

Atlas Consolidated Mining and Development Corporation

Minutes of the Special Meeting of the Shareholders
Coral B Function Hall, One Esplanade Building
Seaside corner J. W. Diokno Boulevard
Mall of Asia Complex, Pasay City
21 February 2017, 2:00 p.m.

	No. of Shares	Percentage
No. of Shares present by Proxy	1,704,579,698	81.67%
No. of Shares present in Person	4,370	0.00%
Total No. of Shares, by Proxies and in Person	1,704,584,068	81.67%
Total Issued and Outstanding Shares	2,087,032,774	100%

Directors Present:

Alfredo C. Ramos	Chairman, Board of Directors Chairman, Nomination Committee
Frederic C. DyBuncio	Vice Chairman, Board of Directors Chairman, Executive Committee Member, Audit and Risk Management Committee Member, Nomination Committee
Adrian Paulino S. Ramos	Member, Executive Committee President
Martin C. Buckingham	Member, Executive Committee Executive Vice President
Gerard Anton S. Ramos	Member, Executive Committee Member, Audit and Risk Management Committee
Isidro A. Consunji	Member, Executive Committee
Jose T. Sio	Member, Executive Committee Member, Compensation Committee
Laurito E. Serrano, Independent Director	Chairman, Audit and Risk Management Committee
Alfredo R. Rosal, Jr., Independent Director	Member, Audit and Risk Management Committee Member, Nomination Committee
Jay Y. Yuvallos, Independent Director	Member, Nomination Committee

Also Present:

Fernando A. Rimando, Chief Finance Officer
Leila Cabanes, Treasurer
Feliciano B. Alvarez, Internal Audit Head
Roderico Puno, Corporate Secretary
Maria Eleonor A. Santiago, Compliance Officer, Asst. Corp. Secretary

I. Call to Order

The Chairman of the Board, Mr. Alfredo C. Ramos, called the meeting to order at 2:00 p.m. and welcomed the Shareholders of Atlas Consolidated Mining and Development Corporation (the "Corporation" or "AT") to the Shareholders' Special Meeting ("SSM" or the "Meeting").

II. Proof of Notice of Meeting and Determination of Quorum

The Corporate Secretary, Atty. Roderico V. Puno, certified to the Corporation's compliance with the notice and quorum requirements for the Meeting:

1. On 4 January 2017 or more than 35 days before the Meeting, notices for the said Meeting were sent to the Shareholders of record as of 27 December 2016 pursuant to the Corporation's By-Laws and applicable rules. Said notice was likewise published in the Manila Standard on 17 January 2017 and Manila Times on 25 January 2017, both newspapers of general circulation. The Information Statement ("IS") were sent at least 15 trading days prior to the Meeting; and
2. There was a quorum for the Meeting with the Shareholders owning 1,704,584,068 shares or 81.67% of the Corporation's total outstanding shares present or represented at the Meeting.

Thereafter, the Chairman stated that representatives of the Corporation's external auditor, Sycip Gorres Velayo & Co. ("SGV"), were present in the Meeting to answer any questions from the Shareholders.

III. Amendment to AT's Articles of Incorporation

The Chairman turned over the floor to AT's President, Mr. Adrian Paulino S. Ramos, for the next item in the Agenda and thereafter to take up the remaining items.

The President requested the Shareholders to allow him to present the Refinancing Program of AT and its subsidiary, Carmen Copper Corporation (CCC), before the votes will be cast for the proposed amendments to the Articles of Incorporation (AOI).

The President's report on the Refinancing Program of AT and CCC:

"Ladies and gentlemen, distinguished guests, good afternoon.

"Before we proceed to cast our votes granting authority to Atlas to: (i) Increase the authorized capital stock (ACS) and the consequent amendment to article VII of the Corporation's Articles of Incorporation (AOI); (ii) issue primary Shares out of the combined increase in ACS, and (iii) issue Warrants and the underlying Shares as a result of the exercise of the Warrants to the specified major shareholders, in behalf of the Board of Directors and management of Atlas please allow me to present to you the refinancing plan of the Corporation and its 100% subsidiary, Carmen Copper Corporation (CCC).

In the following presentation, I shall discuss the: (i) debts to be refinanced, (ii) subordinated loans resulting from the refinancing, (iii) warrants to be issued, (iv) increase in authorized capital stock (ACS) and (v) the required subscription to the increase in ACS.

Debts to Refinance:

The debts included in the refinancing plan are the \$300 million corporate bond of CCC that was issued in March 2012 and is due to mature in March 2017, and the outstanding Shareholders' advances to Atlas of about \$180 million that were received in several tranches in 2015 and 2016 to support the operations of CCC.

The refinancing plan mainly involves obtaining subordinated loans to pay the bond and to convert the shareholders advances with warrants.

