

MINUTES OF THE
REGULAR ANNUAL MEETING OF THE STOCKHOLDERS OF
LEPANTO CONSOLIDATED MINING COMPANY

held at the Rigodon Ballroom, The Peninsula Manila
corner Ayala and Makati Avenues, Makati City
on April 17, 2017 at 4:00 P.M.

1. Call to order

The Chairman of the Board, Mr. Felipe U. Yap, called the meeting to order. He welcomed the stockholders to the meeting and expressed his appreciation for their attendance. He then requested the assembly to rise to sing the National Anthem.

2. Proof of due notice of meeting
and determination of quorum

As the first order of business, the Chairman called upon the Corporate Secretary to present proof that notice of the meeting had been sent out in accordance with the By-laws and to report on the attendance at the meeting.

The Secretary declared that Varied Services, Inc., whose services were engaged for the delivery and mailing of the notices of the meeting for today, April 17, 2017, has provided proof of such delivery and mailing, and certified that all notices for the meeting were sent to the stockholders in accordance with the By-laws.

The Secretary next reported that, with the assistance of the Chief Accountant and the Transfer Agent, Stock Transfer Services, Inc., he had examined all proxies and all powers of attorney filed of record and had caused the signatures on these documents to be verified against those of record with the Transfer Agent. In addition, he had examined the tally of stockholders who had signed in as present in person at the meeting. Based upon such examination, he declared that there were 31,872,483,513 shares present by proxy and 2,647,905 shares present in person, or a total of 31,875,131,418 shares present by proxy and in person, out of the 51,335,704,074 shares issued, outstanding and entitled to vote as of March 7, 2017 or an attendance of 62.09%. He then certified that there was a quorum for the business at hand. (A summary of the tabulation of attendance is filed with the record and incorporated by reference as an integral part of these minutes.)

The Chairman inquired whether there were any challenges to the Secretary's certification of quorum. There being none, the Chairman affirmed the presence of a quorum.

Thereafter, the Chairman directed the Secretary to spread the Notice of the Regular Annual Meeting in the minutes.

LEPANTO CONSOLIDATED MINING COMPANY
21st Floor, Lepanto Building, Paseo de Roxas
Makati City, Philippines

NOTICE OF REGULAR ANNUAL MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the regular annual meeting of the stockholders of Lepanto Consolidated Mining Company will be held at the Rigodon Ballroom, The Peninsula Manila, corner Ayala and Makati Avenues, Makati City, Philippines, on Monday, April 17, 2017 at 4:00 o'clock p.m. The agenda for this meeting is as follows:

1. Call to Order
2. Proof of due notice of the meeting and determination of quorum
3. Approval of the Minutes of the Annual Meeting held on April 18, 2016
4. Approval of the Annual Report
5. Election of Directors
6. Appointment of External Auditor
7. Transaction of such other and further business as may properly come before the meeting.

Proxies must be filed with and received at the Company's offices not later than by the close of business hours on April 6, 2017. Proxies received after the cut-off date shall not be recorded for this meeting.

Only holders of issued stocks of record as at the close of business hours on March 7, 2017 and whose status as stockholders on that date has been satisfactorily established per the corporate records to the Secretary of the Company will be entitled to notice of, and to vote at, said meeting. The stock and transfer book of the Company will be closed from March 7, 2017 to the close of business hours on April 17, 2017.

Makati City, Philippines, March 7, 2017.

BY ORDER OF FELIPE U. YAP, CHAIRMAN OF
THE BOARD AND CHIEF EXECUTIVE OFFICER:

ETHELWOLDO E. FERNANDEZ
Corporate Secretary

3. Approval of Minutes

The Chairman next noted for the record that copies of the minutes of the annual meeting of the stockholders on April 18, 2016, as they appear of record in the Minute Book of the Company, had been distributed on the floor to all stockholders present. He then submitted the minutes for the consideration and approval of the stockholders.

Upon motion duly made and seconded, the reading of the minutes of the annual meeting of the stockholders held on April 18, 2016 at Makati City, was dispensed with, and the said minutes were duly approved.

4. Approval of Annual Report

The Chairman noted that copies of the 2016 Annual Report of the Company, which has been approved by the Board of Directors, were made available at the meeting. The Chairman made his report based on the letter of the Chairman and the President to the stockholders embodied in the 2016 Annual Report, as follows:

The year 2016 was a most difficult year for our Company.

