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SEC Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

Atty. Noel Lazaro																			
(Contact Person)																			

(632) 5118229									
(Company Telephone Number)									

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<i>Month</i>	<i>Day</i>				
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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings			
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Domestic	Foreign		

To be accomplished by SEC Personnel concerned

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Global Ferronickel Holdings, Inc.

Notice of Annual Meeting of Stockholders

You are notified that the Annual Meeting of the Stockholders of GLOBAL FERRONICKEL HOLDINGS, INC. (the "Company") shall be held on Wednesday, June 30, 2019, 2:00 p.m. via webcast, to consider the following:

AGENDA

1. Call to Order;
2. Certification of Notice and the Existence of Quorum;
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on February 10, 2021;
4. Annual Report and Approval of the Audited Financial Statements as of December 31, 2020;
5. Election of Directors;
6. Ratification of acts of the Board of Directors and proceedings of the Board of Directors, Board Committees and Management
 - a. Declaration of Cash dividend of P 0.10 per share for stockholders of record as of June 15, 2021;
 - b. Approval of the acquisition of 20% interest in Guangdong Century Tsingshan Nickel Co., Ltd., a material related party transaction.
7. Appointment of External Auditor;
8. Other Matters; and
9. Adjournment.

The Company has, in accordance with the By-Laws, fixed the close of business on June 2, 2021 as the record date for the determination of the stockholders entitled to notice of and to vote at such meeting and on any adjournment thereof ("Stockholders of Record").

In the light of the COVID-19 pandemic and to ensure the welfare and safety of our stockholders, the meeting will be conducted virtually.

Stockholders of Record may attend or participate via proxy, remote communication and vote in absentia. Stockholders are encouraged to participate in the meeting. Notice to attend the meeting, supporting documents, or accomplished ballot form or proxy forms may be sent to the Office of the Corporate Secretary at asm2021registration@gfni.com.ph or via courier delivery at 7th Floor, Corporate Business Center, 151 Paseo de Roxas corner Arnaiz St., Makati City on or before June 18, 2021. The detailed registration and voting procedures may be accessed at <http://www.gfni.com.ph>.

Stockholders who have successfully registered may cast their votes and will be provided access to the live streaming of the meeting. For complete information on the ASM, please visit <http://www.gfni.com.ph>.

The Definitive Information Statement along with Notice and other information related to the meeting can be accessed at <http://www.gfni.com.ph> and the PSE Edge portal.

City of Makati, Metro Manila, May 25, 2021.


ATTY. EVEART GRACE POMARIN-CLARO
Corporate Secretary



Global Ferronickel Holdings, Inc.

PROXY Annual Stockholders' meeting June 30, 2021

I, the undersigned stockholder of Global Ferronickel Holdings, Inc. (the "Corporation") appoint:

or, in his absence, the Chairman of the meeting, as my proxy, to act for me and on my behalf, at the Annual Meeting of the Stockholders of the Corporation scheduled on June 30, 2021 at 2:00 p.m. via video conference and any adjournment thereof for the purpose on acting for the following matters:

Instruction: You may indicate your vote by marking the same with an "√" or "X" to cast a vote for all the number of shares held or you may indicate the number of shares you wish to cast under the vote taken.

Agenda Item No.	RESOLUTION	VOTE		
		For	Against	Abstain
3	Approval of the Minutes of the Previous Annual Stockholders' Meeting held on February 10, 2021			
4	Annual Report and Approval of the Audited Financial Statements as of December 31, 2020			
5	Election of Directors			
	(1) Joseph C. Sy			
	(2) Dante R. Bravo			
	(3) Gu Zhi Fang			
	(4) Dennis Allan Ang			
	(5) Mary Belle D. Bituin			
	(6) Francis C. Chua			
	(7) Jennifer Y. Cong			
	(8) Noel B. Lazaro			
	(9) Edgardo G. Lacson (Independent Director)			
	(10) Sergio R. Ortiz-Luis, Jr. (Independent Director)			
6	Ratification of acts of the Board of Directors and proceedings of the Board of Directors, Board Committees and Management			
	a. Declaration of Cash dividend of P0.10 per share for stockholders of record as of June 15, 2021			
	b. Approval of the acquisition of 20% interest in Guangdong Century Tsingshan Nickel Co., Ltd., a material related party transaction			
7	Appointment of SGV as external auditor			

Number of Shares Held:	Signature of Stockholder or Authorized Signatory:
Date:	Printed Name of Stockholder:

- To be valid, digital or scanned copy of this proxy must be submitted on or before June 18, 2021 by email to asm2021@gfni.com.ph or by courier to 7th Floor, Corporate Business Center, 151 Paseo de Roxas corner Arnaiz Sts., Makati City, Metro Manila to the attention of the Office of corporate Secretary.
- When properly executed, this proxy will be voted in the manner directed above by the stockholder. If no direction is made, this proxy will be voted for the election of all nominees and for the approval of all the matters stated above and for such matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by Management or the Board of Directors.
- A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised, by email to asm2021@gfni.com.ph or by courier to 7th Floor, Corporate Business Center, 151 Paseo de Roxas corner Arnaiz Sts., Makati City, Metro Manila to the attention of the Office of corporate Secretary. A proxy is also considered revoked if the stockholder registers for voting via remote communications or in absentia.
- Notarization of this proxy is not required.

7th Floor Corporate Business Center, 151 Paseo De Roxas cor. Arnaiz Street, Makati City, 1228 Philippines

Telephone No.: (632) 519 7888 Fax No.: (632) 812 0833

Email: info@gfni.com.ph Website: www.gfni.com.ph

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
☒ Preliminary Information Statement
☐ Definitive Information Statement
2. Name of Registrant as specified in its charter
Global Ferronickel Holdings, Inc.
3. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
4. SEC Identification Number: **ASO94-003992**
5. BIR Tax Identification Code: **003-871-592**
6. Address of Principal Office:
7th Floor, Corporate Business Centre, 151 Paseo De Roxas corner Arnaiz Street, Makati City, Metro Manila, Philippines
7. Registrant's telephone number, including area code: (632) 8519-7888
8. Date, time and place of the meeting of security holders:
Date: June 30, 2021, Wednesday
Time: 02:00 p.m.
Place/Venue: Via videoconference/livestream from 7th Floor, Corporate Business Centre, 151 Paseo de Roxas corner Arnaiz Street, Makati City
 Registered stockholders will be provided a meeting ID, password and link to the zoom meeting through their registered email addresses
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **June 8, 2021**
10. Securities registered under Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on the number of shares and amount of debt is applicable only to corporate registrants).

Title of Each Class	<u>Number of Shares of Common Stock Outstanding</u> or Amount of Debt Outstanding
Common Shares	5,210,312,829 shares

11. Are any or all of registrant's securities listed on a Stock Exchange?
 Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange	
Common Shares	6,072,357,151 shares

GENERAL INFORMATION

Date, Time and Place of Meeting of Security Holders (“Annual Stockholders’ Meeting”)

Date of Meeting: June 30, 2021, Wednesday
Time of Meeting: 02:00 p.m.
Place/Venue of Meeting: Videoconference/livestream from 7th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City, Metro Manila

The meeting ID, password and link to the zoom meeting will be provided to registered stockholders via their registered emails.

For more ASM details, please visit <http://www.gfni.com.ph/investor-relations/annual-stockholders-meeting/>

Registrant’s Mailing Address: **7th Floor, Corporate Business Centre,
151 Paseo De Roxas cor. Arnaiz Street,
Makati City, Metro Manila, Philippines**

The approximate date on which the information statement is first to be sent or given to the security holder is **June 8, 2021**.

Dissenters' Right of Appraisal

A stockholder of the Company may exercise his appraisal right against certain corporate matters or actions and in the manner provided in Title X of the Revised Corporation Code as follows:

- a. A stockholder will be entitled to exercise his appraisal right in case any of the following matters or actions occurs:
 - i. In case of any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any shareholder or any class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of the Company’s corporate existence;
 - ii. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
 - iii. In case of merger or consolidation of the Company with another corporation; and
 - iv. In case of investment of corporate funds for any purpose other than the primary purpose of the Company.
- b. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right;
- c. The dissenting stockholder shall make a written demand on the Company for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken. The

failure of the stockholder to make the demand within such period shall be deemed a waiver of his appraisal right;

- d. If the proposed corporate action is implemented or effected, the Company shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares within ten (10) days after demanding payment of his shares, the fair value thereof, provided the Company has unrestricted retained earnings; and
- e. Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No current director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year has had any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the agenda of the annual stockholders' meeting other than the election of directors.
- (b) None of the incumbent directors has informed the Company in writing of an intention to oppose any action to be taken by the Company at the Annual Stockholders' Meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

- (a) The Company has 5,210,312,829 outstanding shares as of April 30, 2021, all of which are common shares of stock. As of April 30, 2021, 1,730,987,030 common shares, or equivalent to 33.22% of the outstanding shares, are owned by foreigners. Each share is entitled to one vote.
- (b) In accordance with the By-Laws of the Company, the Board of Directors has set June 2, 2021 as the record date for the purpose of determining stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting. All stockholders of record on June 2, 2021 are entitled to notice and to vote at the Annual Stockholders' Meeting.

Voting Procedures

Vote Required

- a. Each share of the common stock outstanding on the record date will be entitled to one (1) vote on all matters.

- b. In the election of directors, the ten (10) nominees with the greatest number of votes will be elected directors. If the number of nominees does not exceed the number of directors to be elected, the Secretary of the meeting, upon motion made, is instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of directors to be elected, voting shall be done by ballots. Cumulative voting shall be followed.
- c. Only those stockholders who have notified the Company of their intention to participate in the meeting through remote communication, together with the stockholders who voted in absentia and by proxy, will be included in the determination of quorum at the meeting. By participating remotely and by proxy, a stockholder shall be deemed present for purposes of quorum. The vote of the stockholders representing the majority of the quorum shall be required to approve any action submitted to the stockholders for approval
- d. For all proposals or matters submitted to a vote, the affirmative vote of stockholders holding at least a majority of the Company's outstanding capital stock present or represented by proxy and entitled to vote shall be necessary. Unless required by law, or the stockholders, in this meeting, the shares will be voted by casting it in the official ballot or proxy form submitted on or before the end of business day of June 18, 2021.
- c. Counting of votes shall be done by the Corporate Secretary or Assistant Corporate Secretary with the assistance of the independent auditors and the Company's stock transfer agent.

Voting Method

A. Registration.

All stockholders of record may register until the close of business day of June 18, 2021. They are required to provide a valid identification card, an active email address and active contact number. For corporate stockholders, proof of authority of the representative is required (i.e. Secretary's Certificate of appointment of the authorized representative). A confirmation email will be sent no later than 3 calendar days to the stockholder once registration is complete or lacking requirements need to be provided.

B. Voting.

A registered stockholder may vote:

1. *Ballot.* A registered stockholder may electronically vote in absentia. After registration, the stockholder may cast votes on the agenda items for approval by accomplishing a ballot. Each stock is entitled to one vote. Hence, the total number of votes the stockholder is allowed to cast shall be based on the number of shares he/she owns. The accomplished ballot should be submitted via email to asm2021@gfni.com.ph before June 18, 2021. A confirmation email will be sent no later than 3 calendar days to the stockholder that his/her vote has been recorded.
2. *Proxy.* A registered stockholder may vote by proxy. Stockholders may execute the proxy form (available on the website or requested via email) and send a scanned copy to asm2021@gfni.com.ph before the end of business day of June 18, 2021.

3. If a stockholder avails of the option to cast his/her vote electronically in absentia and also issues proxy votes with differing instructions, the duly accomplished ballots sent through email shall be the one counted.

