

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS**

OF

MINERALES INDUSTRIAS CORPORATION

Held at the Makati Sports Club, Makati City
on September 19, 2013, 2:30 p.m.

PRESENT

Stockholders Present in Person	4,680,604
Stockholders Present by Proxy	593,282,027
Total No. of Shares Present/Represented	597,962,631
Total No. of Shares Outstanding	690,000,000

1. Call to Order

The Chairman, Atty. Alfredo P. Javellana II, called the meeting to order and presided over the same. He introduced the other directors present at the meeting, namely, Isabelita P. Mercado, Gener T. Mendoza, Antonio Victoriano F. Gregorio III, and Joseph Quintin Y. Lao.

The Corporate Secretary, Atty. Ana Maria A. Katigbak recorded the minutes of the proceedings.

2. Proof of Notice

The Corporate Secretary reported that the Notice of the meeting and the Definitive Information Statement were transmitted by personal delivery or by mail to the stockholders of record at their respective addresses indicated in the corporate records at least fifteen (15) business days before the meeting.

3. Certification of Quorum

The Corporate Secretary reported that based on the certification of the Corporation's stock and transfer agent, at least 597,962,631 shares were present or represented by proxy at the meeting out of the total of 690,000,000 outstanding shares. This constitutes 86.66% of the Corporation's outstanding capital stock. She then certified that a quorum existed for a valid transaction of business.

4. Approval of the Minutes of the Previous Meeting

The Corporate Secretary advised that minutes of the previous Annual Meeting of the Stockholders held on May 23, 2012 and Special Meeting of the Stockholders held last February 8, 2013 were provided to the stockholders upon registering their attendance for the meeting. After some discussion and upon motion made and duly seconded, said minutes were deemed read and approved by the stockholders.

5. **Management Report**

The President, Mr. Gener Mendoza, rendered the Management Report. The following highlights were noted:

Audited Financial Statements as of December 31, 2012

- No significant income was recognized for the year, as compared to the Php0.086 million income posted in 2011, derived mainly from gain on sale of marketable securities.
- Operating expenses for the year amounted to Php1.84 million (excluding provision for impairment of Php.09 million). This is an increase of 20% over the Php1.53 million (excluding provision for impairment of Php1.99 million) reported in 2011. The mainly came from the increase in professional fees of Php0.09 million and payment of directors' per diem of Php0.16 million.
- The twelve-month operation of the Corporation ended with a net loss of Php1.86 million compared to the net loss of Php3.42 million in 2011. The difference is largely due to the provision for impairment of input VAT and creditable withholding tax amounting to Php0.85 million and Php1.14 million made in 2011.
- Total assets decreased by 52% from Php3.57 million in 2011 to Php1.71 million in 2012 largely due to the use of the Corporation's cash balance for operating requirements.
- Cash and cash equivalents thus went down by 52% from Php3.57 million in 2011 to Php1.71 million in 2012.
- Current ratio decreased from 29.86x in 2011 to 13.70x in 2012; net working capital totaled Php1.59 million in 2012 as compared to Php3.45 million in 2011.
- Total stockholders' equity went down by 53.90% from Php3.45 million in 2011 to Php1.59 million in 2012, due to the net loss incurred for 2012.
- For the year ended December 31, 2012, net cash used in operations amounted to Php1.85 million as compared to Php1.6 million in 2011. The 2012 total includes the net loss of Php1.84 million and interest income of Php0.09 million. For 2012, provision for impairment of Php0.9 million was recognized on the input VAT balance. Prepaid and other current assets increased by Php0.09 million while accrued expenses and other payables remained flat.

Six Months Ended June 30, 2013 Compared to Six Months Ended June 30, 2012

- Total consolidated revenues for the six-month period ending June 30, 2013 amounted to Php104.84 million, broken down as follows: income from tipping

fee of Php 2.13million (2.03% of total revenues) earned from the operation of the Morong Sanitary Landfill; income from composting/waste processing services of Php2.0 million (1.91% of total revenues); consultancy/field services income of Php85.69 million (81.74% of the total revenues) from the management and maintenance of the Quezon City Sanitary Landfill; and hauling income of Php15.02 million (14.33% of total revenues). In contrast, no significant income was recognized for the same period of 2012.*

- Cost of services for the first half of 2013 amounted to Php51.10 million composed of cost of labor, materials, utilities, equipment rentals, licenses and permit and other expenses incurred in the delivery of services. No cost of services was incurred in the same period of 2012.
- Operating expenses for the first half of 2013 amounted to Php15.64 million consisting of administrative expenses incurred in its operation. This is 1583% higher than the Php0.93 million reported in the same period of 2012 due to the consolidation of the results of operations of Basic Environmental Systems and Technologies, Inc. (BEST) from March 2013.
- The first half of 2013 resulted into a net income after tax of Php25.39 million, including the Php7.46 million net income after tax attributable to non-controlling interests, as compared to the net loss of Php0.89 million reported for same period in 2012, the difference again owing to the consolidation of BEST's operating results into the financial statements of the Corporation from March 2013.
- For the six-month period ending June 30, 2013, net cash used in operations totaled Php51.97 million including the net income before tax of Php38.18 million and the depreciation and amortization of Php14.15 million. Prepaid and other current assets went up by Php0.19 million, while accrued expenses and other payables decreased by a Php0.12 million. Acquisition through business combination of a subsidiary, net of said subsidiary's cash balance, amounted to Php1.15 million.
- For the same period in 2012, net cash used in operations totaled Php1.24 million including the net loss of Php0.88 million. Prepaid/other current assets went up by Php0.19 million due to increases in input tax and monthly set-up of the annual listing fee. Accrued expenses and other payables decreased by Php0.11 million due to settlement of outstanding liabilities.

