate of about 80%. The year to date production (January to June 2017) is 28,558 ounces of gold (or a monthly average of 4,769 gold ounces) and 143,283 ounces of silver (or monthly average of 23,660 silver ounces). The Lumanggang Tailings Dam is currently undergoing the necessary reconstruction to increase its crest elevation to 655 meters from the current 652 meters elevation.

Small scale mining around the Maco gold mine remains a problem. To address this problem, the Company has introduced a livelihood package to give the small scale miners work under the Con-Con Program, teach them alternative livelihood, and train them in other fields of work. In addition, stoppage orders were served to other small scale miners

in coordination with the Local Government Unit, Mines and Geosciences Bureau (MGB) Region-11, Philippine National Police and other concerned government agencies.

The Company received two (2) Safety Milestone Awards from MGB Region-11 for achieving 3,485,889 manhours worked without Lost Time Accidents from July 27, 2016 to January 31, 2017, and for 5,414,415 manhours worked without Lost Time Accidents from July 27, 2016 to May 15, 2017.

Additionally, the Company has been awarded ISO-14001:2015 Certification for its environmental management system. The mine's tailings dam was assessed to be safe with respect to structural integrity, while the mine's safety and emergency response plan, and monitoring protocols were found to be in order and more than sufficient. The Company has actively participated in the Philippine Extractive Industry Transparency Initiative (PH-EITI) of the government. It has also submitted its updated Final Mine Rehabilitation and/or Decommissioning Plan for its Maco Mine in compliance with the DENR requirements.

The Company has adopted the Philippine Poverty Environment Initiative to improve and develop the local community's life and support the attainment of the UN Sustainable Development Goals. Together with the University of Southwestern Philippines, the Company has prepared and released a Biodiversity Report which showed, among others, that the carbon stock contained in Maco area is comparable to other tropical forests. Further, the Report showed that the dirt and wastes found in the rivers were caused by the operation of small scale miners in the area, and not because of the Company's mining operation.

The Maco mine's operations was also audited by the DENR pursuant to its Memorandum Order No. 2016-01 which called for an audit of all operating mines in the country. With the Maco mine successfully hurdling the audit, its compliance with mining and environmental regulations has been affirmed, and it was thus allowed to continue operations.

The President then introduced Mr. Renato N. Migriño, Treasurer and Chief Compliance Officer, to deliver the financial reports of the Company.

In 2016, the Company milled 452,946 tonnes of ores which was 43% higher than in 2015. This is equivalent to an average milling rate of 1,373 tonnes per day. Mill recovery rate was 80%. The mill grade per tonne was 4.7 grams per tonne for gold and 30 grams per tonne for silver. A total of 54,681 ounces of gold was produced in 2016 which is 27% higher than in 2015, while 309,623 ounces of silver were produced or 38% higher than in 2015. The price of gold realized was US\$ 1,255 in 2016 versus US\$ 1,158 per ounce in 2015. For silver, realized price was US\$ 18 per ounce in 2016 versus US\$ 16 per ounce in 2015.

Total gross revenue for the year was P3.522 billion, 45% higher than in 2015. Cash operating cost was P2.346 billion (US\$ 109 per tonne) or 20% higher than 2015 (but lower than the US\$ 136 per tonne in 2015). The cash operating cost per ounce is lower in 2016 at US\$ 901 per ounce versus US\$ 995 per ounce in 2015. Cash operating income was P1.176 billion which is higher by 146% over 2015. Parent Company net income is P441 million which is 160% higher than 2015, while consolidated net income is P322 million, 351% higher than 2015. Capital expenditure was P1.497 billion which is lower than the P2.451 billion in 2015.

Apex spent P38 million for social development programs, and P85.4 million for Environmental Protection Program. As earlier mentioned, the Company received its ISO 14001:2015 Certification for its environmental management system.

The wholly owned subsidiary of the Company, Itogon-Suyoc Resources Inc. (ISRI), which owns the Sangilo mine, generated incidental production of 1,547 gold ounces valued at P92 million in 2016. Similar to Maco mine, ISRI has also obtained two (2) ISO 14001:2015 certifications covering the environmental management system for exploration, mining and mineral processing of Sangilo Mine, and the mining exploration and project development activities in Suyoc Mine.

Mr. Migrino also reported that the victory of the Philippines in the arbitration against China on the West Philippine Sea under the UN Convention on Law of the Sea should bring more value to Service Contract 72 where the Company's subsidiary Monte Oro Resources & Energy Inc. owns 30% interest.

Mr. Migrino further reported that for the first quarter of 2017, the Company has milled 1,677 tonnes per day with 82% recovery rate, producing a total of 14,969 ounces of gold. However the realized gold price per ounce was US\$ 1,234 which is slightly lower than the US\$ 1,255 in 2016. Net income in the first quarter of 2017 was P100 million.

The President, Dr. Brown, said that though the year 2016 was no less difficult than the previous years, overall the Company's net earnings have substantially improved since the new management took over the operations in 2013. He thanked the management and employees of the Company for their continuing and dedicated support.

The Chairman thanked the President and said that the Board is now ready to entertain questions from the stockholders.

- One stockholder asked about the exact latitude and longitude of the Maco mine in Compostela Valley, which was appropriately answered by Dr. Yumul.
- Another stockholder asked what would be the gold price under which the Company will no longer be viable. Mr. Migrino replied that financial viability of the Company depends on many factors, not necessarily on gold price alone. He noted that the Company's total cash cost is about US\$ 901 per ounce while total operating cost per ounce is US\$ 1,152.
- Another stockholder asked how soon the Company can declare cash dividends, to which the Chairman responded that the Company needs to get more cash investment first to reduce interest cost, and build up the unrestricted retained earnings before any cash dividends can be declared.
- Another stockholder asked about status of Executive Order 79. The President said that the government is currently reviewing the moratorium on the issuance of new MPSA / FTA. The mining industry is looking forward to a positive outcome of this on-going review.

IV. APPROVAL OF THE 2016 AUDITED FINANCIAL STATEMENTS

On motion duly made and seconded, the Financial Statements ending 31 December 2016 were approved.

V. APPROVAL/RATIFICATION OF ALL ACTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT DURING THE PREVIOUS YEAR

On motion duly made and seconded, all of the acts, contracts, investments, and resolutions of the Board of Directors and Management since after the Annual Stockholders' Meeting of June 30, 2016, as they appear in the minutes of the Board meetings and in the reports and disclosures made to the Securities and Exchange Commission and the Philippine Stock Exchange, were approved.

VI. ELECTION OF DIRECTORS

Upon their nominations which have been passed upon by the Nomination Committee, and since there are no other nominees for the 7 board seats, the following were elected as members of the Board of Directors, on motion duly made and seconded

1. Ramon Y. Sy
2. Walter W. Brown
3. Graciano P. Yumul, Jr.
4. Jose Eduardo J. Alarilla
5. Modesto B. Bermudez

and as Independent Directors:

6. Dennis A. Uy
7. Joselito H. Sibayan

VII. APPOINTMENT OF THE EXTERNAL AUDITOR

On motion duly made and seconded, Sycip Gorres Velayo and Company was appointed as external auditor for the year 2017, in the absence of any other nominations.

IX. ADJOURNMENT

There being no other matters to discuss, on motion duly made and seconded, the meeting was adjourned.

Certified:

SILVERIO BENNY J. TAN
Corporate Secretary

The minutes of the 2017 Annual Stockholders' Meeting is subject for approval of the stockholders in the 2018 Annual Stockholders' Meeting.