The declining ore reserves of the Victoria orebody made mining inefficient and costly. The Victoria has produced close to 1.4 million oz. of gold in the last 20 years and it appears that for now, the remnant areas cannot be mined sustainably on a stand-alone basis. Production from our Victoria mine totaled 23,616 oz. in 2016, 11% better than the 2015 output, while silver production declined by 22%. We ended the year with an operating loss of P717 million compared with P777 million last year. It should be noted that our operating cost for 2016 includes development costs of P177 million which in previous years were capitalized for eventual depletion.

We were also confronted in 2016 with one of the Philippine mining industry's biggest challenges- the appointment of Ms. Regina Lopez, an environmentalist and staunch anti-mining advocate, as DENR secretary. The sharp decline in the prices of mining stocks upon the announcement of her appointment was a portent of what the entire industry was to suffer for the following months.

As soon as she assumed post in July 2016, she ordered an audit of all operating mines in the country. We passed the mine audit. On 22 August 2016, we were given a copy of the signed and detailed audit report that concluded: "The Company substantially complied with the pertinent provisions of the Environmental and Mining laws, rules and regulations, thus No penalty is recommended by the Team." That report notwithstanding, the DENR Secretary and her senior undersecretary announced in September in a televised press conference that we were recommended for suspension. The actual order of suspension was to come five months later, in February this year. We immediately lodged our appeal with the Office of the President and that stopped the implementation of the order of suspension.

We are confident that, having complied with all environmental and mining laws as the audit report declared, not to mention the certification by TUV Rheinland in May 2016 that our Environmental Management System complies with ISO 14001 standards, the suspension order will eventually be reversed.

We have been preserving our Enargite copper mine as we always had the intention to go back to copper production. The Enargite has given us 60 years of profitable operations, interrupted only in 1996 by the drop in the price of copper and

difficulties in selling our gold-bearing, arsenic-rich copper concentrate. Encouraged by the interest shown by several prospective buyers in our complex copper concentrate, we started our exploration program for the Enargite and adjacent copper-gold areas in 2015. The aggressive underground drilling program to delineate the copper-gold resources continued throughout 2016, completing a total of 40,000 meters with 12 rigs. The drilling has confirmed our preliminary resource estimates; conversion of inferred to indicated categories is currently taking place. Furthermore, the drilling demonstrates that numerous minable gold-bearing quartz-pyrite veins continue to depth below the 900 level and that they are genetically related to underlying newly discovered porphyry copper-gold systems.

We intend to maintain production from the Victoria at current levels to be augmented by production from our Copper-Gold Project as it starts to contribute by the second half of 2017.

We have engaged senior independent international mining and metallurgical consultants to assist us with further exploration, mine planning and the refurbishment of the mill and concentrator complex. We are fortunate to have on board Douglas Kirwin and James Almaas. Doug, a geologist who is known worldwide for the team discovery in Mongolia of Ivanhoe's Oyu Tolgoi mine now owned by Rio Tinto, has been guiding our exploration initiatives in the last few years. James is no stranger to Lepanto. He assisted us in mine engineering and operations in the 1990s representing then Far Southeast partner Rio Tinto. Our future is in the Copper-Gold Project, and with the expertise of Doug and James and our able mine management led by Tom Consolacion, we can confidently say that our future is bright.

In February this year and despite the threat of suspension, we successfully raised P500 million by way of a private placement of 3.35 billion shares at P0.15 per share for the further exploration and initial development of the Copper-Gold Project and settlement of outstanding debt.

On the Far Southeast Project, the objective of Gold Fields and Lepanto is to advance the project as soon as the permitting issues are resolved.

We celebrated our 80th anniversary in September 2016. Through all the good and bad times since 1936, we have remained steadfast in our commitment to the welfare of our host communities and to being a responsible mining company and steward of the environment. Our longevity is sterling proof of this.

As we look forward to reaching our centennial, we wish to acknowledge our devoted employees for their unwavering support through the years.

We also thank the members of our Board, including our newest member whom we gladly welcomed last year, Atty. Regis V. Puno. The Company is proud to have the sound and seasoned advice of the legal experts in the Board.

With your continued support and the support of all our other stakeholders – government, stockholders, communities, bankers, suppliers, and service providers, we can attain our shared vision of being a world-class Filipino mining company committed to responsible and sustainable mining.

The Chairman then called on the President, Mr. Bryan U. Yap, to report on the results of operations for the first quarter of 2017. Following are the highlights of the President's report:

In the first quarter of the year, we produced 5,500 ounces of gold and 8,200 ounces of silver. First quarter net loss amounted to P144 million, and cash flow from operations was a negative P18 million before exploration.

