

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF

TKC METALS CORPORATION

Held at the Magellan Room, 41st Floor, Discovery Suites,
25 ADB Avenue, Ortigas Center, Pasig City
on 25 October 2018 at 8:00 a.m.

| | |
|--|-------------|
| TOTAL NUMBER OF SHARES OUTSTANDING | 940,000,000 |
| TOTAL NUMBER OF SHARES PRESENT / REPRESENTED AND ENTITLED TO VOTE | 667,330,704 |

DIRECTORS PRESENT:

BEN C. TIU
IGNATIUS F. YENKO
A. BAYANI K. TAN
VICENTE V. DE VILLA, JR.
VICTOR C. FERNANDEZ
PRUDENCIO C. SOMERA, JR.

OFFICERS PRESENT:

EFREN REALEZA, JR. (Chief Finance Officer)
ANN MARGARET K. LORENZO (Assistant Corporate Secretary)
DOMINGO S. BENITEZ, JR.
ANTONIO JACOB A. ELIZAGA

CALL TO ORDER

The Chairman, Mr. Ben C. Tiu, called the meeting to order and presided over the same. The Corporate Secretary, Atty. A. Bayani K. Tan, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

Upon request of the Chairman, the Secretary certified that notices of the meeting were sent to all shareholders of record as of 17 September 2018 in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

Thereafter, the Secretary certified that, based on the register of attendees and proxies as tabulated by the Professional Stock Transfer, Inc., the Corporation's Stock Transfer Agent, out of the Nine Hundred Forty Million (940,000,000) shares of the total outstanding capital stock of the Corporation, there were present, in person or by proxy, Six Hundred Sixty-Seven Million Three Hundred Thirty Thousand Seven Hundred Four (667,330,704) shares, representing an attendance of Seventy One percent (71%) of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

**APPROVAL OF THE MINUTES OF THE
PREVIOUS STOCKHOLDERS' MEETING**

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting was dispensed with as the same had been previously distributed to

the shareholders. The minutes of the previous was thereafter approved, as circulated, with the shareholders voting as follows:

| AGENDA ITEM | VOTES IN FAVOR | VOTES AGAINST | ABSTAIN |
|---|-----------------------|----------------------|----------------|
| Approval of Minutes of the Previous Meeting of Stockholders | 667,330,704 | 0 | 0 |

The following resolution was thereafter passed:

“RESOLVED, that the Minutes of the previous Annual Meeting of the Stockholders of TKC Metals Corporation (the ‘Corporation’) is hereby approved.”

REPORTS AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS

The Chairman requested Mr. Domingo S. Benitez to report on the Corporation’s financial and operating performance for the calendar year ended 31 December 2017. He reported that the year 2017 has proven to be another difficult and challenging year for the Corporation.

The Corporation’s main steel manufacturing subsidiary, Treasure Steelworks Corporation (“Treasure”) has been incurring losses for the past few years particularly due to the suspension of Treasure’s operation in 2013 and insufficient power supply. As at December 31, 2017, Treasure has not resumed operation and is currently evaluating the rehabilitation of the beneficiating plant and blast furnace, both of which stopped due to a lack of electricity for refining into steel. Should the rehabilitation push through, expected completion is on or around the first quarter of 2019. This would be the first integrated steel plant in the country, allowing Treasure to produce nickel concentrates.

Zhangzhou Stronghold Steel Works Co., Ltd (“ZZS”) continues to operate in China and has generated ₱363 million in revenues for 2017. This is due to significant increases in ZZS’s production and sales activity. Despite the very competitive market conditions, the weak steel demand in China as a slowing economy curbs demand for building materials, and the decline in steel prices, ZZS’s production volume increased by 46% from 10MT to 15MT. Sales volume also increased by 60% from 8MT to 13MT. The nominal sales value likewise increased by 34% from ₱271 million to ₱363 million while the cost to sales increased only by 4%.

