

## **APEX MINING CO., INC.**

Minutes of the Annual Stockholders' Meeting

Held on 28 April 2023, 3:00 PM

Conducted virtually online at [www.apexmines.com/2023ASM](http://www.apexmines.com/2023ASM)

### **I. CALL TO ORDER**

The meeting was called to order by the Chairman, Jose Eduardo J. Alarilla. 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 the presence online in this meeting of the other members of the Board of Directors: Walter W. Brown, Luis R. Sarmiento, Joselito H. Sibayan, Stephen A. Paradies, Valentino S. Bagatsing, and Michael Ray B. Aquino.

Atty. Tan certified that the notice of this Annual Meeting of Stockholders was published both in print and online in the Philippine Daily Inquirer and Business Mirror on April 3 and 4, 2023 as required by the SEC. It was disclosed to the Philippine Stock Exchange on March 16, 2022 through the PSE EDGE. Stockholders representing 4,642,653,227 shares out of 6,227,887,491 outstanding shares or 74.55% of total 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 JUNE 30, 2022**

On motion duly made and seconded, without any objection, the minutes of the annual meeting of the stockholders held on June 30, 2022 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	4,635,379,466
Dissenting	-
Abstaining	7,273,761

### **IV. REPORT OF THE PRESIDENT**

The Chairman noted that keeping the growth trajectory consistent is the story of Apex Mining in 2022, as the Company's investments in the expansion of the mines continues to bear fruit. 2022 was record-breaking for the Company as it breached the 100k oz production level. The Chairman then called upon the President and CEO, Mr. Luis R. Sarmiento, to present his report for 2022.

The President reported that in 2021, the Company successfully pushed the growth of its business despite the COVID-19 pandemic. Maco Mine's gross revenues reached Php9.5 billion while Sangilo Mine recorded Php800 million. Production of gold was up 23 percent and silver was up five percent. The average mill head grade was 3.96 grams per tonne, with Maco Mine treating more than 815 thousand tonnes and ISRI around 131 thousand tonnes. The Maco Mine produced over 91 thousand ounces of gold and more than 377 thousand ounces of silver. ISRI produced 9,200 plus ounces of gold and around 629 ounces of silver.

The Company's total revenues for 2022 reached more than Php10.3 billion, growing 39 percent year on year. The resulting net income was Php3.33 billion, up 408 percent year on year. The President reported that both the revenues and net income are an all-time high for the Company.

On December 07, 2022, the Company signed a Share Purchase Agreement for the whole of Asia Alliance Mining Resource Corp. Asia Alliance signed a Joint Operating Agreement on December 06 with the Philippine Mineral Development Corporation for the mining tenement of the former North Davao Mining Corporation or NDMC. This mining tenement is over 19,000 hectares and wholly surrounds the Company's Maco tenement.

The acquisition provides the Company the space it needs for building another Tailings Storage Facility and ensures the continuation of the expansion to 3000 tonnes per day. It also enables the Company to maintain this level of production until 2032. The added area also gives the Company more room for the copper-gold porphyry deposits found within its existing mining tenement. Should the Company proceed with development, the copper mill, another TSF and waste rock stockpile will be put up within the NDMC tenement area, which will officially bring the Company back to producing copper which it used to do in the 1970s.

The Company spent more than Php62 million under its Social Development and Management Program to fund varied projects under three major areas: the development of host and neighboring communities; information, education and communication campaigns; and development of mining technologies and geosciences.

The President thanked the High Performance Team for their dedication, skill and hard work in 2022, and counted on them for a fruitful 2023 and beyond. The President also expressed his gratitude to the Board of Directors for their support and guidance. Finally, the President thanked the shareholders for betting on Apex Mining, iterating that the regular cash dividend declared in 2022 is just the beginning.

The Chairman thanked the President for his report and announced that following the good financial results from operations last year as reported, the Board of Directors in a meeting just before this stockholders meeting, approved a cash dividend declaration of Php0.053621 per share. The Record Date will be May 15, 2023 and Payment Date will be on June 5, 2023.

The Chairman then entertained questions from the stockholders. The following representative questions from the stockholders as read by the Moderator were answered by the President.

1. What is the timetable to increase the production rate of Maco Mine to 3,000 tonnes per day? Are there plans to increase milling throughput beyond 3,000 TPD?

The President said that the Company is fast tracking its plans to hit the 3,000 tonnes per day capacity soon. The Company cannot increase the throughput of the current mill beyond 3,000 TPD because that is its maximum design capacity.

2. When can the milling throughput at Sangilo Mine of ISRI be increased to 500 tonnes per day?

The President said that the Company has a roadmap for its milling throughput increases. The Company already has its ECC for 500 tonnes per day which it sees happening in 2023.