Subordinated Loans:

The subordinated loans (the bank and shareholder loans), have the following indicative terms subject to changes as negotiations are still in-progress: (a) These are Subordinated to all existing bank creditors, (b) Term of 7-years and (c) Fixed Interest Rates; Semi-annual payment.

Atlas Warrants:

To compensate the Shareholders for providing funding support, Atlas will issue warrants.

The BOD approved the issuance of approximately 5.6 Billion Warrants and the corresponding 5.6 Billion Underlying Common Shares as a result of the exercise of the Warrants. The Warrants shall be issued by Atlas to certain Shareholders or their assigns as shown in the chart.

The final number of Warrants to be issued shall be subject to change or revision based on the foreign exchange rate as of closing date or the date all regulatory approval and legal compliance for the issuance of Warrants are secured and complied with, whichever is later.

The following are the salient features, terms and conditions of the Warrant Issue:

- The Exercise period of the Warrants shall be 7 years from the date of issue. Expiry date is the seventh (7th) anniversary of the date of issue of Warrants.
- Each Warrant entitles to subscribe to one (1) common Share of Stock of Atlas.
- The basis of determining the Exercise Price of Php4.3842 is the 90-day VWAP preceding the pricing date, 16 November 2016.
- Timetable for the issuance of the Warrants will be upon obtaining the following: (i) Shareholders' approval to the increase in the ACS and amendment to Article VII of the Articles of Incorporation (AOI); and (ii) SEC approval of the increase in ACS and amendment to AOI, other regulatory approvals and compliance with all legal requirements.

Increase in the Authorized Capital Stock (ACS) & Share Issue:

The ACS of Atlas is Php3 billion divided into 3 billion common shares of stock with a par value of Php1.00 per share.

On 22 February 2016, the BOD of Atlas approved the (i) increase in the Corporation's ACS by Php3 billion, from Php3 billion to Php6 billion divided into 6 billion common shares of stock with a par value of Php1.00 per share of stock; and (ii) amendment to Article VII of the Articles of Incorporation increasing the ACS to Php6 billion, and which were approved and confirmed by the Shareholders of Atlas during the 29 April 2016 Annual General Meeting (referred to as the "1st ACS Increase"). Atlas has not issued any share of stock out of the 1st ACS Increase.

On 16 November 2016, the Corporation's BOD approved another round of increase in ACS of Atlas by Php2 billion, which was subsequently amended during its 7 December 2016 special BOD meeting, by raising the increase from Php2 billion to Php2.5 billion divided into 2.5 billion common shares with the resulting ACS of Php8.5 billion divided into 8.5 billion common shares of stock with a par value of Php1.00 per share of stock (the "2nd ACS Increase").

The total increase in ACS is Php5.5 billion divided into 5.5 billion common shares. The increase in the ACS will enable Atlas to have sufficient unissued shares of stock out of its ACS to allow Atlas to issue Warrants and the Underlying Common Shares of Stock as a result of the exercise of the Warrants as earlier discussed coupled with the flexibility to raise fresh funds. With available and sufficient unissued capital stock, Atlas will have the capability for any future capital initiative.

Subscription to the increase in ACS:

On 7 December 2016, the BOD approved the issuance of shares of Stock of Atlas out of the Php5.5 billion combined increase in the ACS, to the following major Shareholders or their assigns, for an aggregate subscription price of Php1,375,000,000.00 at Php4.3842 per share, with the amount of Php343,750,000.00 to be paid in cash by the Subscribers upon execution of the Subscription Agreement and the balance to be paid upon call by Atlas.

The total number of the Share Issue is equivalent to at least twenty five percent (25%) of the 1st ACS Increase and 2nd ACS Increase (collectively referred to as the "Subscription"). The Share Issue under the Subscription is pursuant to the requirement of the Corporation Code of the Philippines for the ACS Increase and the Amendment to Article VII of AT's Articles of Incorporation.

IV. Approval/Authority:

(A) Issuance of Shares out of the increase in the ACS:

For the next proposal, the Chairman informed the Shareholders that although it is not required to obtain the Shareholders' approval for the issuance of shares out of the increase in the ACS, for transparency and good corporate governance, the Shareholders are requested to confirm the authority granted by the BOD to the Corporation to issue up to 25% out of the increased capital stock.

At this instance, Atty. Puno refreshed the group of the approval granted by the Shareholders during the last Annual General Meeting of the Shareholders (AGM) on 29 April 2016, for the increase in the ACS to Php6b shares of stock, amending Article VII of the Corporation's AOI (the "1st Increase") and the approval granted by the BOD on 16 Nov. and 7 Dec. 2017 for another round of increase in the ACS to Php8.5B divided into 8.5B common shares of stock (the 2nd increase in ACS). The BOD also approved the issuance of 313,626,203 common shares of stock to major Shareholders. The same was in compliance with the Corporation Code for any increase in capital stock.