The President reported that for purposes of consolidation, only income and expenses of BEST from March 2013 was consolidated into the Corporation's first half of 2013 results since the Corporation acquired the 75% interest in BEST only on March 4, 2013.

No questions were raised by the stockholders during the open forum.

Upon motion made and seconded, the Management Report was noted by the stockholders.

6. Ratification of Acts of Officers and Directors

The stockholders then proceeded to discuss the acts of management and the Board of Directors for the past year. After some discussion and upon motion made and duly seconded, the following resolution was approved:

*"RESOLVED, That the stockholders of **Minerales Industrials Corporation** (the "Corporation") approve, ratify and confirm, all acts, transactions, decisions and resolutions of the Board of Directors and officers of the Corporation made or undertaken in the year 2012 and until the date of this meeting as they are reflected in the books and records of the Corporation."*

7. Amendments to the Corporation's Articles of Incorporation

The Chairman advised that the next item in the agenda is the proposed amendments to the Corporation's Articles of Incorporation.

At Chairman's request, the President provided a brief background on the proposed amendments to the Articles of Incorporation of the Corporation to: (i) change the principal address of the Corporation from 322 LRI Design Plaza, 210 N. Garcia St., Makati City, to Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas, Jr. Avenue, Ortigas Center, Pasig City; and (ii) increase the Corporation's authorized capital stock to an amount not exceeding Five Billion Pesos (Php 5,000,000,000).

The President explained that Management foresees the need to increase the Corporation's authorized capital stock to facilitate any capital raising activities that will be required for the Corporation's operations and business expansion. The proposed increase in authorized capital stock is necessary for the Corporation's future capital raising activities, considering that the existing authorized capital stock of the Corporation is almost fully issued following the Securities and Exchange Commission's approval on June 11, 2013 of the issuance of 500,000,000 shares of the Corporation, that was previously approved by the stockholders. The President also explained that the increase is intended to pave the way for a possible stock rights offer or entry of new investors into the Corporation in the future, whether through the purchase of shares from the stock market or through a private placement.

In connection with such increase, the President also requested the stockholders to authorize the Board to approve subscriptions to the increase in authorized capital stock, through the creation of additional common shares, preferred shares and/or other types of securities, and to accept subscriptions of stockholders and/or third parties to the proposed increase in the form of cash and/or assets, under such terms and conditions that it may determine.

Lastly, the President explained that the amendment of Articles to reflect the change in principal place of office is required by law to authorize the move of the Corporation's business premises from Makati City to Pasig City.

After some discussion and upon motion made and duly seconded, the following resolutions were unanimously approved by the stockholders representing at least two-thirds of the outstanding capital stock present and/or represented at the meeting:

I

*"RESOLVED, That the place of principal office of **Minerales Industrias Corporation** (the "Corporation") be changed from 322 LRI Design Plaza, 210 N. Garcia St., Makati City to Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas, Jr. Avenue, Ortigas Center, Pasig City, and that the Third Article of the Corporation's Articles of Incorporation be amended accordingly."*

II

*"RESOLVED, That the authorized capital stock of **Minerales Industrias Corporation** (the "Corporation") be increased from Seven Hundred Forty Million Pesos (Php 740,000,000.00) to an amount not exceeding Five Billion Pesos (Php 5,000,000,000.00) to be determined and fixed by the Board of Directors;*

"RESOLVED FURTHER, that the Corporation's Articles of Incorporation be amended accordingly;

"RESOLVED FURTHER, that the Board of Directors be authorized to determine the form of the shares constituting such increase such as additional common shares, preferred shares and/or other types of securities and the features thereof; and to accept subscriptions of the stockholders and/or third parties to the proposed increase in the form of cash and/or assets, all under such terms and conditions as the Board may deem proper;

"RESOLVED, FINALLY, That the directors and officers of the Corporation, acting singly or jointly, be, as they are hereby empowered, authorized and directed to sign, execute, deliver and file the necessary certifications, documents and papers with the Securities and Exchange Commission, Philippine Stock Exchange and other regulatory bodies, and to perform any and all acts necessary or appropriate to implement the foregoing resolution."

8. Appointment of External Auditors

The Chairman advised that the next item in the agenda is the appointment of the Corporation's external auditors. Upon motion made and duly seconded, the following resolution was approved:

*"RESOLVED, That the stockholders of **Minerales Industrias Corporation** (the "Corporation") authorize, as it hereby authorizes, the appointment of SyCip, Gorres, Velayo & Co. as the external auditors of the Corporation for the current year."*

9. Election of Directors

The meeting then proceeded with the election of directors for the current year. The Corporate Secretary stated that under Article VI of the Amended Articles of Incorporation, there are seven (7) seats in the Board of Directors. SRC Rule 38 also requires public companies to have at least two (2) independent directors. In this regard, the Corporation received a total of five (5) nominations for regular directors and two (2) nominations for independent directors, namely:

For Regular Directors:

Gener T. Mendoza
Isabelita P. Mercado
Antonio Victoriano F. Gregorio III
Francis Neil P. Mercado
Joseph Quintin Y. Lao

For Independent Directors:


Atty. Alfredo P. Javellana II
William D. Ty


Upon motion made and duly seconded, the above nominees were unanimously elected as directors of the Corporation for the current year to serve as such for a period of one year and until their successors are duly elected and qualified.

10. Adjournment

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

ATTEST:


ATTY. ALFREDO P. JAVELLANA II
Chairman of the Stockholders' Meeting


ANA MARIA A. KATIGBAK
Secretary of the Stockholders' Meeting