Copper-Gold Project:

The Copper-Gold Project is adjacent to the present Victoria operation and consists of the remaining enargite resources and the newly discovered mineable gold-bearing quartz pyrite veins. The underground drilling program for this project which started in 2015 has confirmed preliminary resources of over 6 million tonnes with average grades of 2 g/t Gold and 1 % Copper. In the first quarter of 2017, additional drilling in excess of 4 kilometers was completed blocking additional resources between the 850-950 level. This is in line with our objective of blocking an additional 1.5 million tonnes of resource this year.

We have identified four distinct Copper-Gold areas, namely: Northwest, Florence, Carmen and Elena. Mine development is currently focused on the Northwest, Florence and Carmen advancing over 3,200 meters in the first quarter on 3 different levels (900L, 950L and 1000L

On the metallurgy and processing side, we continue to test new samples from the exploration to optimize gold and copper recoveries. Meanwhile, the rehabilitation of the copper flotation plant is in its final stages.

We are also in the final stages of negotiations with interested buyers for a long-term contract for the purchase of Lepanto's arsenic and gold-bearing copper concentrates.

The Chairman then said that they will entertain questions from the floor.

Ms. Racquel Batchi stood up and introduced herself as a representative of the Lepanto Women's Association (LWA) and that their association initiated a signature campaign to manifest the support of the Lepanto community and other stakeholders for the continued operations of Lepanto in light of the suspension order issued by the DENR Secretary. She said that they have so far gathered about 5,900 signatures. She then asked for permission to read the contents of the Manifesto, which the Chair granted. The Manifesto read:

WHEREAS, most of us are members of the Lepanto community and residents of Mankayan, Benguet and have witnessed the benefits that Lepanto, as a responsible miner for the last 80 years, has brought to our community;

WHEREAS, DENR Secretary Gina Lopez has announced that she has ordered the suspension of Lepanto Consolidated Mining Company;

WHEREAS, in expressing our full support for and gratitude to Lepanto as well as our desire to have Lepanto continue its mining operations in Mankayan, Benguet, we hereby state:

Lepanto is our partner in economic development, environmental stewardship and community building. We are grateful to Lepanto and we need Lepanto not only because it provides a source of livelihood to our community and pays taxes to our LGUs. Lepanto built for us roads, schools, churches, recreation and sports facilities, a hospital, a market place, a theater, and a library, among many other facilities.

Lepanto has been providing employment to thousands of families in Mankayan and neighboring towns for eight decades. Mankayan has graduated into a first class municipality largely through the economic contributions of Lepanto. Lepanto currently supports 2,000 households or roughly 10,000 people.

Lepanto continues to support education and through this commitment, 11,000 students have graduated from the Lepanto Elementary School, Marivic Elementary School and Lepanto National High School. Through the educational assistance programs of the Company, including the Lepanto Educational Assistance Program (LEAP), 300-400 students from the different barangays of Mankayan, Benguet, Cervantes, Ilocos Sur and Quirino, Ilocos Sur are sent to college every year. The educational assistance programs of Lepanto graduate about 100 students a year.

The Lepanto Hospital treats an average of 10,000 patients annually. It provides medical services not only to Lepanto employees and dependents but also to the residents of Mankayan and neighboring towns. Each of the biennial surgical-dental-medical missions organized by Lepanto has benefited 4,000-6,000 patients.

Lepanto continually assists in the rehabilitation, clearing and repairs of national and provincial roads especially when damaged by natural calamities. Lepanto is always at the frontline of rescue and retrieval efforts in times of natural and major calamities.

The Lepanto community is heavily forested as Lepanto has planted over 6,500,000 trees in the area since the 1960s. Even the tailings dam is inhabited by ducks and other avian species. The old/decommissioned tailings dam is now a grazing ground for cattle and horses.

We believe that Lepanto is committed to further improving the lives of its employees and the residents of the Lepanto community. Lepanto cares about our livelihood, our health, our environment and safety, and our socio-economic development and sustainability during and beyond the life of the Lepanto mines.

The continued operation of Lepanto makes us feel secure about our future and the future of our children, as well as the welfare of our entire community. We therefore manifest our full support for the continued operation of Lepanto Consolidated Mining Company.

The Chairman expressed his gratitude to Ms. Batchi, the LWA, and the ten other representatives of the LWA who came all the way from Mankayan, Benguet to attend the stockholders' meeting to show their support for the company and the mining industry. He noted that the women were garbed in indigenous fabrics woven by Lepanto weavers.

All eleven representatives of the LWA then approached the Chairman and handed to him a copy of the Manifesto.

