

**Minutes of the Annual Meeting of the Stockholders of  
GLOBAL FERRONICKEL HOLDINGS, INC.  
held on 29 June 2022  
via video conference in Parañaque City**

ATTENDANCE:

Number of Shares represented by Stockholders Attending in person or by proxy	3,602,165,488
Total Number of Issued and Outstanding Shares	5,199,872,829
Percentage of	69.27%

DIRECTORS PRESENT:  
(via video conference)

Joseph C. Sy  
Dante R. Bravo  
Mary Belle D. Bituin  
Francis C. Chua  
Dennis Allan T. Ang  
Edgardo G. Lacson  
Noel B. Lazaro  
Gu Zhi Fang  
Sergio R. Ortiz-Luis, Jr.  
Jennifer Y. Cong

ALSO PRESENT:  
(via video conference)

Eveart Grace P. Claro

I. Call to Order

Atty. Dante R. Bravo acted as Chairman of the meeting. After he introduced Board Chairman Mr. Joseph C. Sy and the members of the Board, Atty. Bravo called the meeting to order. Atty. Eveart Grace Pomarin-Claro recorded the minutes as Corporate Secretary.

II. Certification of Quorum

The Corporate Secretary informed everyone that the meeting is being convened via zoom and recorded following the Securities and Exchange Commission requirements. She noted the presence of the current/nominee directors at the meeting. She also presented proof of publication of the Notice of the meeting on print and online platforms of the Manila Times and The Manila Standard, and the Company's website [www.gfni.com.ph](http://www.gfni.com.ph) and the PSE Edge profile. The last day of publication was on May 31, 2022 which is more than 25 days prior to this meeting. The Corporate Secretary certified that the stockholders of record have been duly notified.

Further, the rules of conduct of the meeting and the voting procedures for the virtual meeting were previously circulated to all registered stockholders and were also read by the Corporate Secretary. She explained that stockholder of record were given until June 27, 2022 to send their question on any items on the agenda by email at [asm2022@gfni.com.ph](mailto:asm2022@gfni.com.ph) Voting in absentia was utilized for this meeting and for this purpose the stockholders had until June 17, 2022 to cast their votes either by sending their ballots or their proxy forms at [asm2022@gfni.com.ph](mailto:asm2022@gfni.com.ph) Validation of proxies and tabulation of votes were completed on June 21, 2022.

The Corporate Secretary certified that there being present in person or by proxy, stockholders owning 3,602,165,488 common shares issued, outstanding, and entitled to vote equivalent to 69.27% of the outstanding capital stock of 5,199,872,829, a quorum existed.

*Note: prior to the meeting the sound check was made to determine if proceedings audio is audible to all directors/participants present.*

III. Approval of the Minutes of Last Year's Annual Stockholders' Meeting held on June 30, 2021

The Chairman proceeded on the first item on the agenda which is the approval of the minutes of the previous meeting on June 30, 2021, copies of which were earlier circulated to the stockholders and uploaded to the Company's website. The Corporate Secretary presented the tally of votes and proxies which showed that the majority of the Company's outstanding shares equivalent to 3,518,079,917 approved the Minutes of the Annual Stockholders' Meeting held on June 30, 2021 with no votes against or abstaining from it. There was no question received for this item. Based on the Corporate Secretary's report, the Chairman directed that the tally of votes be reflected on the minutes of the meeting.

IV. Approval of the Audited Financial Statements and Annual Report; President's Report

The next item on the agenda was the Audited Financial Statements of December 31, 2021 which was earlier circulated to the stockholders. At this juncture, Atty. Bravo delivered his Report as President of the Company.

Atty. Bravo reported that the Company looks at 2021 as a year of challenges and opportunities. As the country moves forward post-pandemic, FNI remains aggressive in achieving targets insofar as punching above our weight to surpass our goals as a dominant institution in the resources sector, as well as in the broader business community.

After sharing his view of the domestic and global economic landscape for the Nickel industry, he proceeded to discuss the results of operations. He reported that for the calendar year 2021, the Company posted a net income of 1.98 billion pesos, up by 5.9% from the previous year.

Revenues grew by 6.1% year-on-year. In 2021, it is equivalent to 7.71 billion pesos vs. 7.26 billion pesos in 2020. For the calendar year 2021, our Company posted a net income of 1.98 billion pesos, up by 5.9% from the previous year.