C. Livestream

A link to the meeting will be sent to all registered stockholders to access the meeting. Technical assistance prior and during the meeting is available and may be requested via email to asm2021@gfni.com.ph. After the meeting, a recording of the proceeding will be posted on gfni.com.ph and may also be requested by email to asm2021@gfni.com.ph.

D. Question and Answer

Registered stockholders may send their questions and/or comments prior to the ASM through email at asm2021@gfni.com.ph until close of business day of June 28, 2021. Questions/comments received but not entertained during the open forum due to time constraints will be addressed separately via email response.

For clarifications, please contact the Office of the Corporate Secretary via email at epclaro@gfni.com.ph.

Security Ownership of Certain Record and Beneficial Owners and Management

As of March 31, 2021, the following persons or groups are known to the Company as directly or indirectly the record or beneficial owners of more than five (5%) of the Company's voting securities:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Ownership
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Filipino	3,099,721,553	59.49%
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Non-Filipino	1,727,840,129	23.16%
Common	Regulus Best Nickel Holdings, Inc.	Direct; Joseph C. Sy	Filipino	523,154,668	10.04%

	7 th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder				
Common	Blue Eagle Elite Venture, Inc. 7 th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct; Joseph C. Sy	Filipino	348,769,779	6.29%

PCD Nominee Corporation (“PCDNC”) is a wholly-owned subsidiary of PCD. The beneficial owners of such shares registered under the name of PCDNC are PCD’s participants who hold the shares on their own behalf or on behalf of their clients. The PCD is prohibited from voting these shares. Instead, the participants have the power to decide how the PCD shares in the Company are to be voted.

As of March 31, 2021, the participants of PCDNC who own more than 5% of the Company’s outstanding capital are as follows:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Ownership
Common	BA Securities, Inc.	Direct	Filipino	2,479,245,325	47.58%
Common	Maybank Atr Kim Eng Securities, Inc.	Direct	Filipino	888,307,149	17.05%

The shares held by Regulus Best Nickel Holdings, Inc. and Blue Eagle Elite Venture, Inc. will be voted or disposed of by the persons who shall be duly authorized by these record or beneficial shareholders for the purpose.

Security Ownership of Directors and Officers as of April 30, 2021

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
Common	Joseph C. Sy	5,019,049 (direct) 2,351,416,263 (indirect)	Filipino	45.13%
Common	Dante R. Bravo	25,271,947 (direct)	Filipino	0.49%
Common	Gu Zhi Fang	1 (direct)	Chinese	0.00%
Common	Francis C. Chua	350 (direct)	Filipino	0.00%

Common	Dennis Allan T. Ang	19,000,000 (direct)	Filipino	0.36%
Common	Mary Belle D. Bituin	1,630,524(direct)	Filipino	0.03%
Common	Jennifer Y. Cong	225,812(direct)	Taiwanese	0.00%
Common	Edgardo G. Lacson	1(direct)	Filipino	0.00%
Common	Sergio R. Ortiz-Luis Jr.	1(direct)	Filipino	0.00%
Common	Noel B. Lazaro	3,231,733 (direct)	Filipino	0.06%
Common	Carlo Matilac	1,933,227 (direct)	Filipino	0.04%
Common	Eveart Grace P. Claro	10,000(direct)	Filipino	0.00%
Common	Mario A. Nevado	736,552 (direct)	Filipino	0.01%
TOTAL		2,408,475,460		46.00%

Voting Trust Holders of 5.0% or More

There were no persons holding more than 5.0% of a class of shares of the Company under a voting trust or similar agreement as of the date of this Report.

Change in Control

As of the date of this Prospectus, there are no arrangements which may result in a change in control of the Company.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The following are the incumbent directors and officers of the Company:

Name of Directors	Age	Nationality	Position
Joseph C. Sy	54	Filipino	Chairman of the Board of Directors and Director
Dante R. Bravo	45	Filipino	President and Director
Gu Zhi Fang	47	Chinese	Director
Dennis Allan T. Ang	44	Filipino	Director
Mary Belle D. Bituin	52	Filipino	Treasurer/ Senior Vice President for Finance/ Human Resources Department/ Director
Francis C. Chua	72	Filipino	Director
Jennifer Y. Cong	36	Taiwanese	Director
Noel B. Lazaro	51	Filipino	Regular Director/Senior Vice President for Legal and Regulatory Affairs, and Corporate Information Officer
Edgardo G. Lacson	77	Filipino	Independent Director
Sergio R. Ortiz-Luis Jr.	77	Filipino	Independent Director

Name of Officers	Age	Nationality	Position
Carlo Matilac	48	Filipino	Senior Vice President for Operations
Eveart Grace Pomarin-Claro	40	Filipino	Corporate Secretary/ Alternate Corporate Information Officer
Mario A. Nevado	66	Filipino	Compliance Officer

The Nomination's Committee is composed of its Chairman Mr. Edgardo G. Lacson and members Ms. Mary Belle D. Bituin and Mr. Dante R. Bravo.

Upon recommendation of the Company's Nomination Committee as required by the Company's Manual on Corporate Governance, the following are nominated for re-election or election to the position stated below for the year 2020-2021, to hold office as such for one year or until their successors shall have been duly elected and qualified.

	Name of Nominee	Position
1	Joseph C. Sy	Regular Director
2	Dante R. Bravo	Regular Director
3	Gu Zhi Fang	Regular Director
4	Dennis Allan T. Ang	Regular Director
5	Francis C. Chua	Regular Director
6	Mary Belle D. Bituin	Regular Director
7	Jennifer Cong	Regular Director
8	Noel B. Lazaro	Regular Director
9	Edgardo G. Lacson	Independent Director
10	Sergio R. Ortiz-Luis Jr.	Independent Director

The business experience for the past five years of each of our nominee directors is set forth below.

Joseph C. Sy

Chairman, and Director

Mr. Sy became Chairman of the Board of Directors on August 6, 2015. He became president of PGMCM and Company in July 2011 and on August 29, 2014, respectively. He is also a Director and Chairman of Ipilan Nickel Corporation, Chairman and President of Ferrochrome Resources Inc. and the Director of Mining for the Philippine Chamber of Commerce and Industry. Mr. Sy has more than fourteen years of experience in managing and heading companies engaged in mining and mineral exploration and development.

Dante R. Bravo

President and Director

Mr. Bravo became the President of the Company on August 6, 2015. He previously served as Executive Vice President of the Company. He has been a Director, Executive Vice President and Corporate Secretary of PGMCM since 2011. He was Chief Finance Officer of PGMCM from 2011 to 2013. He is also an attorney-at-law and a Certified Public Accountant in the Philippines. Mr. Bravo served as a Director from 2004 to 2011 and a Senior Associate from 2002 to 2004 at SGV. He is a professor of law at San Beda College and a lecturer for the Mandatory Continuing Legal Education Program for lawyers. He was the Chief Political Affairs Officer of Congressman Mr. Narciso R. Bravo Jr. He holds a Bachelor of Laws degree from San Beda College and a Bachelor of Accountancy degree from the University of Santo Tomas. Mr. Bravo has more than 10 years of corporate management experience. He placed 10th in the 2001 Philippine Bar Examinations.

Mary Belle D. Bituin*Chief Financial Officer and Treasurer and Director*

Ms. Bituin became a Director of the Company on November 2, 2015. Ms. Bituin holds a Bachelor of Science degree in Business Administration, majoring in accounting from Philippine School of Business Administration Manila. She is a Certified Public Accountant. She was Vice President for Business Transformation of Globe Telecom, Inc. She was the international auditor for the International Auditor for International Audits at the Cooperative for Assistance and Relief Everywhere (CARE), a leading international humanitarian organization fighting global poverty based in Atlanta, Georgia USA, from 1994 to 1998. She was also a senior auditor at SGV & Co. where she worked from 1988 to 1994.

Noel B. Lazaro*Senior Vice President for Legal and Regulatory Affairs and Corporate Information Officer and Director*

Mr. Lazaro became a Director of the Company on March 14, 2018. He was the Corporate Secretary from October 22, 2014 to August 24, 2018. He also acts as its Senior Vice President for Legal and Regulatory Affairs and Corporate Information Officer. He joined PGMC on August 1, 2014. He is a Director and Corporate Secretary of Southeast Palawan, PCSSC and SIRC. Mr. Lazaro served as a Partner for Siguion Reyna Montecillo & Ongsiako, an Associate at SyCip Salazar Hernandez & Gatmaitan, a Professorial Lecturer for the Lyceum of the Philippines College of Law, and the De la Salle University Graduate School of Business and Far Eastern University Institute of Law, Master of Business Administration-Juris Doctor Dual Degree Program. He completed his Bachelor of Laws degree from the University of the Philippines College of Law and placed 19th in the 1995 Philippine Bar Examinations.

Gu Zhi Fang*Director*

Ms. Gu Zhi Fang became a director of the Company on October 22, 2014. She has been a director of Ferrochrome Resources, Inc. since 2011. She has also been a director and general manager of Jiangsu Lianhua Paper Ltd., Wujiang, Jiangsu Province, China. She holds a degree in International Trade from Suzhou University.

Dennis Allan T. Ang*Director*

Mr. Ang became a Director of the Company on August 10, 2015. He has been the Corporate Secretary of Maxima Machineries, Inc. since February 2009. He is the System Architect and Lead Programmer of Engagement Workflow System Architecture Development since July 2015. He founded Full Metro Gear Corp. and Engagement, Inc in 2014 and 2007, respectively. He occupied several key positions in Asian Institute of Management from 2001 to 2006. Mr. Ang holds a degree in Bachelor of Science in Management Information Systems from Ateneo de Manila University and a Masters degree in Business Administration from Asian Institute of Management.

Francis C. Chua*Director*

Mr. Chua became a director of the Company on October 22, 2014. He is currently the Honorary Consulate General of the Republic of Peru and the honorary president of the Federation of Filipino Chinese Chamber of Commerce and Industry. He is also the president emeritus of the Chamber of Commerce of the Philippines Foundations. Mr. Chua also served as the special envoy on Trade and Investments in China. He holds a Bachelor of Science in Industrial Engineering from the University of the Philippines, College of Engineering and doctorate degrees in humanities and business technology from the Central Luzon State University and the Eulogio Amang Rodriguez Institute of Science and Technology, respectively.

Jennifer Yu Cong*Director*

Ms. Jennifer Yu Cong became a director of the Company on February 10, 2021. She joined Platinum Group Metals Corporation in 2011 and was assigned to the Billing & Collection Department. Fluent in Chinese language, she was transferred to the Marketing Department where she is assigned to handle buyer and ship-owner concerns from 2012 up to present. She obtained her degree in Chinese Language at the Huaqiao University in Xiamen, China. Prior to obtaining her degree, she also took up business related subjects in Chiang Kai Shek College and University of Santo Tomas here in the Philippines.

Edgardo Gapuz Lacson*Independent Director*

Mr. Edgardo Gapuz Lacson became a Director of the Company on June 29, 2016. Mr. Lacson is a Director of the Philippine Stock Exchange and Puregold Price Club, Inc. He is also a Trustee of De La Salle University, Home Development Mutual Fund, ADR Institute for Strategic and International Studies and Philippine Disaster Recovery Foundation. Mr. Lacson is a President of MIS Maritime Corporation, Safe Seas Shipping Agency, Marine Industrial Supply Corporation and EML Realty. He is also a Trustee, Past President and Honorary Chairman of the Philippine Chamber of Commerce and Industry. He holds a Bachelor of Science in Commerce Major in Accountancy from the De La Salle College.