TKC’s overall operating and financial performance continued to suffer in 2017. The Company had a total comprehensive loss of ₱728 million in 2017, 78% higher than the comprehensive loss of ₱409 million in 2016. Although the consolidated revenues increased by 34% resulting to a positive gross profit of ₱22M from a negative gross profit of 56 last year, still the bottom line performance resulted in a loss brought about by the sudden increase in the operating expenses by 170% to ₱868 million from ₱321 million in 2016 primarily due to recognized impairment loss in the property, plant and equipment of Treasure for ₱683 million.

Despite the slump in operating performance, the Group’s financial condition remains sound. Total Assets remained steady at ₱4.688 billion or just 11% down from ₱5.244 billion primarily due to impairment loss. Our consolidated property, plant and equipment amounting to ₱3.404 billion represent 73% of the total assets.

According to Mr. Benitez, despite the problems of the past years, there is still reason to assume a positive view. The installation of the 1st Blast Furnace Facility of Treasure Steel would bring in high cost savings and require minimal power consumption from a high of 45 MWPH to around 12-15 MWPH. The Corporation has also set its sights on a new kind of production technology that will produce a product that is less volatile in prices and with a strong domestic and foreign market demand. The business opportunity in this new product is projected to run beyond 2020 due to Indonesian ore ban last 2014. The projected price will go higher due to the cutting down of production capacity in China to control pollutants resulting to a limited supply thus forcing prices to go up.

Thereafter, upon motion duly made and seconded, the Corporation's Operations and Results for 2017 together with the 2017 Audited Financial Statements and accompanying notes were approved by the stockholders who voted as follows:

| AGENDA ITEM | VOTES IN FAVOR | VOTES AGAINST | ABSTAIN |
|---------------------------------|-----------------------|----------------------|----------------|
| Approval of the 2016 Operations | 667,330,704 | 0 | 0 |

The following resolution was likewise approved:

“RESOLVED, that the Report on TKC Metals Corporation's Operations and Results for 2017, together with the Audited Financial Statements for the year ended 31 December 2017, be approved.”

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of corporate acts. A summary of the significant actions of the Corporation's Board of Directors and Officers were flashed on the screen for the benefit of the stockholders.

Upon motion duly made and seconded, all the acts of the Board of Directors and Officers of the Corporation from the date of the last stockholders' meeting to the present in all respects were confirmed, ratified and approved. The results of voting via poll are as follows:

| AGENDA ITEM | VOTES IN FAVOR | VOTES AGAINST | ABSTAIN |
|--|-----------------------|----------------------|----------------|
| Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting. | 667,330,704 | 0 | 0 |

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of TKC Metals Corporation (the ‘Corporation’), from the date of the last meeting of the shareholders up to the date of this meeting, are hereby confirmed, ratified and approved.”

ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year.

After motion duly made and seconded, there being eleven nominees and eleven seats to be filled, voting by ballot was dispensed with and the Corporate Secretary was directed to cast the votes in favor of the seven nominees, and the said nominees were deemed elected. The following persons were elected as members of the Board of Directors of the Corporation for the year 2018-2019 after receiving the votes indicated opposite their names:

| Nominee | No. of Votes Received | Votes Against |
|--------------------------|------------------------------|----------------------|
| Ben C. Tiu | 667,330,704 | 0 |
| Ignatius F. Yenko | 667,330,704 | 0 |
| A. Bayani K. Tan | 667,330,704 | 0 |
| Alexander Y. Tiu | 667,330,704 | 0 |
| Prudencio C. Somera, Jr. | 667,330,704 | 0 |
| Enrico G. Valdez | 667,330,704 | 0 |
| Domingo S. Benitez, Jr. | 667,330,704 | 0 |
| Antonio Jacob A. Elizaga | 667,330,704 | 0 |
| Victor C. Fernandez | 667,330,704 | 0 |
| Vicente V. de Villa, Jr. | 667,330,704 | 0 |
| Pablito C. Bermundo | 667,330,704 | 0 |

In compliance with the requirements of the Revised Code of Corporate Governance and Rule 38 of the Revised Implementing Rules of the Securities Regulation Code, Messrs. Pablito C. Bermundo, Vicente V. de Villa, Jr., and Victor C. Fernandez were elected as independent directors of the Corporation, as endorsed by the Corporation's Nomination Committee in its meeting of 28 September 2018.