Revenues grew by 6.1% year-on-year. In 2021, it is equivalent to 7.71 billion pesos vs. 7.26 billion pesos in 2020. The bulk of their revenues come from Platinum Group Metals Corporation's mining operations, with incremental contributions from another wholly-owned subsidiary, PGMC International.

The increase in revenue is driven mainly by the higher nickel ore price realized in 2021, averaging at US\$31.78 per WMT or 21.5% higher than the previous year's average realized price. The sales mix for 2021 is comprised of 77% low-grade nickel ore and 23% medium-grade nickel ore

In terms of shipment volume, the group delivered 4.887 million wet metric tons in a total of 90 shipments during the 2021 mining season vs. 5.625 million wet metric tons in a total of 103 shipments in 2020.

The 13% decrease in shipment volume is mainly due to unfavorable weather conditions: higher rainfall and more swell conditions experienced in 2021. Another factor that also contributed to the lower output is the implementation of anti-CoVid19 safety protocols (such as employee quarantine at the mine site prior to deployment, etc.) that prolonged some processes, especially at the start of the mining season.

Indeed, despite our continuous efforts towards operational efficiencies and revenue growth, we still contend with the changing climate and weather conditions. We are therefore very methodical in scheduling our production period and employ prudent stockpiling activities.

Due to the lower shipment volume in 2021, the group's total cost and expenses decreased by 0.8%. From 4.55 billion pesos in 2020 to 4.52 billion pesos in 2021. This is mainly attributed to the decrease in Contract Hire Cost, which accounts for approx 69% of the cost of sales and is positively correlated to the shipment volume, such that if and when the shipment volume decreases, the contract hire cost also decreases.

Despite the lower total cost and expenses, the Group's cash operating cost per unit (based on shipment volume) is higher at 849 pesos per WMT in 2021 vs. 720 pesos per WMT in 2020. The increase in operating cost is attributable to higher excise taxes and royalties (based on higher sales revenues), and higher costs incurred for repairs and maintenance of heavy equipment and LCTs, increased fuel consumption for transport services (increased trips in shuttling employees due to social distancing requirement) and heavy equipment (for rehabilitation of roads; more mining blocks/areas being maintained), increase in fuel price, and other manpower-related costs.

The total assets of the group grew by 20% from the previous year, to 13.9 billion pesos as at December 31, 2021. Among the contributors to this increase are the net increase in cash and cash equivalents generated from operations, acquisition of equipment and other capitalizable items, and additional assets recognized as a result of business combination from our investment in Seasia Nectar Port Services Inc.

In the middle of 2021, we acquired a new loan with Taiwan Cooperative Bank in the amount of 15 million dollars. It was used to pay off our existing loan of about 9.4 million dollars and the rest were for working capital purposes.

The key performance indicators based on the audited financial statements for the calendar December 31, 2021 comprise of a Current Ratio - 5.13 is to 1; Debt-to-Equity Ratio - 0.31 is to 1; Return on Assets - 15.5%; Return on Equity - 20%; EBITDA Margin - 39.50%; and Earnings Per Share - Php 0.38.

Overall FNI also experienced a better profit margin for the year due to better market conditions for Nickel ores. We also managed to maintain our net income margin through prudent expense management, and increase in ore reserves resulting in lower depletion and amortization rate.

FNI declared a cash dividend at 20 centavos per share to stockholders of record as of April 20, 2022. The second consecutive year in doing so, and the Company intends to maintain a consistent dividend payout based on its consolidated net income for the preceding year subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends.

Pursuant to the approved Share Buyback Program, FNI repurchased a total of 126,862,000 common shares amounting to 367.9 million pesos in 2021. As at December 31, 2021, the company has a total of 862,044,322 shares amounting to 1.9 billion pesos in treasury shares.

**FNI STEEL CONSTRUCTION.** Within the next three years, we target to commence its operations, and to produce an estimated output of 1 million MT of 10mm-40mm steel rebars per year. This is based on the revised project plan which has been developed in-house and in consultation with plant experts based in China.

**SNPSI.** SNPSI operates the first purpose-built Dry Bulk Terminal located within the FAB in Mariveles and handles shipments of coal, clinker, silica sand, and cement raw materials, as well as steel, fertilizer, and other dry bulk cargoes.