Sergio R. Ortiz-Luis Jr.*Independent Director*

Mr. Sergio Ortiz-Luis Jr. became a Director of the Company on August 5, 2020. Mr. Ortiz-Luis Jr is also an Independent Director of other publicly listed companies namely: Alliance Global Group, Inc., Forum Pacific, Inc., Jollville Holdings and SPC Power Corporation. He is also the Chairman of Waterfront Philippines, Inc. and a director of Wellex Industries, Incorporated. He is Vice-Chairman of Export Development Council, member of Industry Development Council and a private sector representative in The Philippine Bamboo Council. Also, an Honorary Chairman and Treasurer of the Philippine Chamber of Commerce & Industry and President & CEO of Philippine Exporters Confederations, Inc. He has been appointed Honorary Consul General of the Consulate of Romania in the Philippines (2015 to present), Treasurer of Consular Corps of the Philippines and Honorary Adviser of International Association of Educators for World Peace. He was also the recipient of the

Sino Phil Asia International Peace Award and the Gawad Parangal ng Rizal in Entrepreneurship in 2019 and 2017, respectively.

Mr. Ortiz-Luis Jr. obtained his Bachelor of Science in Liberal Arts and in Business Administration from the De La Salle College. He is also a Masters in Business Administration Candidate at De La Salle College. He has a PhD in Business Administration hc from Angeles University foundation, PhD in Humanities hc from Central Luzon Agricultural College, PhD in Business Technology hc from Eugelio Rodriguez University, and PhD in Capital Management hc from the Academy of Multiskills, UK.

OTHER EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

Carlo A. Matilac

Senior Vice President Operations

Mr. Matilac became the Senior Vice President for Operations on August 1, 2014. In 1994, Mr. Matilac graduated with a Bachelor of Science in BS Mining Engineering in Cebu Institute of Technology in 1994 and thereafter passed the 1994 Mining Engineer Licensure Exam garnering 1st Place. Mr. Matilac has more than 19 years of technical and engineering experience in managing companies engaged in mining and mineral exploration development. Prior to his current position, Mr. Matilac served as a technical specialist for BHP Billiton and QNI, and a mine engineering superintendent for Manila Mining Corp. He also holds a Masters in Business Administration from Saint Paul University.

Eveart Grace Pomarin-Claro

Corporate Secretary and Alternate Corporate Information Officer

Ms. Pomarin Claro became Corporate Secretary of the Company on August 24, 2018. She was the Assistant Corporate Secretary and Alternate Corporate Information Officer of the Company from September 10, 2014 until on August 23, 2018. Ms. Pomarin-Claro served as Corporate Secretary of the Company from February 1, 2014 to August 29, 2014. She is the Executive Legal Officer of PGM. She is Assistant Corporate Secretary of PGM, SIRC and the Corporate Secretary of Ipilan Nickel Corporation, Nickel Laterite Resources, Inc. and Celestial Nickel Mining Exploration Corporation. She completed a Bachelor of Laws from University of St. La Salle.

Mario A. Nevado

Compliance Officer

Mr. Nevado became Compliance Officer of the Company on August 24, 2018. He has been with PGM since 2007 and became the Assistant Vice President for Finance in 2011. He completed his Bachelors of Science degree in Accounting from the Philippine College of Commerce (now the Polytechnic University of the Philippines), and is a Certified Public Accountant. He has a solid background in financial services by working in various reputable companies. He held various positions as Manager of the Money Market Division, Purchasing Division of the Philippine National Bank (PNB), and of PNB Capital and Investment Corporation, a subsidiary of PNB. He also worked as an Accountant of Philippine Bread House in New Jersey, USA.

Significant Employees

No single person is expected to contribute more significantly than others do to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

Involvement In Certain Legal Proceedings Of Directors And Executive Officers

Save as disclosed in this Information Statement, to the best of the Company's knowledge and belief and after due inquiry, none of the Company's directors, nominees for election as director, or executive officer have in the five (5) -year period prior to the date of this Prospectus: (a) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two (2) -year period of that time; (b) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending proceeding in courts of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses except as those disclosed in the public domain; (c) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (d) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

There are no transactions during the past two (2) years to which the Company or any of its subsidiaries was or is to be a party, and in which a director, executive officer, stockholder owning ten percent (10%) or more and members of their immediate family had or are to have a direct or indirect material interest

Note 29 of the audited financial statements for the period ended December 31, 2020 (Annex "A") provides information on the Company's significant transactions with related parties.

There are no transactions with parties that fall outside the definition of "related parties" under SFAS/IAS No. 24, with whom the Company or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

Disagreement with Director

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last Annual Stockholders' Meeting because of a disagreement with the Company on any matter relating to the latter's operations, policies, or practices.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation

The following are the Company's Chairman of the Board of Directors, its President, and its two other executive officers as of the date of this report:

<u>Name</u>	<u>Position</u>
Joseph C. Sy	Chairman of the Board of Directors and Managing Director
Dante R. Bravo	President and Managing Director
Mary Belle D. Bituin	Treasurer/ Senior Vice President for Finance/ Human Resources Department/ Managing Director
Noel B. Lazaro	Senior Vice President for Legal and Regulatory Affairs and Corporate Information Officer

The following table identifies and summarizes the aggregate compensation of the Company's Chairman and its three other executive officers of the Group for the years ended December 31, 2020 and 2019:

	<u>Year</u>	<u>Total⁽¹⁾</u> (In million ₱)
Chairman and the three most highly compensated executive officers named above	2019	108.86
	2020	97.31
Aggregate compensation paid to all other officers as a group unnamed	2019	122.84
	2020	122.64

Note:

(1) Includes salary, bonuses and other income

The Compensation and Remuneration Committee comprises at least three members, including the President and one independent director. It ensures that the compensation policies and practices are consistent with the corporate culture, strategy and business environment under which the Company operates. It is responsible for objectively recommending a formal and transparent framework of remuneration and evaluation for the members of the Board and the Company's key executives to enable the directors and officers to run the company successfully. It evaluates and recommends to the Board incentives and other equity-based plans designed to attract and retain qualified and competent individuals.

The Compensation and Remuneration Committee reports directly to the Board and is required to meet at least once a year and provides overall direction on the compensation and benefits strategy of the Company. The composition of the Compensation and Remuneration Committee consist of three (3) members, including Mr. Sergio R. Ortiz-Luis Jr. as chairman, and Mr. Joseph C. Sy and Atty. Dante R. Bravo as members.

Standard Arrangements

Other than payment of a fixed monthly director's fee of ₱100,000, there are neither per diem nor other standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

Other Arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly, for any service provided as a director.

Family Relationships

There are no family relationships between any Directors and any members of the Company's senior management as of the date of this Information Statement, except Mr. Sy and Ms. Gu who are husband and wife.

Employment Contracts

- a) There are no employment contracts between the Company and a named executive officer.
- b) Neither is there a compensatory plan or arrangement, including payments to be received from the Company, with respect to a named executive officer, which plan or arrangement results or will result from the resignation, retirement or any other termination of such executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all periodic payments or installments, exceeding ₱2,500,000.

Warrants and Options Outstanding

As of the date of this Information Statement, there are no outstanding warrants or options held by the President, the CEO, the named executive officers, and all officers and directors as a group.

CORPORATE GOVERNANCE

In 2011, the Corporation adopted a Revised Manual on Corporate Governance pursuant to SEC Memorandum Circular No. 6, Series of 2009 and in amendment of its Manual on Corporate Governance (dated August 21, 2002 as amended in June 2010).

The duties and responsibilities of the Board of Directors and management were expanded under SEC Memorandum Circular No. 9, Series of 2014, to consider not only the stockholders but also other stakeholders which include, among others, customers, employees, suppliers, financiers, government and the community in which it operates. Hence, a Revised Manual on Corporate Governance was filed on July 24, 2014.

On December 1, 2014, the Board of Directors approved the Confirmation of Adoption of Manual of Corporate Governance of the Company in view of the change in management and majority stockholders.

In 2016, the Code of Corporate Governance for Publicly-Listed Companies was introduced based on the latest G20/OECD Principles of corporate governance and the Association of Southeast Asian Nations Corporate Governance Scorecard. In compliance with SEC Memorandum Circular No. 19, Series of 2016, the Corporation filed its Manual on Corporate Governance on May 31, 2017.

The Corporation also files its Integrated Annual Corporate Governance Report periodically required under SEC Memorandum Circular No. 15, Series of 2017. Last filing at the time of this report was on September 1, 2020.

To ensure compliance with the Revised Manual on Corporate Governance, the Compliance Officer shall, among other things, (i) monitor compliance with the provisions and requirements of the Revised

Manual on Corporate Governance, (ii) determine violations thereof and recommend possible penalties for violation for further review and approval of the Board, and (iii) identify, monitor, and control compliance risks. Further, not later than 30th day of January each year, the Compliance Officer shall issue a certification on the extent of the Company's compliance with its Revised Manual on Corporate Governance for the completed year and explain the reason/s for any deviation therefrom.

On January 29, 2021, the Compliance Officer has issued a certification that for calendar year 2020, the Corporation substantially adopted and complied with the provisions of the Manual on Corporate Governance (Model Corporation), as prescribed by SEC Memorandum Circular No. 24, Series of 2019 and does not have any significant deviation therefrom.

COMPENSATION PLANS

On June 29, 2016, the BOD and stockholders of the Parent Company approved the establishment of an ESOP (which covers the qualified employees of the subsidiaries of the Parent Company), the details of which shall be subject to the approval of the Compensation Committee. On May 9, 2017, the Compensation Committee and the BOD approved the Employee Stock Option Master Plan which is a share-based compensation plan. It also approved the granting of the First Tranche which comprised the 20,000,000 option grants to be vested over three (3) years at a strike price of ₱2.00 and 20,000,000 share/stock grants to be granted over two (2) years (i.e., 10,000,000 share/stock grants each year).

Special Stock Grant

The stock grant agreement in relation to the Employee Stock Option Master Plan was executed on December 27, 2017, the grant date, between the Parent Company and the grantees. A total of 10,100,000 treasury shares of the Parent Company was granted to PGMC, then subsequently issued and awarded by PGMC to its employees as recognition for their past services. The basic terms and conditions of the stock grant are as follows:

- The participants of the special stock grant are the officers and employees of its significantly owned subsidiaries as selected and approved by the Compensation Committee;
- The shares granted under the 2017 Plan will be registered in the employee's name and will have a lock-in period of two (2) years from the date of grant;
- As the owner of record, the employee will have the right to vote shares and receive dividends; and
- During the lock-in period, such shares of stocks granted may not be sold, assigned, transferred, pledged, hypothecated, or otherwise encumbered or disposed of. Pursuant to this, the certificate covering the shares of stock will be held in escrow by the designated escrow agent, and will be released at the end of the lock-in period.

The second tranche of the Stock Grant was executed on December 28, 2018, the grant date, between the Parent Company and the grantees. A total of 9,900,000 treasury shares of the Parent Company was granted to PGMC, then subsequently issued and awarded by PGMC to its employees as recognition for their past services. The basic terms and conditions of the stock grant are the same as that of the 2017 Stock Grant.

As of date, the stock grants have been released to the grantees since the lapse of the lock-in periods.

Appointment of Stock and Transfer Agent

Securities Transfer Services, Inc. ("STSI") is recommended to be retained as the Company's stock and transfer agent for the ensuing year. Representatives of STSI are expected to be present at the

upcoming Annual Stockholders' Meeting to respond to appropriate questions and to make a statement if they so desire.

Financial and Other Information

The audited financial statements as of December 31, 2020, Management Discussion and Analysis, market price of shares and dividends and other data related to the Company's financial information is attached hereto as "Annex A".

OTHER MATTERS

Action with Respect to Reports

The approval of the following will be considered during the Annual Stockholders' Meeting:

- a. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on February 10, 2021
- b. Annual Report and Approval of the Audited Financial Statements as of December 31, 2020
- c. Ratification of all acts of the board of directors and management including:
 - i. Declaration of Cash dividend of P 0.10 per share for stockholders of record as of June 15, 2021
 - ii. Approval of the acquisition of 20% interest in Guangdong Century Tsingshan Nickel Co., Ltd., a material related party transaction.