With this information, the Chairman opened the floor for any motion with respect to the confirmation on the issuance of 313,626,203 primary common Shares at the subscription price of Php4.3842 per share, the 90-day VWAP preceding the Pricing Date. The primary Shares shall be issued to the following major shareholders: SM Investments Corporation (SMIC) – 282,263,583 shares (90%); Alakor Corporation (Alakor) – 6,272,524 shares (8%); and Anglo Philippine Holdings, Inc. (Anglo) – 25,090,096 (2%).

A Shareholder moved for the confirmation of the issuance of the aforesaid primary shares to the specific major Shareholders. Said motion was seconded. As no objection was raised, the confirmation on the primary issuance of 313,626,203 common shares to the said Shareholders was deemed passed.

As tabulated, the votes on the issuance of Shares out of the increase in ACS are as follows:

	<i>Approve/Ratify</i>	<i>Disapprove</i>	<i>Abstain</i>
<i>Number of Shares Voted</i>	1,703,983,968	0	600,100
<i>Percentage of Voted Shares</i>	81.65	0	.03

(B) Issuance of Warrants and the Underlying Common Shares

The Chairman informed the group that the next order of the business was the proposal for the issuance of approximately 5,600,000,000 Warrants and the underlying 5.6billion common Shares of Stock as a result of the exercise of the Warrants to SMIC, Alakor and Anglo.

AT shall issue the Warrants to the said Shareholders in consideration of their participation in the over-all refinancing plan to settle the obligations of AT and its significant subsidiary, CCC.

The Corporate Secretary reiterated the salient features, terms and conditions regarding the issuance of Warrants which include among others the following: entitlement ratio, exercise price and period, timetable for issuance of warrants, nature of Warrants as direct, unsecured and unsubordinated obligation of AT and will rank in pari passu without preference among themselves.

Atty. Puno likewise stated that as previously disclosed, the final number of warrants to be issued would be subject to change based on the foreign exchange rate as of 21 March 2017 or the date all regulatory approval/legal requirements for the issuance of warrants are secured and complied with, whichever is later. Thereupon, the Chairman opened the floor for any motion with respect to the approval on the issuance of Warrants and the Underlying Shares as a result of the exercise of the Warrants. A Shareholder moved for the approval which was promptly seconded.

As tabulated, the votes on the issuance of Warrants and the corresponding underlying Common Shares as a result of the exercise of the Warrants are as follows:

	Approve/Ratify	Disapprove	Abstain
Number of Shares Voted	1,704,584,068	0	0
Percentage of Voted Shares	81.67	0	0

(C) Waiver of the Conduct of Public or Rights offering

The next item is the proposal for the waiver of the requirement for the conduct of public or rights offering for the Shares subscribed out of the increase in capital stock and for the issuance of 5.6B Warrants and the underlying 5.6B common Shares of Stock.

The Corporate Secretary explained that considering the fact that AT's major Shareholders would subscribe to the shares out of the increase capital stock and the underlying Shares as a result of the exercise of the Warrants, both Share Issuance are deemed Related Party Transactions (RPT). Section 5, Article V, Part A of the PSE Consolidated Listing and Disclosure Rules requires the Corporation to secure a waiver of the requirement to conduct rights or public offering of the shares subscribed from the minority Shareholders. The waiver must be granted by a majority vote representing the outstanding shares held by the minority Shareholders present or represented by proxies at the Meeting.

A Shareholder moved for the approval of said motion. Shortly after, the motion was seconded. As no objection was raised, the Chairman held that the waiver of the conduct of public/rights offering was approved.

As tabulated, the votes on the waiver of the requirement of the conduct of public or rights offering by Minority Shareholders are as follows:

	Approve/Ratify	Disapprove	Abstain
Total Number of Shares held by Minority Shareholders present or represented at the Meeting: 634,422,172 shares			
Number of Shares Voted	630,415,172	4,007,000	0
Percentage of Voted Shares	99.37	0.63	0

V. Other Matters

At this point, the Chairman inquired from the Corporation's Corporate Secretary if there would be other matters to be presented.


Atty. Puno confirmed that no other matter will be presented requiring the vote of the Shareholders.

VI. Adjournment

As no other matter is required to be taken up, the Chairman opened the floor for a motion for adjournment. A Shareholder came forward to move for the adjournment of the Meeting which was seconded. The Chairman thereafter declared the Meeting adjourned.

Prepared by:


Maria Eleonor A. Santiago
Assistant Corporate Secretary
Attested by:


Alfredo C. Ramos
Chairman
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