



Global Ferronickel Holdings, Inc.

THE PRESIDENT'S REPORT

28 June 2017

AT A GLANCE

MPSA No. 007-92-X valid until 20 June 2041	4,376 hectares Additional 843 hectares adjacent to existing site	Located in Sitio Kinalablaban Brgy. Cagdianao Claver, Surigao del Norte	Annual maximum production volume 7.7 million WMT
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WHAT IS
SURFACE MINING?
Our lateritic nickel deposits are near-surface and blanket-like layers. The soft nature of the topsoil and overburden allows us to conduct simple surface mining using trucks and excavators without drilling, blasting, the use of chemicals, or complex waste handling.

PMIEA Titanium Achievement for Surface Mining Operation	Most Improved Safety Performance Best Surface Mine Supervisor	Resources Inferred Reserves	50.3 million DMT 18.1 million DMT 23.1 million DMT	
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THRIVING UNDER INCREASED PRESSURES



Contract area renewed
(valid until 20 June 2041)

4,376 hectares

Additional rights acquired

843 hectares

Revenues
Sale of Nickel Ore

₹3.8 billion

Volume Mix
Low vs. Med/High Grade

56% : 44%

Average realized
price per WMT

US\$17.9

ENHANCING OVERSIGHT, REDUCING ASSET INTENSITY AND SAVING MONEY



Our standardized performance metrics for mining contractors

- minimum production volume per day
- stockpile inventory
- volume of ore shipped
- equipment efficiency
- environment policies
- safety policies

Mining
Contractors

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Average Mining Cost
Reduction per WMT