Other Proposed Actions

The following are to be proposed for approval during the stockholders' meeting:

1. Election of the Directors; and
2. Appointment of External Auditors

UNDERTAKING

Upon the written request of the stockholder, the Company undertakes to furnish such stockholder with a copy of SEC Form 17-A free of charge. Such a written request for a copy of SEC Form 17-A shall be directed to the Office of the Corporate Secretary, 7th Floor, Corporate Business Centre, 151 Paseo De Roxas cor. Arnaiz Street, Makati City, Metro Manila, Philippines. At the discretion of the management, a charge may be made for exhibits provided. Such charge is limited to reasonable expenses incurred by the Company in furnishing such exhibits.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report was signed in the City of Makati, Metro Manila on May 24, 2021.

GLOBAL FERRONICKEL HOLDINGS, INC.

Issuer



EVEART GRACE POMARIN-CLARO
Corporate Secretary

MANAGEMENT REPORT

BUSINESS

Corporate Information

Global Ferronickel Holdings, Inc. (the “Company” or “Parent Company” or “Corporation” or “FNI” or “GFHI”) was established on May 3, 1994 as a holding company.

The registered principal office address of the Company is at 7th Floor, Corporate Business Centre, 151 Paseo De Roxas corner Arnaiz Street, Makati City.

As at June 30, 2014, IHoldings, Inc., Kwantlen Development Corp. and Januarius Resources Realty Corp. (collectively, the IHoldings Group) owned 74.80%, 10.17% and 4.85% of the Company, respectively.

On July 9, 2014, IHoldings Group entered into a Share Purchase Agreement with Huatai Investment Holdings Pty. Ltd., Regulus Best Nickel Holdings, Inc., Bellatrix Star, Inc., Alpha Centauri Fortune Group, Inc., Antares Nickel Capital, Inc., Blue Eagle Elite Ventures, Inc., Ultimate Horizon Capital, Inc., Sohoton Synergy, Inc., Great South Group Ventures, Inc., Red Lion Fortune Group, Inc., and three (3) individuals (collectively, the “Thirteen Stockholders”) pursuant to which IHoldings Group will sell to the Thirteen Stockholders 6,291,132,047 common shares of the Company (the “Subject Shares”) comprising the entirety of their respective shareholdings and representing 89.82% of the total issued and outstanding capital stock of the Company. This Share Purchase Agreement was amended on September 4, 2014.

On September 5, 2014, as a requirement under the Securities Regulation Code (SRC), the Thirteen Stockholders have launched a mandatory tender offer to acquire the shares of the minority stockholders holding 712,781,634 common shares of the Company and filed a Tender Offer Report with the Philippine Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE). The Tender Offer period lapsed October 10, 2014 where 204,264 common shares (the “Tendered Shares”) were tendered to the Thirteen Stockholders. After the lapse of the tender offer period, the Thirteen Stockholders completed the purchase of the Subject Shares in accordance with the Share Purchase Agreement. The Subject and Tendered Shares were crossed through the PSE on October 15, 2014.

On September 10, 2014 and October 22, 2014, the Board of Directors (BOD or Board) and the stockholders of the Company, respectively, approved the following amendments to the Articles of Incorporation (AOI) and By-laws:

- Change in the Company’s name from Southeast Asia Cement Holdings, Inc. to Global Ferronickel Holdings, Inc.;
- Change in the registered and principal address from Room 1104, Liberty Center Buildings, 104 H.V. dela Costa corner Leviste Streets, Salcedo Village, Makati City to 7th Floor, Corporate Business Centre, 151 Paseo De Roxas corner Arnaiz Street, Makati City;
- Increase in the number of directors from nine (9) to ten (10) members;
- Increase in the authorized capital stock of the Company from ₱2,555,000,000.00 divided into 7,300,000,000 common shares with a par value of ₱0.35 per share to ₱12,555,000,000.20 divided into 35,871,428,572 common shares with a par value of ₱0.35 per share; and
- Change of fiscal year from June 30 to December 31.

The BOD and the stockholders of the Company also approved the issuance of 10,463,093,371 new common shares of the Company resulting from the increase in the authorized capital stock to the

Thirteen Shareholders who are also the stockholders of Platinum Group Metals Corporation (“PGMC”) in exchange for the sale and transfer to the Company of 99.85% of the outstanding capital stock of PGMC under a Deed of Exchange dated October 23, 2014; and the follow-on offering and listing of shares with the PSE which includes the 10,463,093,371 common shares issued to the stockholders of PGMC.

On October 23, 2014, the Company executed a Deed of Exchange for a share-for-share swap (Share Swap) with the Thirteen Stockholders of PGMC. The Company will issue 10,463,093,371 common shares to the Thirteen Stockholders in exchange for the 99.85% outstanding shares of PGMC and cancel the receivables of the Company assumed by the Thirteen Stockholders from the IHoldings Group pursuant to the Share Purchase Agreement dated July 9, 2014, as amended on September 4, 2014. The total par value of the 10,463,093,371 common shares to be issued by the Company to the Thirteen Stockholders amounted to ₱3,662.1 million.

On November 27, 2014, the Company entered into a Memorandum of Agreement with Giantlead Prestige, Inc., Alpha Centauri Fortune Group, Inc., Antares Nickel Capital, Inc., Huatai Investment Holding Pty. Ltd. and an individual for the purchase of 500,000 common shares and 6,250,000,000 preferred shares or one hundred percent (100%) interest of Southeast Palawan Nickel Ventures, Inc. (SPNVI) for United States Dollar (US\$)50.0 million or its Philippine peso equivalent.

On December 1, 2014, the Company filed with the SEC a Notice of Exempt Transaction under Section 10.1 (e) and (i) of the SRC, or pursuant to the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock and pursuant to the subscription for shares of the capital stock of a corporation prior to the incorporation thereof or in pursuance of an increase in its authorized capital stock under the Philippine Corporation Code, when no expense is incurred, or no commission, compensation or remuneration is paid or given in connection with the sale or disposition of such securities, and only when the purpose for soliciting, giving or taking of such subscriptions is to comply with the requirements of such law as to the percentage of the capital stock of a corporation which should be subscribed before it can be registered and duly incorporated, or its authorized capital increased, for the issuance of the aforementioned 10,463,093,371 new common shares. An amended Notice of Exempt Transaction was filed on February 18, 2015.

On December 22, 2014, the Philippine SEC approved the Company’s application to increase the authorized capital stock of the Company to ₱12,555,000,000.20 divided into 35,871,428,572 common shares with a par value of ₱0.35 per share, and the issuance of 10,463,093,371 to the stockholders of PGMC who transferred their shares in PGMC to the Company, as well as the amendment of its articles of incorporation and by-laws to reflect the change in the corporate name, principal address, number of directors and fiscal year.

On February 26, 2015, the Company’s stockholders representing 71.64% of the total outstanding shares unanimously approved and ratified the planned acquisition of SPNVI.

On May 19, 2015, SEC approved PGMC's increase of authorized capital stock from ₱715,375,046.80 to ₱1,515,375,046.80. Out of the increase in the authorized capital stock of ₱800,000,000.00 divided into 80,000,000,000 Class A Common Shares with a par value of ₱0.01 per share, FNI subscribed 20,000,000,000 Class A Common Shares or 61.51% of PGMC.

On August 6, 2015, the BOD of the Company approved the following:

- The execution of the Contract to Sell for the purchase of 500,000 common shares and 6,250,000,000 preferred shares or one hundred percent (100%) interest of SPNVI for US\$50.0 million or its Philippine peso equivalent; and

- Subscription of the Company to the remaining unissued and unsubscribed shares of SPNVI consisting of Three Hundred Thousand (300,000) common shares with a par value of One Peso (₱1.00) per share, and Three Billion Seven Hundred Fifty Million (3,750,000,000) preferred shares with a par value of One Centavo (₱0.01) per share, for a total subscription price of Thirty Seven Million Eight Hundred Thousand Pesos (₱37,800,000.00).

The approval of the stockholders to authorize this transaction was secured during the Corporation's Special Stockholders' Meeting held on February 26, 2015.

On August 22, 2016 and October 3, 2016, the BOD and stockholders of the Parent Company, respectively, approved the following resolutions:

- Reverse stock split of the Parent Company's common stock at a ratio 1-for-3;
- Amendment of the AOI to reflect an increase in the par value per share and a corresponding decrease in the total number of shares or a reverse stock split, whereby in effect, the authorized capital stock of the Parent Company is increased from ₱12,555,000,000.20 divided into 35,871,428,572 common shares with a par value of ₱0.35 per share to ₱12,555,020,001.30 divided into 11,957,161,906 common shares with a par value of ₱1.05 per share, or an increase of ₱20,001.10; and
- Amendment of the By-laws to include notice of regular or special meetings of the Board by electronic mail and attendance to board meetings by means of telephone, electronic, or other suitable electronic communication facilities, including telephone conference, video conference, or the internet or any combination of those methods.

On November 7, 2016, the SEC approved the Parent Company's increase in the authorized capital stock and the amendments of the AOI and By-laws.

On July 20, 2018, the Parent Company completed its 250,000,000 common shares follow-on offering at an offer price of ₱2.07 with total proceeds of ₱517.5 million. On the same date, all the 6,072,357,151 issued shares of the Parent Company, including the common shares issued in accordance with the Share Swap transaction approved by the SEC on December 22, 2014, private placement and follow-on offer shares, are listed in the PSE. Pursuant to the use of proceeds from the follow-on offering, the Parent Company subscribed to PGMC's common stock amounted to ₱480.6 million on August 2, 2018 and on August 3, 2018, PGMC used this amount to pay a portion of the Taiwan Cooperative Bank Manila Offshore Banking Branch (TCB) loan.

The Company, its Subsidiaries and Affiliates (collectively, the "Group") have no record of any bankruptcy, receivership or similar proceedings during the past three (3) years. Neither has the Group made any material reclassification, merger, consolidation, or purchase nor sale of a significant amount of assets not in the ordinary course of business from 2018 to 2020, except as disclosed and mentioned herein, and in the Company and Subsidiaries Audited Financial Statements.

Corporate Objective

The Company's objective is to deliver value by carrying out its activities in an environmentally, socially and financially responsible manner for the benefit of the nation, the communities where it operates, its employees, customers and other stakeholders.

Subsidiaries

The Parent Company's ownership interests in its subsidiaries are presented below:

Subsidiaries	Principal Place of Business	Principal Activities	Effective Ownership
PGMC	Philippines	Mining	99.98%
Surigao Integrated Resources Corporation (SIRC) ⁽¹⁾	Philippines	Mining	99.98%
PGMC-CNEP Shipping Services Corp. (PCSSC) ⁽¹⁾	Philippines	Services	99.98%
PGMC International Limited (PIL) ⁽¹⁾	Hong Kong	Marketing, Trading and Services	99.98%
FNI Steel Corporation (FSC)	Philippines	Manufacturing	51.00%
FNI Steel Landholdings Corporation (FSLC)	Philippines	Real Properties	60.00%

(1) Indirect ownership through PGMC

Platinum Group Metals Corporation

PGMC was registered with the Philippine SEC on February 10, 1983. PGMC is primarily engaged in the exploration, mining and exporting nickel ore located in the municipality of Claver, Surigao del Norte.

PGMC has the exclusive privilege and right to operate for a period of twenty-five (25) years the lateritic nickel mine in Cagdianao, Claver, Surigao del Norte, Philippines, hereafter referred to as the “Cagdianao Mine” covered under Mineral Profit Sharing Agreement (MPSA) No. 007-92-X by virtue of the Operating Agreement entered into on September 15, 2006 by PGMC and SIRC, a subsidiary. PGMC currently operates three deposit sites known as CAGA 2, CAGA 3, and CAGA 4 within the Cagdianao Mine. There are four (4) additional deposit sites at Cagdianao Mine that have yet to be developed and exploited.