**BUSINESS DIVERSIFICATION.** Although we strongly believe in the growth potential of the Nickel mining business, we are also proactive in diversifying our investments towards high-growth industries and businesses that we think can provide operational synergies and improve our cost efficiencies. We see that our business diversification initiatives will provide both risk reduction and optimal value to our stakeholders.

One of the endeavors we are pursuing and is expected to be completed this year is our acquisition of a 20% equity stake in Guangdong Century Tsingshan Nickel Industry Co. Ltd. (GCTN). GCTN is a nickel alloy enterprise in China that operates in a 33-hectare area with more than 800 employees and has an annual optimal output of 30,000 tons of pure nickel.

Our interest in GCTN is consistent with our strategy to diversify and enhance our business synergies. This acquisition will enhance synergies between FNI as an ore supplier and GCTN as a value-added processor.

**MINE EXPANSION.** Our belief in the strong growth potential and significance of the Nickel industry to societal development propels us to continuously seek growth in our core business. We are both strategic and opportunistic in expanding our business to bring accretive investments that will provide value to our stakeholders. With this, it is our pleasure to announce to our shareholders that we are expanding our footprint by adding the Ipilan Nickel Corporation to our Nickel mine portfolio.

This year, we are targeting to complete the acquisition of the Ipilan Nickel mine, which is located in southeastern Palawan and is operated by Ipilan Nickel Corporation through an operating agreement with Celestial Nickel Mining Exploration Corporation (CNMEC), the holder of the INC mine MPSA.

The addition of Ipilan Nickel Corporation to our portfolio is a huge milestone for our company and we believe that this is an integral step for our future growth trajectory. With the seasonality of mining activities and the difference in weather conditions in Surigao and Palawan, Ipilan will strategically enable us to have a stable Nickel ore supply all year round.

Moving forward, we will remain vigilant and opportunistic in possible value accretive acquisitions and expansion plans for our Nickel mining business.

**CONTINUOUS EXPLORATION.** To support the company's continuous growth and expansion, FNI is committed to pursuing its extensive drilling and exploration program to confirm and potentially expand our ore resources. We invest significant time and resources in these activities that enable us to exercise prudence in our ore reserve and resource estimates.

From 2021 to 2023, our company allocated P73 million to continue production drilling in CAGA 1 to 4, and exploration drilling in CAGA 6 and 7. We expect these activities to improve our resource inventory and increase our confidence in our resource estimates.

As of Oct 2021, we have already drilled a total of 1,736 holes in CAGA 7 and Higdon while CAGA 3 and 4 production drill holes were completed in the same period.

This enables us to measure and indicate a mineral resource of 72.773M DMT with an average grade of 1.1% Nickel and 30.9% Iron, translating to an approximate remaining mine life of 10 years, which is expected to be extended after the completion of the exploration program by 2023.

**SOCIAL.** FNI acts beyond regulatory compliance to ensure that the company positively impacts communities while fostering significant economic growth.

In 2021, FNI spent a total of Php 43.1 million on its Social Development and Management Program or SDMP.

**ENVIRONMENT.** In terms of environmental protection, EPEP financial accomplishment amounted to Php 99.2 million pesos.

FNI Spent at least 14.5 million pesos on Typhoon Odette response or a total of Php 8.3 million was allocated for the FY2021 Covid-19 Assistance.

**IP/ICC ROYALTY SHARE.** Lastly, in 2021, FNI paid Php 71 million in royalties and continued with its initiatives for the IP communities such as scholarship programs and donation of school facilities, apart from feeding and healthcare programs, and provision of livelihood to help them become self-reliant.

**PMIEA.** After years of hard work and dedication, PGMC was conferred the Presidential Award in Presidential Mineral Industry Environmental Award (PMIEA) for surface mining category.

PGMC also bagged 2nd runner-up in Best Mining Forest category in the recent Mining Forest Program awards.

FNI takes pride in having gained these industry recognitions, which highlight our efforts in "Creating a culture of environmental stewardship and social responsibility".

In closing, the year 2021 is our strongest year so far since 2018 but this is only the beginning and a benchmark that we are committed to surpass. We believe that we are poised to grow as opportunities in the market abound. From the global demand for nickel to support the emerging technologies such as e-vehicles to the continuing need for stainless steel.

