

MINUTES OF THE STOCKHOLDERS' MEETING OF

APC GROUP, INC.

Held 09 June 2022 at 11:00 a.m.

Via Webinar (Zoom) link

DIRECTORS PRESENT:

WILLY N. OCIER

Chairman of the Board
Director
Chairman, Executive Committee
Chairman, Compensation and Remuneration Committee

IAN JASON R. AGUIRRE

President & CEO
Director
Member, Executive Committee

JACKSON T. ONGSIP

Director
Chairman, Risk Oversight Committee
Member, Audit Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee

RAFAEL M. ALUNAN III

Lead Independent Director
Chairman, Audit Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee
Member, Risk Oversight Committee

EDMUNDO L. TAN

Director
Member, Compensation and Remuneration Committee

VIRIGINIA A. YAP

Director
Member, Executive Committee
Member, Compensation and Remuneration Committee

JERRY C. TIU

Independent Director
Chairman, Corporate Governance Committee
Chairman, Related Party Transactions Committee
Member, Audit Committee
Member, Risk Oversight Committee

ALSO PRESENT:

RICHARD ANTHONY D. ALCAZAR
MICHELLE T. HERNANDEZ
MS. MARIE JOY T. CO
MS. CRISTINA CASTRO NUGUIT

Corporate Secretary
Contact for Stakeholders' Concerns/Host
Compliance Officer and Treasurer
Third Party Tabulator

Stockholders present in person or
represented by proxy

4,545,332,817 constituting 60.57% of the
total outstanding capital of the
Corporation as of record date 30, April
2022 (Please see the Record of Attendance
here attached as Annex "A")

The representatives from the Company's external auditor, Reyes Tacandong & Co., were likewise in attendance to address questions from the stockholders during the Meeting.

1. Call To Order

Mr. Willy N. Ocier, the Chairman of the Board, welcomed the stockholders, called the meeting to order, and presided over the proceedings. The Corporate Secretary, Atty. Richard Anthony D. Alcazar, recorded the minutes of the meeting.

2. Certification of Notice and Quorum

The Corporate Secretary certified that the notice of the annual stockholders' meeting and the Definitive Information Statement, along with the Corporation's "Guidelines for Participation via Remote Communication and Voting in Absentia" were uploaded via PSE EDGE on May 12, 2022 and posted on the Corporation's website beginning on the same day. In addition, the Corporate Secretary also certified that the notices of the meeting were distributed electronically and by courier to the shareholders starting on May 12, 2022.

The Chairman inquired from the Corporate Secretary whether there was a quorum for the transaction of business by the stockholders.

The Corporate Secretary certified that based on the proxies recorded and on the registration of those personally present at the meeting, that 4,545,332,817 shares representing 60.57 % of the total outstanding capital stock of the Corporation as of record date April 30, 2022.

The Chairman then declared that there was a quorum for the transaction of business. He then invited everyone to listen to a brief discussion on the rules of conduct and voting procedures of the meeting.

The Corporate Secretary discussed the rules of conduct and voting procedures set forth in the Definitive Information Statement and in the Notice of Annual Stockholders' Meeting, in accordance with the rules of the Securities and Exchange Commission as follows:

First, shareholders who notified the Corporation of their intention to participate in the meeting by remote communication have sent their questions or comments through the e-mail address provided for the purpose;

Shareholders now participating through the livestream can continue sending more questions throughout the duration of the meeting through the Q&A button located at the bottom of their screens.

Second, some of the questions or comments received will be read out during the Open Forum, after all matters in the agenda are concluded;

As the time dedicated for the meeting, however, is limited, the questions and comments which will not be read out and responded to during the meeting will be answered by the appropriate officers of the Corporation concerned;

Third, resolutions will be proposed for adoption by the shareholders for each of the items in the Agenda for this meeting. Each proposed resolution will be shown on the screen as the same is being taken up.

Finally, as tabulated, the votes cast as of June 6, 2022 are from shareholders owning 4,545,332,817 voting shares, representing 60.57% of the total outstanding voting shares. The results of this preliminary tabulation will be referred to when the voting results are reported throughout the meeting.

The results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, will be reflected in the Minutes of the Meeting.

3. **Approval of the Minutes of the Annual Meeting of Stockholders held on 22 July 2021**

The Chairman proceeded to the next item in the agenda which is the approval of the minutes of the previous annual meeting of the stockholders held on July 22, 2021 posted on the Corporation’s website several days after its adjournment. A copy of the minutes is also appended to the Definitive Information Statement posted on the PSE EDGE and the Corporation’s website. The minutes reflect the proceedings of the last annual meeting, including resolutions adopted and approved, with corresponding tabulation of votes for each item then for approval.