Seasonality

The Cagdianao Mine produces and exports nickel ores from April to October of each year, typically the dry and minimal sea swell season at the mine site. During the rainy season, mining operations in the mine site are suspended and there is no loading of ore onto ships. This seasonality results in quarter-to-quarter volatility in the operating results with more revenue being earned and more expenses being incurred during the second and third quarters compared to the first and fourth quarters.

As of 2020, PGMC is the second largest nickel ore producer in the Philippines by total value of shipment and third by total volume of nickel ore shipped from 2014 to 2020, accounting for 14.84% and 10.68%, respectively, according to the data obtained from Mines and Geosciences Bureau’s (MGB) website.

Surigao Integrated Resources Corporation

SIRC was organized in July 1999 and duly registered with the Philippine SEC on July 16, 1999. Its primary purposes are to engage in the exploration and processing of minerals, petroleum and other mineral oils, to enter into financial and technical assistance agreements for the large scale exploration, development and utilization of mineral resources or otherwise engage in mining activities or enter into agreements as may be allowed by law.

SIRC is the holder of MPSA No. 007-92-X located in Cagdianao, Claver, Surigao del Norte covering an area of 4,376 hectares. The said MPSA was last renewed on June 21, 2016 for another twenty-five (25) years from its initial term ending in 2017, or until February 14, 2042.

On June 15, 2016, SIRC and Cagdianao Lateritic Nickel Mining, Inc. (CLNMI) executed a Deed of Assignment wherein CLNMI has agreed to assign all of its rights, titles and interests on its Exploration Permit (EP) and mineral property. CLNMI has a pending application for EP with Application No. EPA-000101-XIII filed with the MGB covering an area of about 927.9 hectares located at Cagdianao, Claver, Surigao del Norte. The Deed of Assignment was approved by the MGB on June 27, 2016. As such, on June 28, 2016, the contract area covered by the MPSA was amended from 4,376 hectares to 5,219.5612 hectares by annexing the portion of the area covered by the application for EP. On March 2, 2020, MGB approved the area expansion and the MPSA No. 007-92-X-SMR is redenominated as MPSA No. 007-92-X-SMR (Amended 1).

PGMC-CNEP Shipping Services Corp.

On June 4, 2013, PGMC incorporated PCSSC. PCSSC was registered with the Philippine SEC, primarily to conduct and carry on the business of inter-island shipping, including chartering, hiring, leasing, or otherwise acquiring tug and barge, self-propelled barges or landing craft tank (LCT) or other ships or vessels, together with equipment, appurtenances and furniture therefor; and to employ the same in the conveyance and carriage of ores, minerals, goods, wares and merchandise of every kind and description.

PGMC International Limited

On July 22, 2015, PIL was incorporated under the Companies Ordinance of Hong Kong, and is a limited company. It was established to conduct marketing, trading, sales and to facilitate relations with Chinese customers, to avail of offshore banking services such as loans, credit/discounting lines and other financing arrangements, and to do other services for PGMC.

FNI Steel Corporation

FSC was registered with the Philippine SEC on August 5, 2019. Its primary purpose is to engage in the business of buying, selling, dealing, at wholesale and retail, importing and manufacturing iron, steel and other ferrous or non-ferrous metal products, to be processed either by melting, rolling, casting, or forging to produce it in the form of ingots, billets, sections, bars, plates, strips, rods, tubes, pipes and other such form in demand in the market or industry; to import materials, machinery and equipment needed to manufacture such finished products; and to lease real properties such as land and buildings as needed.

FNI Steel Landholdings Corporation

FSLC was registered with the Philippine SEC on May 31, 2019. Its primary purpose is to engage in the business of managing real estate or interest therein, alone or in joint ventures with others and for this purpose acquire land by purchase, lease, donation, or otherwise, and to own, use, improve, subdivide, hold, administer, sell, convey, exchange, lease, mortgage, dispose of, work, develop, or otherwise deal in real property of any kind and interest or right therein and to construct, improve, manage, or otherwise dispose of buildings and other structures of whatever kind, together with their appurtenances whether for dwelling, commercial or industrial purposes. FSLC was incorporated to hold real properties of FSC.

PGMC, SIRC, PCSSC and PIL are hereinafter collectively referred to as PGMC Group. PGMC Group and FSLC's registered address is the same as that of the Company except for PIL which is registered at Unit 4101-02, 41/F, Office Tower, Convention Plaza, 1 Harbour Road Wanchai, Hongkong. FSC's registered address is at 9L, 3/F AFAB Administration Bldg., Freeport Area of Bataan Alas-asin Mariveles, Bataan.

Products

The Company produces two types of nickel ore, namely saprolite and limonite. Nickel ore can be blended into six (6) product categories to meet the specifications stipulated in the Company's supply contracts entered into with its customers. The shipping grades and tonnages may vary yearly depending on customer specifications and demand for different product types. However, based on historical shipment records, previous product specifications were generally classified in the categories presented in the table on the below:

Historical Product Categories

Nickel Ore Type	Product Categories	Grade Specifications
Limonite	Low Grade Nickel-High Iron Ore	<1.10% Ni and >=47% Fe
Limonite	Low Grade Nickel-Medium Iron Ore	>=1.10% Ni to <1.40% Ni and >=30% to <47% Fe
Saprolite	Low Grade Nickel Ore	>=1.10% Ni to <1.40% Ni and <30% Fe
Saprolite	Medium Grade Nickel-High Iron Ore	>=1.40% Ni to <1.70% Ni and >=30% Fe
Saprolite	Medium Grade Nickel-Low Iron Ore	>=1.40% Ni to <1.70% Ni and <30% Fe
Saprolite	High Grade Nickel Ore	>=1.70% Ni and regardless % Fe

Though there is a category for waste that falls outside of the saleable grade ranges, the Company stockpiles waste for future blending purposes or for future sale when they become marketable.

In general, low grade nickel high iron products have the greatest volumes sold, which represented approximately 58.2% by mass of total ore shipped followed by medium grade nickel products at approximately 37.7% and high grade products at approximately 4.1% for the years 2007 to 2020. A high proportion of low nickel grade materials have been sold as this material is closest to the surface; they are the easiest to be mined and most abundant at Cagdianao.

The Company's primary customers include trading companies as well as end users in China. One Hundred Percent (100.0%) of the Company's sales for the years ended December 31, 2018, 2019 and 2020 were sold to customers in China and the Company expects that China will continue to be a large contributor to its sale of nickel ore in the future. The Company's customers mainly use the ore it provides to produce intermediate products for the manufacture of stainless steel, nickel pig iron (NPI) and for the production of nickel cathodes. High grade nickel ore are purchased by the Company's customers for the production of higher grade stainless steel such as the 300 Series, and low grade nickel ore is used by the Company's customers for the production of lower grade stainless steel such as the 200 Series.

Competition

The Company competes with foreign nickel ore suppliers (primarily from New Caledonia, Indonesia and Australia) in world nickel ore markets, as well as other Philippine players. The most notable domestic competitors are Nickel Asia Corporation, Marcventures Mining and Development Corporation, CTP Construction and Mining Corporation, Carrascal Nickel Corporation and Oriental

Peninsula Resources Group, Inc. The Company competes with other nickel ore suppliers primarily on the basis of ore quality, price, transportation cost and reliability of supply. The Company believes that it can effectively compete with other nickel ore suppliers due to efficient systems put in place in the operations of the CAGA Mine.

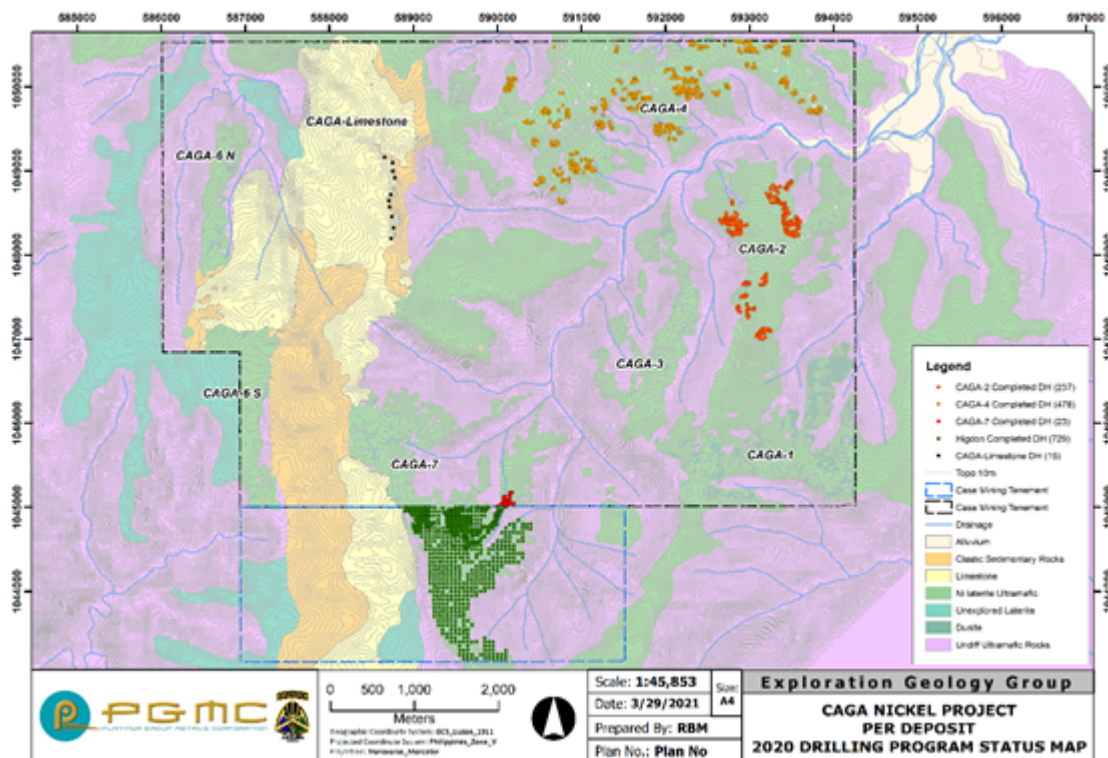
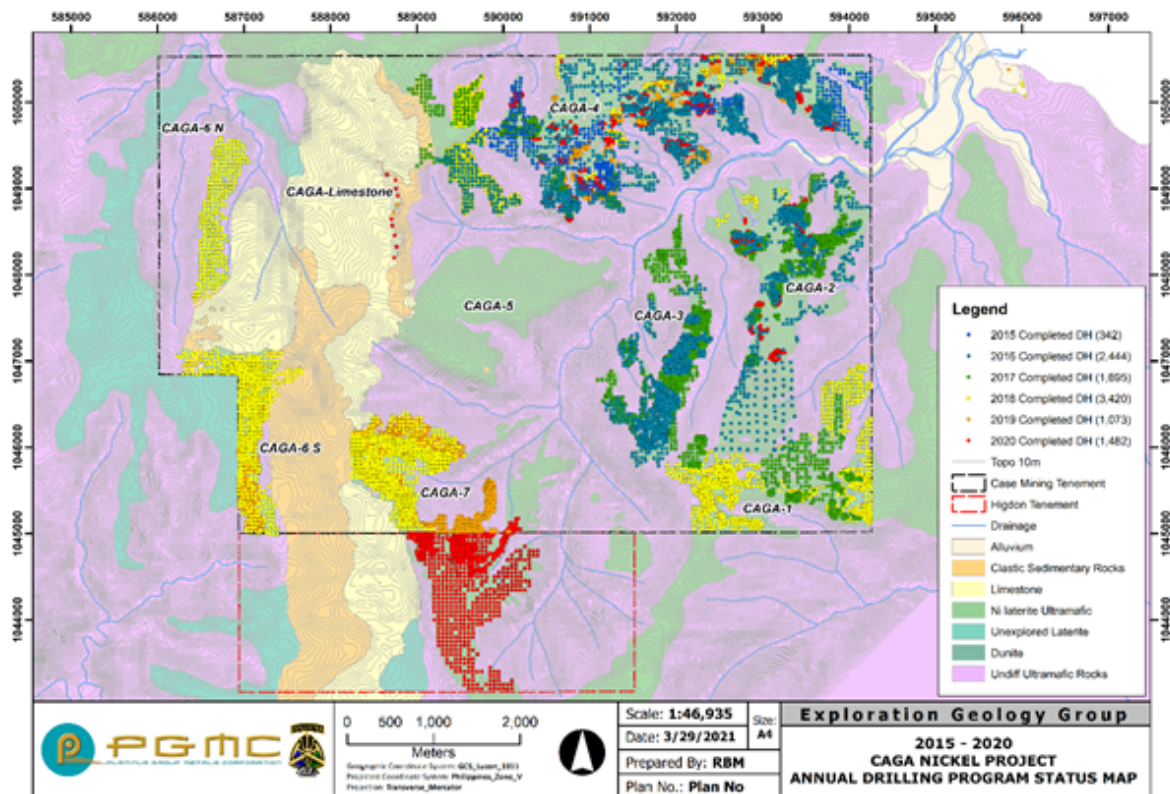
Source of Supplies