In summary, we commit to pursue these investments that will further strengthen our position. The addition of Ipilan nickel Corporation to our mining operations will significantly increase our capacity and add more to our revenues. Our investment in a smelting plant in China will strengthen our growth trajectory. Aggressive diversification related businesses such as the steel plant and the port facilities to support our core businesses and harness synergies.

Moreover, with the recent acquisitions and expansion plans we expect these investments to further build up on the robust growth trajectory we have diligently built for several years.

Based on the votes received, the majority of the outstanding shares of the Company, equivalent to 3,515,551,466, approved the Company's Audited Financial Statements as audited by the Company's external auditors as of December 31, 2021, Sycip, Gorres, Velayo & Co. and the Annual Report of the Company. With no votes against or abstain. There was no question received for this item.

V. Election of Directors

For the next item on the agenda, the Corporate Secretary presented the nominee directors as pre-screened by the Nominations Committee. The Nomination Committee Chairman Mr. Edgardo G. Lacson presented the following nominees who were thereafter elected as directors of the Company to serve as such until the election and qualification of their successors.

Regular Directors	VOTES		
	For	Against	Abstain
Joseph C. Sy	3,503,436,468	14,643,449	0
Dante R. Bravo	3,506,241,341	11,838,576	0
Gu Zhi Fang	3,460,640,674	57,439,243	0
Dennis Allan Ang	3,460,640,674	57,676,819	0
Mary Belle D. Bituin	3,460,403,098	57,676,819	0
Francis C. Chua	3,460,640,674	57,439,243	0
Jennifer Y. Cong	3,460,640,674	57,439,243	0
Noel B. Lazaro	3,460,640,674	57,439,243	0
<b>Independent Directors:</b>			
Edgardo G. Lacson	3,508,032,917	10,047,000	0
Sergio R. Ortiz-Luis Jr.	3,508,032,917	10,047,000	0

There was no question received for this item.

VI. Ratification of acts of the Board of Directors and proceedings of the Board of Directors Board Committees and Management

The next item on the agenda was ratification of acts of the Board of Directors and proceedings of the Board of Directors Board Committees and Management as presented. In the exercise of powers delegated by the Board, which were adopted from June 30, 2021 until today, these acts and resolutions are reflected in the minutes of the meetings, and they include the election of officers, members of the Board committees, the appointment of attorneys-in-fact and authorized signatories, treasury-related matters, declaration of cash dividends and matters covered by disclosures to the SEC and the PSE. Stockholders' ratification is also being sought for acts of our officers performed in the general conduct of our business or in accordance with the resolutions of the Board, the Executive Committee and other Board committees, and our by-laws from June 30, 2021 until today. These acts were performed to implement the resolutions of the Board or its Board committees or part of the general conduct of business.

For the resolutions subject for ratification, no questions were received. There were 3,515,581,466 votes which is equivalent to the majority of the outstanding shares cast in favor of the ratification of

the acts of the Board of Directors, the Board Committees and the Management for June 31, 2021 up to present.

VII. Amendment of Articles of Incorporation Reflecting the Corporation's New Address

For the next item on the agenda, the Corporate Secretary presented the amendment of Third Article of its Amended Articles of Incorporation to reflect the principal office at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City.

Based on the votes received,  $\frac{2}{3}$  of the outstanding shares of the Company equivalent to 3,536,091,528 approves the amendment of Third Article of its Amended Articles of Incorporation to reflect the principal office at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City. With no votes against or abstain. There was no question received for this item.

VIII. Appointment of External Auditor

For the next time on the agenda, the Audit, Risk and Related Party Transaction Committee, represented by its Chairman and Independent Director Mr. Sergio Ortiz-Luis Jr., presented for ratification of the stockholders, the appointment of the Company's external auditors, Sycip Gorres Velayo & co. ("SGV & Company") as external auditors of the Company's Financial Statements for the calendar year 2022. Based on the votes received, the majority of the outstanding shares of the Company equivalent to 3,451,458,098 approved the following resolution: "RESOLVED, the Company appoints Sycip Gorres Velayo & Co. as the External Auditor of the Company's Financial Statements for the calendar year 2021."

There was no question received for this item.

VIII. Adjournment

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

PREPARED BY:



**EVEART GRACE P. CLARO**  
Corporate Secretary