30%

Maintenance
CAPEX Reduction

22%

Net Income
Attributable to Equity Holders

£37.5 million

SUPPORTING BETTER ENVIRONMENTAL GOVERNANCE



**Presidential Mineral Industry
Environmental Award (PMIEA)
Titanium Achievement for
Surface Mining Operation**



**Most Improved
Safety Performance Award**



**Best Surface
Mine Supervisor Award
Engr. Royvel V. Jumalon**

MAKING IT WORTHWHILE FOR ALL



Share buyback
6,333,333 shares

Direct and indirect employment
4,000

Workforce belonging to the local communities
85%

Total taxes paid
₱468,123,961

Environmental Protection
and Enhancement Program
₱102,331,577

Social Development
and Management Program
₱49,103,752

REINVESTING IN THE BUSINESS THROUGH FOCUSED MINERAL EXPLORATION



Measured and
indicated resources

50.3 million DMT

Inferred resources

18.1 million DMT

Reserves

**23.1 million DMT or
35.5 million WMT**

Exploration method

**Stage-Approach
Strategy**

...AND STEADILY RETURNING CASH TO OUR SHAREHOLDERS



Share buyback

6,333,333 shares

as of 31 Dec 2016

33,433,333 shares

as of 27 Jun 2017

3 Year Average
Return on Equity

36%

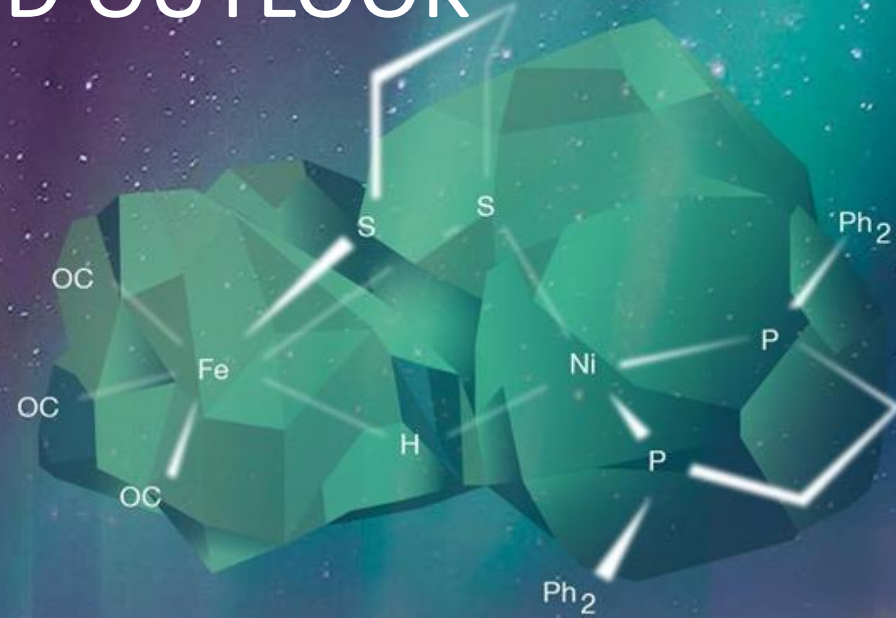
3 Year Average
Return on Assets

26%

3 Year Average
EBITDA Margin

32%

MARKET REVIEW AND OUTLOOK



LARGE ADDRESSABLE MARKETS CREATE LONG-TERM DEMAND

Urbanization and infrastructure
modernization in Asia

2017–2020: 3% annual nickel
demand growth



Battery systems for electric car

2016: 2 million units

2020: 9–20 million units

2025: 40–70 million units



DEPRESSED PRICES BUILD SOLID FOUNDATION FOR TAKE OFF



The nickel market in China has been more resilient and is trading at a premium compared to LME futures due to a shortage of ore supply in the physical market

Updates

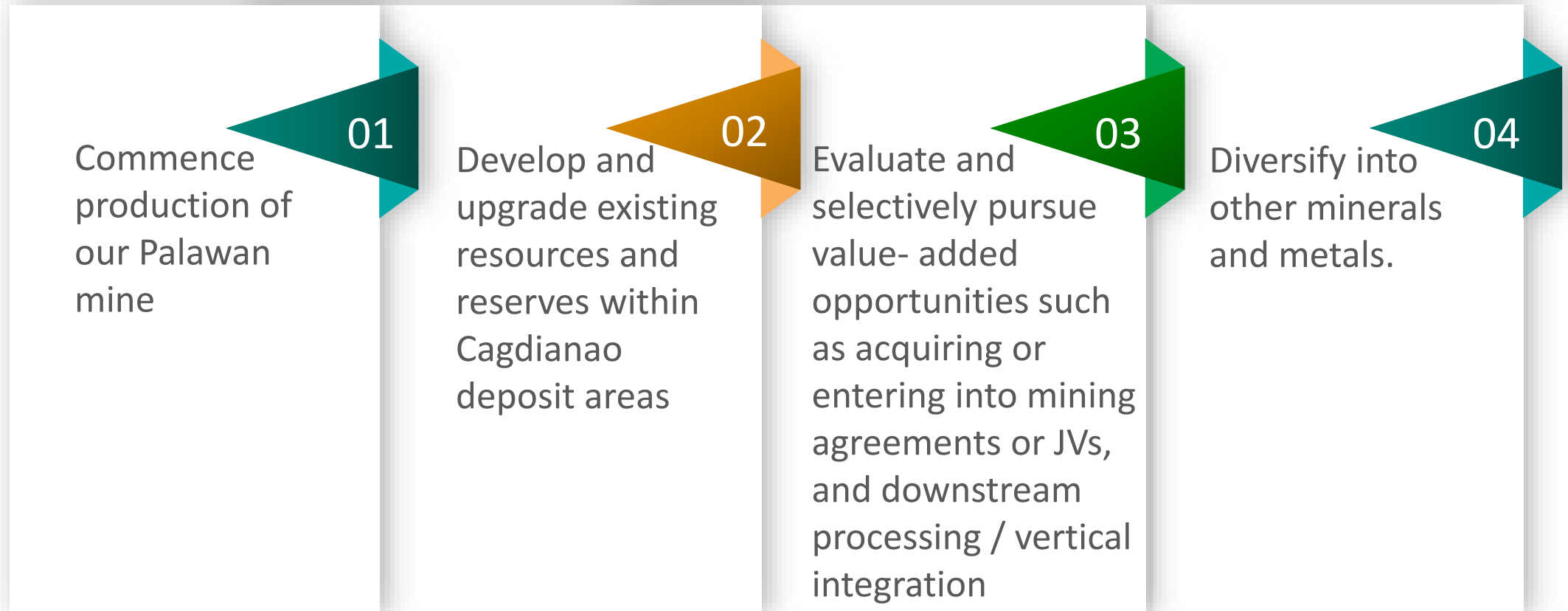
Year-to-date	2017	2016
Average price/WMT	US\$18.4	US\$13.9
Volume (million WMT)	1,747	1,037
Vessels shipped	32	19

as of 27 Jun

Source: Bloomberg
London Metal Exchange (LME) prices were referenced with 3-month contracts
Nickel ore prices were referenced with Shanghai Metals Market China 1.4%- 1.6 % Nickel Ore Price Daily

STRATEGIES

4 STRATEGIES that will help us realize



1 BIG goal: a bigger, dynamic and high social impact enterprise



PROGRESSION

We set things in motion. Not through push and shove that might throw the inexperienced off balance, but with constant strides that encourage one to join our cause — that of responsibly mining the earth's bounty for the valuable resources that hold our cities together and sustain our everyday lives.

In bold yet steady and calculated steps, we move forward.