The main supplies that the Group and its service contractors require to operate its business include diesel fuel, tires, and spare parts for its mining equipment. The Group buys diesel fuel from Petron Corporation and Phoenix Petroleum Philippines, Inc. and heavy mining equipment such as trucks and excavators from three (3) manufacturers, Komatsu, Caterpillar and Volvo, through their Philippine distributors Maxima Machineries and Monark and Civic Merchandising. In addition, the Group has its own fleet of barges and heavy mining equipment. The Group's contractors provide their own mining equipment and supplies necessary for the mining operations. The Group believes that there are a number of alternative suppliers for all of its requirements.

Exploration and Development

Nickel Resources

The Group has an extensive portfolio of exploration areas and programs encompassing both brownfield exploration, which consists of activities at its existing mine operations and identified deposits to extend resource boundaries and to upgrade mineral resources to ore reserves; and a greenfield exploration, which involves exploring and delineating additional nickel laterite deposits in its existing properties. The Group has sixteen (16) available drill rigs designed specifically for drilling near surface lateritic deposits in a quick, efficient and economical manner for use in its exploration drilling. The Group also has an experienced pool of geologists and a laboratory at its mine sites to conduct assaying of samples as required. The figure below shows the coverage of the Group's current exploration program at its existing mine and expansion areas:



The following table sets forth a summary description of the Group's proposed exploration activities at its existing mine:

Proposed PGM-CNEP Exploration/Drilling Program 2019-2021

DEPOSIT	DHs/METERAGE	AREA (Has)	EXPLORATION TARGET (DMT)	COST (P)
1.0 CAGA-2 Deposit	399/4,788	58	1.75M -3.5M	9,288,100.00
2.0 CAGA-4 Deposit	644/7,728	71	2M - 4M	16,603,600.00
3.0 CAGA-7East Deposit	551/6,612	52	2.5M - 5M	13,298,900.00
4.0 HIGDON New Area	1,763/21,156	190	9M -18M	54,969,208.00
TOTAL	3,357/40,284	371	15.25M – 30.5M	94,159,808.00

Notes:

1. CAGA-2 and CAGA-4 drilling programs will be for five (5) months.
2. CAGA-7 drilling program will be for four (4) months.
3. HIGDON drilling program will be for a period of one (1) year.

Cagdianao - Deposit Areas

The Cagdianao Mine has a total area of 4,376 hectares and the Company is currently operating the deposits in CAGA 2, 3 and 4. The Company's rights to the property are governed by the MPSA and the ECC allows PGM-C to produce 5.0 million DMT or 7.7 million WMT of ore each year. As of October 15, 2020, the Group's Cagdianao Mine had measured and indicated mineral resources of 73.063 million DMT with an average grade of 1.1% nickel and 30.2% iron and inferred mineral resources of 19.885 million DMT, as estimated by the PMRC Competent Person (CP), and have an estimated remaining mine life of about ten (10) which may be extended after completion of the whole exploration program by 2021. Exploration plans through core drilling are focused on the upgrading of inferred resources to measured resources, peripheral extensions on the CAGA 1 to 5 deposit areas as well as in new areas, CAGA 6, CAGA 7 and Higdon expansion area. Proposed exploration at these sites covering approximately 1,075 hectares (updated 2018) could potentially delineate additional mineral resources.

Additional Exploration and Initial Exploration Results

The potential for further resources is within the Group's current MPSA area as it has yet to complete exploration and resource estimation for the CAGA 6 and 7 areas by 2020. These areas consist of outcropping ultramafic lithologies with laterite development similar in topographic features and size to the CAGA 3 and 5 deposits. There may also be other areas of smaller, isolated laterite profiles that may become feasible if mined in conjunction with the existing deposits.

The Group's current resources include measured and indicated resources for all deposits that have undergone reconnaissance to resource definition drilling programs (CAGA 1 to CAGA 5). Further resource potential exists in limited extensions at the periphery of these deposits and additional resources at CAGA 6, CAGA 7 and Higdon expansion area.

Based on the original proposed exploration plan and budget for the CAGA mine dated October 3, 2014, PGM-C conducted exploration drilling at CAGA 2 and CAGA 4 areas from October 2015 to May 2016 covering some 1,791 drill holes and 18,405.30 meters. This exploration program was used

as the basis for updates on mineral resource estimates in 2016. Further, additional drilling at CAGA 2 and CAGA 3 from 2016- 2017 of 2,233 drill holes and 23,167.25 meters resulted in the update of mineral resource estimates in June 2017. A CP Resource Update was conducted on 29 October 2018 with the completion of some 3,415 drill holes having a meterage of 34,780.30m. Further, a CP Report on resource update was generated on 15 October 2020 covering 9,102 drill holes (CAGA-2 with 2,643, CAGA-4 with 4,171, CAGA-6 with 1,246 and CAGA-7 with 1,042) were used for a total of 108,892.49 meters and 111,884 assays. However, not all drill holes were incorporated in the CP Report update as it has an earlier cut-off date than the completion of the annual 2020 drilling campaign.

The updated proposed exploration plan and budget for the CAGA mine and expansion area considers priority drilling based on deposit/prospect potential as presented in the Proposed PGM-CNEP Exploration/Drilling Program 2019-2021. Drilling on each priority area includes drilling schemes as applicable:

- Scheme 1: Infill drilling at resource blocks to upgrade inferred resources to measured resources
- Scheme 2: Peripheral drilling at resource blocks to define extensions of current resources
- Scheme 3: Reconnaissance drilling at unexplored CAGA 6, CAGA 7, and Higdon expansion area

Prior to commencement of the drilling program, each prospective area will be evaluated by geological mapping to determine the occurrence and thickness of the laterite profile. The proposed drilling program will be modified based on this evaluation.

The Company has identified exploration target ranges for each area as shown in the summary of the 2019-2021 exploration program below. The total estimated cost of this exploration program is approximately ₱94.2 million (US\$1.9 million). It is expected to take approximately 15 months to complete, including the sample preparation, analysis and PMRC reporting. Implementation of the updated 2019-2021 exploration program commenced in early 2019 and the exploration program completion target is by 2021.

Exploration Target/Proposed Drill Holes 2019-2021

DEPOSIT	AREA (Has)	EXPLORATION TARGET (DMT)	COST (P)	PROPOSED DHs/METERAGE	ACTUAL DHs/METERAGE
CAGA-2	58	1.75M -3.5M	9,288,100.00	399/4,788	237/2,187.00
CAGA-4	71	2M - 4M	16,603,600.00	644/7,728	616/6,122.05
CAGA-7E	52	2.5M - 5M	13,298,900.00	551/6,612	23/256.20
HIGDON	190	9M -18M	54,969,208.00	1,763/21,156	737/8,386.30
TOTAL	371	15.25M – 30.5M	94,159,808.00	3,357/40,284	1,613/16,951.55

Notes:

1. CAGA-2 and CAGA-4 infill drilling programs for 2020 were completed.

2. CAGA-7 drilling program has just started when it was abruptly stopped due to security/safety concerns.
3. HIGDON drilling program was completed up to 50x50m grid drilling and with 25x25m grid just started.
4. Additional infill/production drilling to be undertaken by 2021 for CAGAs- 1, 2, 3, 4 and 6N as needed.
5. Drilling in CAGA-7E and HIGDON to be continued at an appropriate time.

Exploration Results for Total Nickel for New Deposits as of 15 October 2020

Material Type	Deposit	PMRC Classification	Quantity (Tonnes)	%Ni	%Fe	Dry Bulk Density
Combined (High Grade, Medium Grade, Low Grade)	CAGA-6N (Unmined)	Exploration Results	4,431,000	1.1	26.3	1.3
	CAGA-6S (Unmined)	Exploration Results	5,613,000	1.1	28.6	1.1
	CAGA-7 (Unmined)	Exploration Results	13,142,000	1.1	33.0	1.2
	Combined	Exploration Results	23,186,000	1.1	30.65	1.19

Note:

1. Above table represents the Exploration Results for the three (3) mentioned deposits which were considered by the CP-Geologist as Preliminary Mineral Resources and included in the resource reporting. The estimates comply with almost all of the PMRC resource estimation parameters (PMRC Table-1) except that final and complete topographic data are still to be processed. Any variances are perceived to be minimal to alter reported estimates once fully reported as Mineral Resources.

As reviewed by the PMRC CP, the Company's proposed exploration program is sufficient to adequately increase the Mineral Resource and Ore Reserve inventory and extend the mine life of the CAGA mine site.

Environment and Rehabilitation

The Group adheres to the principles and practices of sustainable development. In addition, the Group's mining operations are subject to stringent and extensive environmental regulations. As such, the Group is deeply committed to implementing best practices in managing the environmental impact of its operations, from exploration to rehabilitation. Upon cessation of the Group's mining operations, it plans to restore its mining properties to their pre-mining conditions or to develop alternative productive land uses for the benefit of the affected communities.

The Implementing Rules and Regulations of the Philippine Mining Act require the Group to contribute 3.0% to 5.0% of its direct mining costs for the implementation of the annual Environmental Protection and Enhancement Program (EPEP). Activities undertaken under its annual EPEP include among others: rehabilitation of mine disturbed areas, reforestation, construction and/or maintenance of environmental facilities, solid waste management, hazardous waste management, air quality monitoring and water quality monitoring. In 2018, 2019 and 2020, the Group spent approximately ₱190.7 million, ₱100.1 million, and ₱84.7 million, respectively, on its EPEP.

The Group's compliance with ECC conditions and performance of its commitments under its annual EPEP are subject to monitoring and evaluation of the Multipartite Monitoring Team ("MMT"). The MMT is a multi-sector group headed by a representative from the MGB and representatives of local

government units, other government agencies, non-government organizations, people's organizations, the church sector and the Group. Funds for mine rehabilitation and other environmental guarantee funds are established and deposited in trust funds, as required by the Philippine Mining Act. As at December 31, 2018, 2019 and 2020, total rehabilitation and monitoring trust funds amounted to ₱6.0 million. This amount complies with the minimum requirement under the law.