APPOINTMENT OF EXTERNAL AUDITOR

The body next considered the appointment of the Corporation's external auditors for Year 2017-2018. As recommended by the Board of Directors, the stockholders considered the re-appointment of the auditing firm of Reyes, Tacandong & Co. as the Corporation's external auditor.

No questions or objections having been raised by the shareholders present despite opportunity having been given, the proposal to re-appoint Reyes Tacandong & Co. as the Corporation's external auditor for Year 2018-2019 was approved by the shareholders as follows based on the results of voting via poll:

| AGENDA ITEM | VOTES IN FAVOR | VOTES AGAINST | ABSTAIN |
|--|-----------------------|----------------------|----------------|
| Appointment of Reyes Tacandong & Co. as External Auditor for 2018-2019 | 667,330,704 | 0 | 0 |

The following resolution was likewise approved:

“RESOLVED, that the auditing firm of Reyes, Tacandong & Co. be appointed as the external auditor of **TKC METALS CORPORATION** (the ‘Corporation’) for the Year 2018-2019.”

APPROVAL OF INCREASE IN AUTHORIZED CAPITAL STOCK & CONVERSION OF ADVANCES TO EQUITY

The next item in the agenda is the proposed increase of the Corporation’s Authorized Capital Stock which was previously approved by the Board of Directors on 3 September 2018. Upon motion duly made and seconded, the stockholders representing at least 2/3 of the outstanding capital stock, in all respects, confirmed, ratified, and approved the increase in the Corporation’s Authorized Capital Stock from One Billion (1,000,000,000) Common Shares to Three Billion (3,000,000,000) Common Shares, as well as the conversion of advances to equity, based on the following results of voting via poll:.

| AGENDA ITEM | VOTES IN FAVOR | VOTES AGAINST | ABSTAIN |
|---|-----------------------|----------------------|----------------|
| Increase of the Corporation’s Authorized Capital Stock from One Billion (1,000,000,000) Common Shares to Three Billion (3,000,000,000) Common Shares and the conversion of advances to equity | 667,330,704 | 0 | 0 |

The following resolution was likewise approved:

“RESOLVED that **TKC STEEL CORPORATION** (the “Corporation”) be authorized to increase its authorized capital stock be from One Billion Pesos (Php 1,000,000,000.00) divided into One Billion (1,000,000,000) shares with a par value of One Peso (Php 1.00) per share, to Three Billion Pesos (Php 3,000,000,000.00) divided into Three Billion (3,000,000,000) common shares with a par value of One Peso (Php 1.00) per share, and the corresponding amendment to SEVENTH Article of the Corporation’s Articles of Incorporation.”

AMENDMENT OF ARTICLES OF INCORPORATION TO REFLECT CHANGE IN PRINCIPAL ADDRESS

Next, the Chairman went on to discuss the amendment of the Articles of Incorporation to reflect the change in the Corporation’s principal office address. Upon motion duly made and seconded, the amendment of the Corporation’s Articles of Incorporation was approved by the stockholders representing at least 2/3 of the outstanding capital stock and voting as follows:

| AGENDA ITEM | VOTES IN FAVOR | VOTES AGAINST | ABSTAIN |
|---|-----------------------|----------------------|----------------|
| Amendment of the Articles of Incorporation to reflect the Corporation's change in principal address to 2 nd Floor, W Tower Condominium, 39 th St., North Bonifacio Triangle, Bonifacio Global City, Taguig City | 667,330,704 | 0 | 0 |

The following resolution was likewise approved:

“RESOLVED, that THIRD Article of the Corporation’s Articles of Incorporation be, as it is hereby, amended to reflect the principal place of business of the Corporation at 2nd Floor, W Tower Condominium, 39th St., North Bonifacio Triangle, Bonifacio Global City, Taguig City.”

ADJOURNMENT

There being no other matters to be discussed, the meeting was, upon motion duly made and seconded, adjourned.

Attested by:

BEN C. TIU
Chairman of the Meeting

A. BAYANI K. TAN
Corporate Secretary