

APEX MINING CO., INC.

Minutes of the Annual Stockholders' Meeting

Held on 30 June 2021, 3:00 PM

Conducted virtually online at www.apexmines.com/2021ASM

I. CALL TO ORDER

The meeting was called to order by the Chairman, Ramon Y. Sy. He explained that the meeting is being conducted online in accordance with the SEC rules in lieu of a physical meeting which is not allowed under current quarantine rules. He trusted that the stockholders have familiarized themselves with the instructions on the virtual meeting that was provided to them when their registration to the platform for the meeting was approved. The Corporate Secretary will be the Moderator for the online questions and motions.

II. CERTIFICATION OF A QUORUM

The Corporate Secretary, Atty. Silverio Benny J. Tan, acknowledged for the record the presence online in this meeting of the other members of the Board of Directors: Walter W. Brown, Luis R. Sarmiento, Jose Eduardo J. Alarilla, Joselito H. Sibayan, Stephen A. Paradies, and Valentino S. Bagatsing.

Atty. Tan certified that the notice of this Annual Meeting of Stockholders was published both in print and online in two newspapers of general circulation, Manila Times and Malaya Business Insight, on June 8 and 9, 2021 as required by the SEC. It was disclosed to the Philippine Stock Exchange on May 11, 2021 under PSE Disclosure Form 7-1 filed via the PSE EDGE. Stockholders representing 4,777,157,594 shares out of 6,227,887,491 outstanding shares or 76.71% of total issued and outstanding shares, are present in person or by proxy, online or are registered to vote in absentia in this meeting. There is, therefore, a quorum for this meeting.

III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD ON JULY 30, 2020

On motion duly made and seconded, without any objection, the minutes of the annual meeting of the stockholders held on July 30, 2020 was approved, copy of which is posted at the Company's website.

The total votes on this motion are provided in the table below.

	VOTES *
Approving	4,777,157,594
Dissenting	-
Abstaining	-

IV. REPORT OF THE PRESIDENT

The President and CEO, Mr. Luis R. Sarmiento, presented his report for 2020.

He reported that our executive team had a workshop following the McKinsey framework to strengthen our resilience to face the new normal created by the COVID-19 pandemic.

APEX Mining Company, Inc. had an unprecedented 2020.

- Our consolidated net income totaled 1.5 billion pesos or 401% higher than 2019's 306 million.
- Our revenue was a record-breaking 6.3 billion pesos or 27% higher than 2019's 5 billion.
- Our gold sales were also up at 66,576 ounces versus 64,763 in 2019.
- Our milling throughput of 664,363 tonnes was lower than the 711 thousand plus tonnes in 2019.
- This lower throughput kept the cash operating costs at a lower level of 2.6 billion pesos compared to 2.8 billion in 2019.
- Our cash income from operations was 3.4 billion pesos or 74% higher than 2019's.
- Our non-cash depreciation, depletion and amortization is also lower by 18 percent.
- Our CAPEX amounted to 1.6 billion pesos. These investments were in relation to the continuing development of the mines in preparation for higher grade and larger tonnage operations.
- Our non-cash charges for depreciation and amortization amounted to 674 million pesos.
- Depletion cost was 38 percent lower at 349 million pesos, mostly due to the lower milling tonnage and higher ore reserves.
- As of December 31, 2020, the estimated mineral resource amounted to 5.92 million tonnes at a grade of 5.4 grams per tonne, while the estimated ore reserves amounted to 1.92 million tonnes at a grade of 6.3 grams per tonne

We maintained our sustainability thrusts and CSR commitments: planting 11.58 hectares with bamboo and hardwood tree seedlings, donated 15,411 seedlings for the National Greening Program, recycled water from our mill plant, and assisted 7,896 families in our host communities and neighboring barangays.

On July 31, the Sangilo Mine in Itogon, Benguet of our wholly-owned subsidiary, Itogon-Suyoc Resources, Inc. (ISRI), started commercial operation at 200 tonnes per day. But production was a challenge due to COVID-induced restrictions. The exploration and resource validation work in Suyoc, in Mankayan, also in Benguet, continued.

ISRI won the Safest Exploration (Category B), Underground Mining Category and the Most Improved Safety Performance at the 2020 Safest Mines Awards of the Presidential Mineral Industry Environmental Award (PMIEA).