The Group's latest Final Mine Rehabilitation and Decommissioning Plan (FMRDP) was submitted to MGB in July 2018. The Group periodically book an accretion expense and corresponding provision for mine rehabilitation and decommissioning. The basis for this expense/liability is the Group's latest FMRDP. As of December 31, 2019 and 2020, the Group had ₱289.5 million and ₱310.7 million cash provisions/funds, respectively, for the mine rehabilitation and decommissioning, which complies with the schedule given by MGB.

The operating mine of SIRC is representative of mature surface mining operations, with disturbed areas that require on-going restoration and rehabilitation to re-establish the natural vegetation, as well as to reduce the significant visual impact of the mining operations.

The mine has an approved EPEP and secured the required operating permits to construct and operate siltation control facilities. Consistent with the EPEP, in early 2014, the Cagdianao mine received an environmental award under its "Adopt a River Program" for its protection of the Kinalablan river, which is within the area of operations in the Cagdianao Mine.

The necessity to segregate each material classification and to partially reduce moisture content through solar drying involves a fairly wide open area exposed to soil erosion that will cause sediment loadings and deposition in natural drainages feeding to the ocean. To mitigate such sediment loadings from reaching the ocean, all operations constructed siltation ponds, most of them in series, to catch and contain as much run-off as possible.

The mining method, considering the geographic, geological, climatic and other relevant attributes, is not expected to lead to significant or irreversible adverse impacts to the environment provided that environmental monitoring, mitigation and rehabilitation measures are properly developed and implemented. The environmental management personnel of our mine are well-qualified and have many years of relevant experience.

The DENR requires all operating mines to submit their FMRDP for evaluation and approval. Upon approval, the mine is required to deposit annually a portion of the total FMRDP cost. The FMRDP shall be deposited as a trust fund in a Government depository bank and shall be used solely for the implementation of the approved FMRDP. Annual cash provisions shall be made by the mining companies to a FMRDP fund based on the formula provided in DENR Administrative Order No. 2005-07. As of December 31, 2020, the Company has a trust fund deposit with Development Bank of the Philippines Surigao City in the total amount of ₱310.7 million to comply with such requirements under the FMRDP. The Group is in compliance with such requirements in all material respects.

Compliance with the ECC and implementation of EPEP of all sites are audited quarterly by the MMT.

The DENR also requires all mining companies to secure ISO 14001 certification - Environmental Management System. This system ensures sufficient environmental funds are available to cover full mine rehabilitation even in the event of a premature closure. In 2016, PGMC was certified with ISO 14001:2015 (Environmental Management System) and was recertified in October 2019. In April 2017, INC was certified with ISO 14001:2015 in its Environmental Management System for the Management of Mine Site Preparation. In March 2020, INC was certified with ISO 14001:2015 in its Environmental Management System for the Preparatory Activities for Mine Site Operations. PGMC and INC successfully completed the latest annual surveillance audits conducted in October 2020 and

February 2021, respectively.

Occupational Health and Safety

The Group is committed to providing safe and healthy working conditions to protect its employees from injuries and to prevent damage to its properties and equipment.

Health and safety are integral parts of the Group's personnel policies. Its comprehensive safety program is designed to minimize health risks arising out of work activities and to assure compliance with occupational health and safety standards and rules and regulations that apply to its operations.

The Group provides and strictly requires the utilization of a comprehensive suite of protective equipment and safety devices for employees and visitors. First aid and emergency equipment are installed strategically in its work areas. Safety in-house inspections are regularly conducted to identify hazards and unsafe conditions or practices. Managers and supervisors regularly conduct safety briefings and meetings. Safety orientation training is also conducted for new employees and emergency preparedness training and drills are conducted periodically.

The Group has a rigorous system of investigating accidents and near-misses to understand causes and implement corrective measures. The Group records and monitors lost time injuries, medically treated injuries, minor injuries, and non-injury incidents that include serious incidents, and property damage and their frequency rates.

Social Development and Management Program (SDMP) and Corporate Social Responsibility (CSR)

General

We believe that we have a corporate social responsibility to protect and care for the people and the environment affected by our operations and attempt to improve the welfare and quality of life in the communities in which we operate. We believe that we contribute to the sustainable economic development of these communities and, more broadly, the nation.

The Philippine Mining Act contains specific provisions with respect to social development and management programs. The provisions require all mining companies to assist in: (a) the development of local communities to promote the general welfare of the local inhabitants; and (b) the development of mining technology and geosciences as well as manpower training and development. The DENR Department Order No. 2010-21 which served as the Implementing Rules and Regulations of the Philippine Mining Act, mandates all mining companies to allocate annually a minimum of 1.5% of the total operating costs for such purposes. 75.0% of the 1.5% total operating costs shall be apportioned for the development of the Host and Neighboring Communities program, 15.0% of the 1.5% total operating costs shall be apportioned for the Promotion of Public Awareness and Education on Mining Technology and Geosciences program and the remaining 10.0% of the 1.5% total operating costs shall be used to assist in the development of Mining Technology and Geosciences program as well as research and studies, scholarship programs for mining and environmental courses, manpower training and development.

Community relations staff and community organizers assist us in building and establishing partnerships within the communities in which we operate, formulating programs that address the needs of such communities and also enable us to immediately address local issues and concerns. Projects for education, health, livelihood, infrastructure assistance and other social services are all designed and implemented in close coordination with relevant local government units and

communities. The Representatives of Host and Neighboring Communities (RHNC), which is composed of representatives from local government units, government agencies, non-governmental organizations, peoples organizations, religious sector, and us, regularly monitors our performance in implementing our social development and management program.

Education

We believe that quality education is the best tool to fight poverty. We award scholarships and other forms of aid to deserving students, including students who are members of indigenous groups, so as to improve their education, job opportunities and their ability to support their families. These scholarships and other forms of aid include payment of tuition, stipend allowances and provision of school supplies and uniforms. Education projects also involve the improvement of school facilities, provision of educational materials to schools, teachers' training programs and payment of teachers' honoraria. At our Cagdianao Mine, we have constructed a six classroom school building for Hayanggabon Elementary School. The school provides free education and school materials to about 600 students from barangay Hayanggabon. In addition, we provided Barangay Cagdianao a brand new school bus to fetch and ferry students from residence to school. We also provide salaries for six teachers who work with public schools in the communities where our Cagdianao Mine is located. We have also initiated a school to school campaign promoting knowledge in mining and sponsorship for inter-school educational competitions and supports the Department of Education's annual Brigada Eskwela.

Health

Affordable and quality health care is provided to local community members, in addition to our employees and their dependents. We conduct medical missions designed to address the basic medical needs of local community members, including indigenous people and the indigent, where free medicine, basic dental services and ambulance service facilities are provided. Our health care projects involve the construction and improvement of Barangay health centers, provision of sanitation latrines for households, and provision of salary to local health workers, ambulance driver, midwives, nurses and a community doctor. Outpatients are being treated by the medical team and medicine and multivitamins are provided for free. At our Cagdianao Mine, we established a maternity clinic, where pregnant women as well as other members of the immediate community are being served.

Livelihood and Training

We organize cooperatives and people's organization from our impact and non-impact communities and provide them with social enterprise projects such as egg-laying & poultry projects, seedling production and nursery, agri-farming, woodcraft making, chips making, handicraft/weaving production, moringa "malunggay" powder/tea production and tshirt-tarpaulin printing. We regularly provide local community organizations with technical and financial assistance in the form of seminars, study tours, financial literacy classes, leadership and management training programs, capital funding, raw materials and equipment for production, and farm inputs for crop production.

We also work with the Technical Education and Skills Development Authority ("TESDA") to provide technical education and skills development to residents of neighboring communities. We constructed a skills training center and provided equipment that are utilized by TESDA participants and trainers. We also assisted the graduates of the skills training center to establish an auto repair shop, providing employment to some of the graduates.

In addition, we established food security projects such as communal gardening, egg machines and aquaculture to address food insufficiency, encourage healthier food options and provide extra income to the project-beneficiaries especially during the time of COVID-19 health pandemic.

Infrastructure Assistance

We undertake infrastructure projects in local communities, including production and display areas of social enterprise products, water system projects, construction of new school building and improvement of buildings (such as barangay halls, daycare centers, churches and schools), road improvements and electrification projects as part of our social development and management program. These projects are implemented with the involvement of community members so as to foster cooperation and teamwork and impart a sense of ownership among them.

At our Cagdianao Mine, we funded various infrastructure projects such as the construction of housing for indigent members of the community, through the Gawad Kalinga program, construction of sea walls to protect the neighboring communities from the effects of sea erosion, construction of a multi-purpose community hall in Barangay Cagdianao, construction of some barangay road and churches, procurement of materials for the electrification of individual households, construction of water processing stations and construction of the Cagdianao public markets.

Moreover, we have also provided and constructed shallow water pumps, a weir dam and an office building at the local water processing stations to support the local water supply system in the nearby communities.

Other Social Services

We actively participate in, and provide financial and non-financial assistance to, local cultural celebrations, sports competitions and other socio-cultural activities. We also assist with soliciting support from various institutions like the academe, the religious sector, local groups and government agencies.

Employees

As of December 31, 2020, the Group has 250 employees. Out of which, 68 are employed at the Group's head office, while the remaining 182 are employed in its mining operations at its existing mines in Cagdianao and Ipilan, Palawan. Of these, 20 are involved in mining operations, engineering, and mine planning, 26 are employed on grade and quality control, 9 are handling port operations, 23 are taking care of the environment, health, and safety concerns of the Group, and 166 are performing administrative, human resource, accounting & finance, maintenance and mechanic functions, mine security, audit, and the office of the vice president. The Group has employed the best all-Filipino professional and technical personnel. Further, there are six (6) technical personnel who are members of the Group's senior and junior management.

As of December 31, 2020, the Group's service contractors had deployed an aggregate workforce of 210 employees at its Cagdianao site. In addition, the Group has chartered five (5) LCTs utilized for shipside loading operations and has about 70 personnel.

Although historically the Group has not experienced any work stoppages, strikes or industrial actions, there can be no assurance that work stoppages or other labor-related disputes, demands for increased wages or other terms or other developments will not occur in the future. As the Group's business grows, it will require additional key financial, administrative and mining personnel as well as additional operations staff.

There are no labor unions within the Company and its subsidiaries.

As of December 31, 2020, the following is the breakdown of the Group's employees:

POSITION LEVEL	HEAD OFFICE (PGMC Makati, GFNI Makati, Ipilan Makati and PCSSC Makati)			TOTAL FOR HEAD OFFICE	IPILAN MINESITE (Ipilan Palawan)			TOTAL FOR PALAWAN MINESITE	CAGDIANAO MINE SITE (PGMC Surigao and PCSSC Surigao)			TOTAL FOR CAGDIANAO	GRAND TOTAL
	R	P	FT		R	P	FT		R	P	FT		
Executives	5			5				0	1			1	6
Managerial	13			13	1	1		2	11			11	26
Supervisory	17			17	2			2	75		2	77	96
Technical	0			0	0			0	42		13	55	55
Rank and File	33			33	2		21	23	11			11	67
Total	68			68	5	1	21	27	140		15	155	250

Figure was based on manpower compliment of PGMC Makati, GFNI Makati, PCSSC Makati, Ipilan Palawan and Makati, PGMC Surigao, PCSSC Makati and Surigao.

Legend

R - Regular

P - Probationary

FT - Fixed Term

For the mining season ended 2020, the Group had an average of 1,678 employees and its service contractors had deployed an average aggregate workforce of 1,343 employees at its Cagdianao site. The Group does not currently anticipate any significant increase or decrease in the number or allocation of its employees at its Cagdianao Mine for the 2021 mining season.

Transactions with Related Parties

Please refer to Note 29 of the audited consolidated financial statements as of December 31, 2020.

Risks Related to Our Business and Industry

Our business is sensitive to the volatility of nickel prices, which can result in volatility in our earnings.