A stockholder, Mr. David Go, then moved that a copy of the Manifesto be served upon the DENR Secretary. The motion was seconded, and thereafter approved by the shareholders present.

There being no further questions, the Chairman said that he was going to entertain a motion for the approval of the Annual Report for 2016. Upon motion duly made and seconded, the stockholders adopted the following resolution:

RESOLVED, That the Annual Report of the Board of Directors of the Company for the calendar year ended December 31, 2016, together with the financial statements of the Company inclusive of the Consolidated Balance Sheet, the Consolidated Statement of Income and Retained Earnings and the Consolidated Statement of Cash Flow as of December 31, 2016, as audited by the Company's independent auditors, Sycip, Gorres, Velayo and Co., and their certification and notes to the financial statements be, as the same hereby are, noted and approved.

5. Election of Directors

The Chairman stated that in compliance with the Company's ByLaws and Corporate Governance Manual, two (2) independent directors should be elected by the stockholders. Acting on nomination letters duly received, the Nomination Committee has approved the nominations of Mr. Ray C. Espinosa and Atty. Val Antonio B. Suarez for re-election as independent directors. In compliance with the SEC rules, no further nomination for the two seats may now be made. Therefore, what was open for nomination were the seven (7) remaining board seats for the year 2017 to 2018. He then declared the table open for nominations to the seven (7) board seats.

Mr. Timothy Macatangay nominated the following for re-election as Directors for 2017-2018:

FELIPE U. YAP
MARILYN V. AQUINO
ETHELWOLDO E. FERNANDEZ
DOUGLAS JOHN KIRWIN
REGIS V. PUNO
CRESENCIO C. YAP
BRYAN U. YAP

The nomination was seconded by Mr. Marvin De Paz, who further moved that the nominations be closed. There being no objections, the Chairman declared the nominations closed and the persons nominated as duly elected.

The Secretary then advised that the Proxy submitted by Hongkong & Shanghai Banking Corporation Ltd. indicates that not the entire 723,181 shares represented by the proxy were voting in favor of all nine nominees, but only in favor of the Chairman, Messrs. Cresencio Yap, Regis Puno, Marilyn Aquino, and Val Suarez. From the same proxy, there were 573,181 votes in favor of Douglas Kirwin and Ray Espinosa. Also, the four Proxies submitted by Citibank, N.A., Manila indicate that an aggregate of 81,075,242 shares represented by the proxies are voting only in favor of three nominees, namely: Felipe U. Yap, Ray C. Espinosa and Val Antonio B. Suarez.

Taking into account the foregoing, following are the number of votes received by each nominee:

<u>Name</u>	<u>Number of Votes</u>
FELIPE U. YAP	31,875,131,418
BRYAN U. YAP	31,793,332,995
CRESENCIO C. YAP	31,794,056,176
ETHELWOLDO E. FERNANDEZ	31,793,332,995
MARILYN V. AQUINO	31,794,056,176

RAY C. ESPINOSA	31,874,981,418
DOUGLAS JOHN KIRWIN	31,793,906,176
REGIS V. PUNO	31,794,056,176
VAL ANTONIO B. SUAREZ	31,875,131,418

Thereafter, the Chairman directed the Secretary to let the minutes of the meeting reflect that clarification.

The Chairman then presented to the stockholders the re-elected directors who were all in attendance, namely: Mr. Bryan U. Yap, Ms. Marilyn V. Aquino, Mr. Ethelwoldo E. Fernandez, Mr. Ray C. Espinosa, Mr. Val Antonio B. Suarez, Mr. Cresencio C. Yap, Mr. Regis V. Puno and the new director, Mr. Douglas John Kirwin.

6. Re-Appointment of External Auditor

Upon motion duly made and seconded, the recommendation of the Board of Directors to re-appoint SyCip Gorres & Velayo ("SGV") as external auditors was approved by the stockholders.

The Chairman then introduced to the stockholders the SGV partners who were in attendance, namely: Mr. Jaime F. del Rosario, Engagement Partner: Ms. Eleanore A. Layug, Engagement Partner: and Ms. Maria Lourdes B. Siapno, Engagement Manager.

The Chairman also acknowledged the presence of the representatives from the Stock Transfer Service Inc., namely the president, Mr. Tony Laviña, supervisor Mr. Michael Capoy and the officer in charge of Lepanto Ms. Ivy Quevedo.

7. Adjournment

There being no further business to transact, the meeting was thereupon adjourned.

ATTEST:



FELIPE U. YAP

Chairman of the Stockholders' Meeting



ETHELWOLDO E. FERNANDEZ

Secretary of the Stockholders' Meeting