Upon inquiry from the Chair, the Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor of the approval. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,545,332,817	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolution was passed and adopted:

“RESOLVED, that the Minutes of the Annual Stockholders’ Meeting of APC Group, Inc. held on July 22, 2021 is approved.”

4. **Approval of the 2021 Operation and Results**

The Chairman proceeded to the next item in the agenda which is the approval of the 2021 operations and results of the Corporation. The Chairman explained that the copies of the Corporation’s Definitive Information Statement and the accompanying Annual Report had been sent and made available to all stockholders several weeks prior to the meeting, and the same were likewise posted in the Corporation’s website. The Annual report contains the summaries of operations and the Audited Financial Statements of the Corporation for the Year 2021. The Information Statement and Annual report likewise contains the items required under Section 49 of the Revised Corporation Code.

The Chairman then requested the President and CEO, Mr. Ian Jason Aguirre, to render his report on the Company’s results of operations for 2021. The President reported as follows:

“To our fellow stockholders, members of the Board of Directors and friends, good morning and welcome to APC Group Inc.’s 2022 Annual Stockholders Meeting. Thank you for taking the time to be with us today.

I am pleased to report that your Company, through its subsidiary, Aragorn Power and Energy Corporation or APEC, continues to move forward in its Kalinga Geothermal Project (KGP).

In 2021, despite challenges caused by the COVID pandemic, the Company remained committed to continuing its exploration activities while ensuring safe, effective and sustainable operations amidst the various difficulties and hurdles in supply chain and working conditions. The Project recommenced its geology, geochemical, and geophysical surveys (3G) to obtain additional information that would support the results of the exploration well drilled in 2020 as well as to refine the Resource Conceptual Model- Activities that will consequently ensure the soundness of the geologic targets before resuming drilling operations.

Analysis of the 3G results reaffirm the commercial temperatures observed in the area suggesting close proximity to the resource, but at a narrower band of drilling targeting. The results also suggest the existence of multiple systems to the South West of the current exploration area. As such, further study is needed to ascertain the new discoveries and allow assessment of the Kalinga prospect as a whole before committing and proceeding to drilling operations. Understanding the potential of the additional systems is key in determining the technical viability commerciality, and overall value of the prospect and improving the likelihood of Project success.

This year, with the newly discovered potential systems, the Project intends to continue exploration activities, including the South West areas through further 3G surveys. Moreover, due to the pandemic and typhoons, including typhoon Ulysses significantly hampered our drilling operations and exploration activities, APEC has requested the Department of Energy for a period of suspension of its obligations equivalent to various Force Majeure events that impacted its operations during the period of October 2020 until March 2022. This request is still being reviewed by the Department.

Notwithstanding these various challenges, your Company continues its commitment to partnership and relationship-building with its host communities through the continuation of scholarship grants and educational assistance to deserving youths from the eight (8) ancestral domains within its contract area. The KGP has already extended scholarships to 369 grantees and has produced 280 graduates in various courses. In fact, five (5) scholar graduates in engineering and geology have been hired for the Project. Furthermore, your Company remains active in caring for the environment, together with Department of Environment and Natural Resources (DENR), National Commission on Indigenous Peoples (NCIP) and the KGP community scholars and families, we have planted more than 100 native bamboo and guyabano seedlings in the area of Pasil at PAS-02, where we have drilled our well and at Balatoc Junction, where landslides are prone. We adhere to our commitment to protect the environment and ensure the safety of the people within our host communities.

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Please allow me also to briefly go through the Company's financial performance in 2021. For your reference, the details of the financial statements are contained in the Information Statement sent to the stockholders.

For the year ended 2021, APC Group Inc., our Company's consolidated assets stood at P259.1 MM, lower by 3% vs the previous year, Liabilities P3MM (or 3%) lower vs last year at P114.4MM and Stockholders equity at P147.7MM lower by 3% from last year mainly due to the total comprehensive loss recognized amounting to P8.5MM. In spite of lowering general and admin costs by 2% from the previous year, the Company continues to incur Kalinga project related costs as well as general and administrative expenses necessary to operate a business.

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In conclusion, despite the current business environment and challenges, the Company has remained focused on its mission of creating value for our investors and our stakeholders. I would like to take this opportunity to thank you, our dear shareholders for your continued patience, trust and confidence, to our Board of Directors for their guidance and wisdom, and to our employees for their hard work and

dedication. We look forward to working together with our many stakeholders to move our project further and create value in the future.

Thank you and good day to everyone.”

The Chairman then requested Corporate Secretary to announce the results of the voting for the approval of the 2021 Operations and Results of the Corporation which were appended to the Definitive Information Statement, the 2021 Annual Report and the Consolidated Audited Financial Statements of the Corporation as of December 31, 2021 as audited by Reyes Tacandong & Co.

The Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor of the approval. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,545,332,817	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolution was passed and adopted:

“**RESOLVED**, That the 2021Annual Report, 2021 Consolidated Audited Financial Statements of APC Group, Inc., and the Corporation’s 2021 Operations and Results are approved.”

5. **Approval and Ratification of the Acts of the Board of Directors and Management**

The next item in the agenda was the approval and ratification of the acts of the Board of Directors and Management during their term of office. The Chairman explained that the summary of these acts could be found in the Definitive Information Statement that was made available to all stockholders.

Upon inquiry from the Chair, the Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor for the approval and ratification. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,545,332,817	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolutions were passed and adopted:

“**RESOLVED**, that all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Directors, Board Committees, and Management of APC Group, Inc. (the ‘Corporation’) from the date of the last Annual Stockholders’ Meeting up to the date of meeting are approved, ratified, and confirmed.

“**RESOLVED FINALLY**, that all acts, proceedings, elections and appointments performed or taken pursuant to the foregoing resolution, be in all respects approved, ratified and confirmed.”

6. **Election of Directors for 2022-2023**

The next item in the agenda is the election of directors for the year 2022-2023. The Chairman requested Mr. Jerry C. Tiu, Chairman of the Corporate Governance Committee, to announce the nominees.

Mr. Tiu announced the following nominees, prequalified by the Corporate Governance Committee, for the election to the Board for 2022-2023:

WILLY N. OCIER
IAN JASON R. AGUIRRE
JACKSON T. ONGSIP
EDMUNDO L. TAN
VIRGINIA A. YAP

Independent Directors

RAFAEL M. ALUNAN III
JERRY C. TIU

Upon inquiry from the Chair, the Corporate Secretary announced the tabulation of the votes received and cast in favor of the said nominees, as follows:

Nominee	Number of shares voting in favor	%
Willy N. Ocier	4,545,332,817	100%
Ian Jason R. Aguirre	4,545,332,817	100%
Jackson T. Ongsip	4,545,332,817	100%
Edmundo L. Tan	4,545,332,817	100%
Virginia A. Yap	4,545,332,817	100%
Rafael M. Alunan III	4,545,332,817	100%
Jerry C. Tiu	4,545,332,817	100%

The Corporate Secretary announced that since there are only seven (7) nominees and with the votes received, all nominees have obtained sufficient votes for election. The following resolution was then passed and approved:

“RESOLVED, that the following persons are elected directors of APC Group, Inc. for a period of one (1) year until their successors shall have been duly elected and qualified.

WILLY N. OCIER
IAN JASON R. AGUIRRE
JACKSON T. ONGSIP
EDMUNDO L. TAN
VIRGINIA A. YAP

Independent Directors

RAFAEL ALUNAN III
JERRY C. TIU

7. **Appointment of External Auditor**

The next item in the agenda was the appointment of the Company’s External Auditor for 2022. The Chairman of the Audit Committee, Mr. Rafael M. Alunan III informed the shareholders that the Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for 2022.

Upon inquiry from the Chair, the Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor for the approval and ratification. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,545,332,817	100%	0	0%	0	0%

Accordingly, the following resolution was passed and approved:

“RESOLVED that Reyes Tacandong & Co. is appointed as the External Auditor of APC Group, Inc. for 2022, under such terms and conditions as may be approved by the Board.”

The Chairman then announced that as stated in the Definitive Information Statement, all stockholders of record were allowed to submit questions via email to apc.corpsec@gmail.com, and through the live comments broadcast section of the proceedings. He added that for those not entertained due to time constraints, the Corporation will endeavor to respond to their questions via email.

Upon request of the Chair, the Corporate Secretary read the following question sent via email:

“Are there any plans for the renewal of KGP’S service contract with the DOE?”

The President and Chief Executive Officer, Mr. Ian Jason Aguirre gave the following reply:

“Yes we are awaiting DOE’s response to our submission of Request for Suspension of Obligations with Extension, which intends to grant extension of the service contract in response of exploration activities impacted by the COVID19 Pandemic. We have also submitted to DOE our Letter of Intention for New Investment which, when approved, will grant further exploration period for Kalinga.”

The other question that was sent to us states: “What can we look forward from the KGP?”

We can expect a continue effort to explore the New Discovery areas through further 3G activities. Prior, there will be continue engagements with stakeholders, both existing and new, to ensure continued support and acceptance of the project. Upon favorable findings from the 3G, the decision and planning to commence exploration drilling will be reviewed and pursued.”

8. Other Matters

The Chairman inquired if there were other matters that could properly be taken up at this meeting. The Corporate Secretary confirmed that there was none.

9. Adjournment

There being no further business to transact, the meeting was upon motion duly made and seconded thereupon adjourned.

CERTIFIED CORRECT:


RICHARD ANTHONY D. ALCAZAR
Corporate Secretary

ATTESTED BY:


WILLY N. OCIER
Chairman