The Best Personalities Award for Underground Mining Operations went to our Danny V. Peralta for Best Underground Safety Inspector and Carlos T. Uyan for Best Underground Mine Supervisor.

In October 2020, President Duterte lifted the moratorium on oil and gas exploration in the West Philippine Sea. This will allow the exploration and development activities involving the Sampaguita gas field within Service Contract 72 to resume. Our subsidiary, Monte Oro Resources & Energy, Inc. (MORE), holds a 30% participating interest in SC 72.

2020 was kind to us. We had higher metal output; the price of gold remained strong; and, we maintained production efficiencies.

We recorded around 30,184 hours of training for our employees in the Mine.

Malasakit fueled our fighting spirit. We looked after our own and doubled up on helping our host communities and nearby barangays, spending more than 20 million pesos in COVID-19 mitigation efforts.

President Sarmiento congratulated the APX Team for a job well done. He also expressed gratitude to the Board of Directors, the host communities and the shareholders, for their support.

Questions and Answers

The Moderator said that the following questions were received from the stockholders:

First Question: Executive Order No. 130 issued by the government lifted the moratorium on new mining agreements. What will be the effect of this to APEX? What about the possible lifting of open pit mining ban, if ever?

The President said that EO 130 is a welcome development for the industry and for Apex, in particular. This means we can proceed with the processing of some of our tenements for issuance or conversion to MPSA.

On the negative side, as one of the few mechanized underground operations around, our skilled operators are vulnerable to poaching.

EO 130, however, does not include easing the restriction on open-pit mining. This matter is still being reviewed by the Department of Environment and Natural Resources (DENR).

Should the ban on open pit mining be lifted by the government, Apex can look at the economic feasibility of exploring our tenements for possible open pit operation like the Mapula copper-gold deposits in Parcel IV of MPSA-234 in Davao de Oro, Mindanao.

Second Question: With high cash in bank and high gold prices, APEX is expected to generate more cash in 2021, can the stockholders expect cash dividends very soon?

The President said that because of the uncertainties caused by the COVID-19 pandemic, Apex intends to strengthen our balance sheet and use our earnings for mining operations, exploration and development of new sources of ores, acquisition of new machineries and equipment, construction of facilities in preparation for the planned increase in milling capacity, and loan servicing. We will properly disclose any future dividend declaration through the PSE and SEC.

Third Question: How was Maco operation affected by the Covid-19 pandemic, and how is the Company responding to the pandemic?

The President said that at the onset of the pandemic, our Maco operation had to contend with availability of manpower due to movement restrictions. Since January 2021, we have been back to normal operations. Our executive team had a workshop that helped us localize the multi-faceted impact of the pandemic, zooming in on its effects to the mining industry.

We organized a containment management team to enhance the mines' agility to respond to impending threats to the sites and our personnel, based on local data, trends and other relevant developments. We strengthened the capacity of our medical teams in our mines and made sure that our health protocols are sound and properly implemented. And we spent more than P20 million to help our host communities and nearby areas cope with the challenges of COVID.

Fourth Question: Last year, the government announced that it is planning to sell its mining assets to the private sector. Does Apex Mining intend to participate in acquiring some of these assets? I know there was history of litigation between Apex Mining and the government regarding the assets of North Davao Mining Corp (NDMC).

The President said that Apex, while developing our existing tenements, would be interested to look at other projects aligned with our long-term plan. On the North Davao mining claim, the Supreme Court unfortunately declared that government has priority over the claims and ruled against us.

While the said North Davao mining claim is mostly copper deposit, we are interested to negotiate or bid with government for that North Davao claim as it is right beside our Maco Mine and there may be gold deposits extending there.

The Moderator then declared that there were no other questions from the shareholders. The Chairman moved to the next item in the agenda.

V. APPROVAL OF THE ANNUAL REPORT TOGETHER WITH THE AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

On motion duly made and seconded, without any objection, the Audited Financial Statements ending 31 December 2020 were approved.

The total votes on this motion are provided in the table below.

	VOTES *
Approving	4,777,157,594
Dissenting	-
Abstaining	-

VI. APPROVAL/RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT DURING THE PREVIOUS YEAR

On motion duly made and seconded, without any objection, all acts, contracts, investments, and resolutions of the Board of Directors and Management since the Annual Stockholders' Meeting of July 30, 2020, up to this date 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 and ratified.