3. Where did the price or value of Asia Alliance come from?

The President said that the value of USD81.5 million was negotiated between parties. The Company considered this fair considering that: a new TSF is essential to its continued operation; there are rich veins in the tenements that naturally extends to that area; and there were two operating mines there before with brownfield deposits. It also has greenfield deposit prospects.

4. Are there any developments on the Mapula copper gold deposits?

The President said that the Company recently completed its planned exploration work, and it is waiting for the results for further evaluation.

5. Should the shareholders expect the Company to declare special dividends outside of the current dividend policy given that the retained earnings is higher by Php2.49 billion than the paid in capital?

The Board will have to look at the declaration of special dividends, considering the new acquisition and existing Capex plans.

The Moderator said that there were other questions, but they can be answered by email to the stockholders asking them.

**V. APPROVAL OF THE ANNUAL REPORT TOGETHER WITH THE AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022**

On motion duly made and seconded, without any objection, the Audited Financial Statements ending 31 December 2022 were approved.

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

	VOTES *
Approving	4,635,379,466
Dissenting	-
Abstaining	7,273,761

**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 June 30, 2022, 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	4,635,379,466
Dissenting	-
Abstaining	7,273,761

## 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. Jose Eduardo J. Alarilla
2. Luis R. Sarmiento
3. Stephen A. Paradies
4. Michael Ray B. Aquino

and as Independent Directors:

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

Independent Director Joselito Sibayan has reached the maximum 9 years as Independent Director of the Company. But he is being renominated for another year because his expertise and long experience as an investment banker will be needed by the Company as it embarks on fund-raising exercises for its expansion projects. The Company considers that as a meritorious justification to go beyond the maximum 9 years for an Independent Director.

Our Chairman Emeritus Dr. Walter Brown has declined another term in the Board because he is joining an advisory group that will help the current leadership in DENR. The Company is in the process of vetting a suitable candidate for this one seat in the board.

Since there were only six 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. Jose Eduardo J. Alarilla	4,634,773,466	606,000	7,273,761
2. Luis R. Sarmiento	4,635,379,466	-	7,273,761
3. Stephen Paradies	4,634,773,466	606,000	7,273,761
4. Michael Ray B. Aquino	4,635,379,466	-	7,273,761
5. Joselito H. Sibayan (ID)	4,635,379,466	-	7,273,761
6. Valentino S. Bagatsing (ID)	4,635,379,466	-	7,273,761

On behalf of the re-elected directors, the Chairman thanked the stockholders for their re-election to the Board.

The Chairman thanked Dr. Walter Brown for his long and invaluable service to Apex Mining. He is a respected voice in the Mining Industry in the Philippines. We understand his decision not to seek re-election in the Apex Board to serve as an advisor to the current leadership of the DENR. Our loss is a gain for the country, the Chairman said.

## **VIII. APPROVAL OF THE DIRECTORS' COMPENSATION AND CHAIRMAN'S COMPENSATION POLICY**

On motion duly made and seconded, without any objection, the directors' compensation and chairman's compensation policy, a copy of which is included in the Information Statement posted in the PSE Edge, company website and submitted to the SEC, was approved.

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

	VOTES *
Approving	4,635,379,466
Dissenting	-
Abstaining	7,273,761

## **IX. APPOINTMENT OF THE EXTERNAL AUDITOR**

Since there were 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 2023, in the absence of any other nominations.

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

	VOTES *
Approving	4,635,379,466
Dissenting	-
Abstaining	7,273,761

## **X. 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.

## **XI. 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:

(Original signed)  
**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 declared 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 President 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  
Eric S. Andal – VP for Exploration & Geology  
Rodulfo A. Palma – VP for Legal, Mine Compliance & Risks  
Emelita C. Fabro – VP for Corporate Administration  
Silverio Benny J. Tan - Corporate Secretary  
Jonas S. Khaw – Assistant Corporate Secretary

The minutes of the 2023 Annual Stockholders' Meeting is subject for approval of the stockholders in the 2024 Annual Stockholders' Meeting.

List of stockholders present in person or by proxy during the Annual Stockholders' Meeting on 28 April 2023 (first names were redacted for confidentiality):

- |                                       |                                       |
|---------------------------------------|---------------------------------------|
| 1. Prime Strategic Holdings, Inc.     | 11. Paradies                          |
| 2. Mindanao Gold Ltd.                 | 12. Aquino                            |
| 3. Monte Oro Resources & Energy, Inc. | 13. Tan                               |
| 4. Lakeland Village Holdings, Inc.    | 14. Khaw                              |
| 5. Devoncourt Estates, Inc.           | 15. Mercado                           |
| 6. Alarilla                           | 16. Standard Chartered Bank           |
| 7. Sarmiento                          | 17. COL Financial Group, Inc.         |
| 8. Brown                              | 18. HSBC Securities Services          |
| 9. Bagatsing                          | 19. Citibank, N.A., Philippine Branch |
| 10. Sibayan                           | 20. Vergano                           |