The total votes on this motion are provided in the table below.

	VOTES *
Approving	4,777,157,594
Dissenting	-
Abstaining	-

VII. ELECTION OF DIRECTORS

The Corporate Secretary reported that the following were nominated to the Board of Directors, and their nominations were passed upon by the Nomination Committee:

1. Ramon Y. Sy
2. Walter W. Brown
3. Luis R. Sarmiento
4. Jose Eduardo J. Alarilla
5. Stephen A. Paradies

and as Independent Directors:

6. Joselito H. Sibayan
7. Valentino S. Bagatsing

Since there were only seven nominees for the seven board seats, a stockholder moved, and another stockholder seconded, that the nominees be declared duly elected for the ensuing term. In the absence of any objection, the Chairman directed the Corporate Secretary to record a unanimous vote for the nominees except for proxies which have specific voting instructions, and declared the nominees as duly elected directors for the ensuing term.

The total votes on this matter are provided in the table below.

	In Favor *	Against *	Abstain *
1. Ramon Y. Sy	4,776,551,594	606,000	-
2. Walter W. Brown	4,776,669,594	488,000	-
3. Luis R. Sarmiento	4,777,157,594	-	-
4. Jose Eduardo J. Alarilla	4,776,669,594	488,000	-
5. Stephen Paradies	4,776,063,594	1,094,000	-
6. Joselito H. Sibayan (ID)	4,777,157,594	-	-
7. Valentino S. Bagatsing (ID)	4,777,157,594	-	-

On behalf of the reelected directors, the Chairman thanked the stockholders for their votes.

VIII. APPOINTMENT OF THE EXTERNAL AUDITOR

Since there was no other nominations for the external auditor, as the Audit Committee only vetted the sole nominee, on motion duly made and seconded, without any objection, Sycip Gorres Velayo and Company was appointed as external auditors for the year 2021, in the absence of any other nominations.

The total votes on this matter are provided in the table below.

	VOTES *
Approving	4,777,157,594
Dissenting	-
Abstaining	-

IX. OTHER MATTERS

The Chairman asked if there is any other matter that should be brought to the attention of the stockholders. The Corporate Secretary said there is none.

X. ADJOURNMENT

There being no other matters to discuss, on motion duly made and seconded, without any objection, the meeting was adjourned. The Chairman thanked everyone for their attendance in this stockholders' meeting.

Certified:



SILVERIO BENNY J. TAN
Corporate Secretary

** Every resolution for approval of the stockholders in this meeting was introduced by a motion duly seconded through the online platform of the virtual meeting. The Chairman asked if there was any objection to every motion. Since there were no objections, all the motions were carried without a vote. The numbers of votes indicated here are the votes on the resolution from: (a) votes of proxies with instructions; (b) votes submitted through the online voting platform of the virtual meeting; and (c) votes of the Chairman as a holder of proxies, which would have been counted if there was a voting on the resolution.*

NOTE: The following officers were present during the online stockholders meeting and were ready to respond to any question:

Luis R. Sarmiento - President & Chief Executive Officer
Billy G. Torres – VP for Finance, Treasurer & Compliance Officer
Gil A. Marvilla – SVP for Project Development
Eric S. Anddal – VP for Exploration & Geology
Emelita C. Fabro – VP for Corporate Administration
Rodulfo A. Palma – VP for Legal, Mine Compliance & Risks
Elisa R. Dungca – Assistant Corporate Secretary

The minutes of the 2021 Annual Stockholders' Meeting is subject for approval of the stockholders in the 2022 Annual Stockholders' Meeting.

List of stockholders present in person or by proxy during the Annual Stockholders' Meeting on 30 June 2021.

Name

1. PRIME STRATEGIC HOLDINGS, INC.
2. MINDANAO GOLD LTD
3. MONTE ORO RESOURCES & ENERGY, INC.
4. LAKELAND VILLAGE HOLDINGS., INC.
5. DEVONCOURT ESTATES, INC.
6. MAPULA CREEK GOLD CORPORATION
7. Marimon
8. Tan
9. Brown
10. Sy
11. Tan
12. Brown
13. DEUTSCHE BANK
14. HSBC
15. Ortigas
16. Fernando
17. Mata