Our sale of nickel ore is dependent on the world market price of nickel in general, and the market price of nickel in China in particular. The sales price of saprolite ore and limonite ore is correlated with the world market price of nickel. The nickel ore price is subject to volatile price movements over time and is affected by numerous factors that are beyond our control. These factors include global supply and demand; regulatory policies of other nickel ore producing countries; expectations for the future rate of inflation; the level of interest rates; the strength of, and confidence in, the U.S. dollar; market speculative activities; and global or regional political and economic events, including changes in the global economy.

A growing world nickel market and increased demand for nickel worldwide have attracted new entrants to the nickel industry, spurred the development of new mines and expansion of existing mine

in various regions, including Canada, Russia, Australia, South Africa, South America and New Caledonia, and resulted in added production capacity throughout the industry worldwide. A generally increasing trend in nickel prices since early 2003 has encouraged new or existing international nickel ore producers to expand their production capacity. An increased rate of expansion and an oversupply of nickel in world nickel markets in the future could reduce future nickel prices and the prices we receive under our nickel ore supply agreements.

If the sales price of our nickel ore falls below our production costs, we will sustain losses and, if those losses continue, we may curtail or suspend some or all of our mining and exploration activities. We would also have to assess the economic impact of any sustained lower nickel prices on recoverability and, therefore, the cut-off grade and level of our nickel reserves and resources.

Nickel mining is subject to a number of inherent risks such as natural catastrophes that are beyond our control.

Our mining operations in the CAGA Mine are usually conducted during the period from April to October of each year where the weather is fair in the said area, which is different from the rainfall cycle in Luzon. A disruption of the weather cycle will affect our mining operations in the CAGA Mine.

Our mining operations are influenced by changing conditions that can affect production levels and costs for varying periods, materially disrupt our operations, and as a result, diminish our revenues and profitability. Prolonged disruption of production at our mine or transportation of our nickel ore to customers would result in an increase in our costs and a decrease in our revenues and profitability, which could have a material adverse effect on our business, results of operations and financial condition. The inability to obtain equipment necessary to conduct our operations, increases in replacement or repair costs, prices for fuel and other supplies and unexpected geological conditions could have a significant impact on the productivity of our mine, the resulting number of days we are able to mine and our operating results.

Other factors affecting the production and sale of our nickel ore that could result in increases in our costs and decreases in our revenues and profitability include:

- Inclement weather conditions, including a prolonged monsoon season;
- Equipment failures and unexpected maintenance problems;
- Interruption of critical supplies, including spare parts and fuel;
- Earthquakes or landslides;
- Environmental hazards;
- Industrial accidents;
- Increased or unexpected rehabilitation costs;
- Work stoppages or other labor difficulties; and
- Changes in laws or regulations, including permitting requirements, the imposition of additional taxes and fees and changes in the manner of enforcement of existing laws and regulations.

Last February 10, 2017, a magnitude-6.7 earthquake struck the province of Surigao del Norte. After a thorough inspection, the CAGA Mine was unaffected by the earthquake. All safety systems and protocols were observed. There were no reported injuries among employees and the mining facilities of the Company and infrastructure surrounding the area sustained no damage.

Also, the loading/unloading dock facilities in our CAGA Mine are built on reclaimed land. Earthquakes, tidal waves and other natural calamities may disturb the ground conditions where said dock facilities are located.

The realization of any of these risks could result in damage to our mining properties, nickel ore production or transportation facilities, personal injury or death, environmental damage to our properties, the properties of others or the land or marine environments, delays in mining ore or in the transportation of ore, monetary losses and potential legal liability. Surface mining and related activities present risks of injury to personnel and damage to equipment.

Failure to obtain, sustain or renew our mineral agreements, operating agreements, currently outstanding approvals and permits and other regulatory approvals, permits and licenses necessary for our business could have an adverse effect on our business, results of operations, and financial condition.

We rely on regulatory approvals, permits, licenses (including MPSAs), operating agreements with third-party claim owners and land access agreements to conduct our mining operations.

There is currently no centralized exchange for trading nickel ore and as a result, our failure to source purchasers of our nickel ore would materially and adversely affect our business, results of operations and financial condition.

Our business involves the production and sale of nickel ore. Nickel ore is not a finished metal product and there is no established spot market where our product can be sold. We must sell our nickel ore through negotiated contractual arrangements with third parties. We may not be able to find purchasers who will buy our nickel at terms acceptable to us, or at all. Accordingly, our failure to find purchasers for our nickel ore would have a material adverse effect on our business, results of operations and financial condition.

We encounter risks in the peace and order and security of our CAGA Mine.

In 2011, armed men entered our CAGA Mine burning our properties and causing damage to a number of our trucks and equipment. The failure to prevent such damages to properties may have an adverse effect on the financial results of the Group.

To prevent such events, we engage a third-party contractor to provide security services at our mine site. In addition, all of the contractors also engage their own security force. We have engaged Chevron Security and Investigation Agency Inc. since December 2011. The original term of the security service contract expired on November 30, 2012; however, the contract is automatically renewed every year, until a notice of termination is served to the other party. All armory and equipment are provided for by the contractor itself, and comprehensive training is also provided to the security guards stationed at our mine by the contractor. Moreover, since May 2019, we have engaged Renjamel Security Agency to provide security services at our mine site. The contract is automatically renewed every year, until a notice of termination is served to the other party.

In addition to our security force and that of our contractors, a Special Civilian Armed Auxiliary (SCAA) force of approximately 120 para-military trained personnel managed by the Philippine Army, are tasked with securing the perimeter of our mining operation. Under the Memorandum of Agreement of the Group with the Philippine Army, PGMC has the obligation to provide allowances, uniform and equipment, any claims arising from personal damages caused by or to any of the SCAA when the related injury or damage is incurred in the course of lawful performance of the SCAA's duty.

Each of the neighboring mining companies in the area of our mine also cooperates and shares information pertaining to the security situation in the vicinity.

We rely to a significant degree on third-party contractors and failure of any such contractor to comply

with its contractual obligations or the loss of any such contractor's services could increase our costs or disrupt our operations and we may be held liable for costs or delays caused by them.

We depend upon independent third-party contractors to perform our mining operations including earthmoving, loading, transportation and certain other services at our Cagdianao Mine for us. The performance of the independent third-party contractors may be constrained by labor disputes or actions, or damage to or failure of equipment and machinery or financial difficulties. In addition, failure by our contractors to comply with applicable laws could adversely affect our reputation.

In addition, there can be no assurance that our monitoring of the work and performance of our independent third-party contractors will be sufficient to control the quality of their work or their adherence to safety or environmental standards. In the event that our independent third-party contractors fail to meet the quality, safety, environmental, and other operating standards that are required by the relevant laws and regulations, our operations may suffer and we may be liable to third parties. In particular, given the dangers inherent with operating heavy machinery and mining activities, we cannot guarantee our current safety measures and monitoring activities could successfully prevent any accidents or casualties caused by the operation of our independent third-party contractors.

Furthermore, any contractual disputes with our contractors, the inability of any of our contractors to comply with their contractual obligations to us, including shipment volume guarantees, or our inability to maintain a cooperative relationship with any of our independent third-party contractors or obtain alternative providers on comparable or more favorable terms in a timely manner, or at all, may delay our production schedule and we may breach our supply contracts with our customers, any or all of which may substantially increase our costs and may have a material adverse effect on our business, results of operations, and financial condition.

Our reserve and resource estimates may not accurately reflect our nickel deposits, and inaccuracies or future reductions in our reserve or resource estimates could have an adverse impact on our business, results of operations, and financial condition.

Reserve and resource figures are estimates and no assurances can be given that the indicated levels of nickel ore will be produced or that we will receive the price assumed in determining our reserves. These estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While we believe that the reserve and resource estimates included in this report are well established, by their nature reserve and resource estimates depend, to a certain extent, upon statistical inferences which may ultimately prove inaccurate and require adjustment.

Furthermore, fluctuations in the market price of nickel, increased capital or production costs or reduced recovery rates, change to life of mine plans and changes in applicable laws and regulations, including environmental laws and regulations, may render ore reserves uneconomic and may ultimately result in a reduction of reserves. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the determination of their profitable recovery, which determination may change over time based on economic and technological factors. Accordingly, no assurances can be given that any reserve estimates will not be reduced in the future or that any resource estimates will ultimately be reclassified as proven or probable reserves.

Our future exploration and development activities may not be successful, and, even if we make economic discoveries of nickel ore deposits, unexpected problems during the start-up phase of any new operations could have an adverse impact on our business, results of operations, and financial condition.

We can provide no assurance that our current exploration and development programs will result in profitable commercial mining operations or will replace production at our existing mining operations. Also, we may incur expenses on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically. In addition, we may compete with other mining companies to acquire rights to exploit attractive mining properties.

The economic feasibility of development projects is based upon many factors, including the accuracy of reserve estimates; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental protection; and nickel prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proved and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. We also conduct feasibility studies that derive estimates of capital and operating costs based upon many factors, including anticipated tonnage and grades of nickel ore to be mined, the configuration of the mine, ground and mining conditions and anticipated environmental and regulatory compliance costs.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from our best estimates. It is not unusual for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated.

Fluctuations in transportation costs and disruptions in transportation could adversely affect the demand for our nickel ore.

Transportation costs may vary for a number of reasons, including changes in global demand for commodities, the size of the global shipping fleet and fuel costs. Under the terms of certain of our ore supply agreements, the customer is responsible for paying transportation costs including shipping and related insurance costs. Any future increases in freight costs could result in a significant decrease in the volume of nickel ore that customers outside the Philippines purchase from us.

We depend upon ships to deliver nickel ore to our international customers. While these customers typically arrange and pay for transportation of nickel ore from transshipment areas to the point of use, disruptions to these transportation services because of weather-related problems, distribution problems, labor disputes or other events could temporarily restrict the ability to supply nickel ore to customers or could result in demurrage claims by ship-owners for loading delays.

Continued compliance with safety, health and environmental laws and regulations may adversely affect our business, results of operations, and financial condition.

We expend significant financial and managerial resources to comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements (for the purpose of this paragraph, collectively referred to as “laws”) drawn from a number of different jurisdictions. We anticipate that we will be required to continue to do so in the future as the recent trend towards stricter environmental laws is likely to continue. The possibility of more stringent laws or more rigorous enforcement or new judicial interpretation of existing laws exists in the areas of worker health and safety, the disposition of waste, the decommissioning and rehabilitation of mining sites and other environmental matters, each of which could have a material adverse effect on our exploration, operations or the cost or the viability of a particular project.

Our facilities operate under various operating and environmental permits, licenses and approvals that contain conditions that must be met and our right to continue operating our facilities is, in a number of instances, dependent upon compliance with these conditions. Failure to meet certain of these conditions could result in the interruption or closure of exploration, development or mining operations or material fines or penalties, all of which could have an adverse impact on our business, results of operations, and financial condition. An unequal application and implementation of the laws and without due process will have an adverse effect on the Company.

Changes in, or more aggressive enforcement of laws and regulations could adversely impact our business.

Mining operations and exploration activities are subject to extensive laws and regulations. These relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and rehabilitation, mine safety, toxic substances, transportation safety and emergency response and other matters.

Further, there is a risk that mining laws and regulations could change and adversely impact our business. Compliance with these laws and regulations involve substantial costs. It is possible that the costs, delays and other effects associated with these laws and regulations may impact our decision as to whether to continue to operate an existing mine, refining and other facilities or whether to proceed with exploration or development of properties. Since legal requirements change from time to time, are subject to interpretation and may be enforced to varying degrees in practice, we are unable to predict the ultimate cost of compliance with these requirements or their effect on operations should any of these increases or be modified in any material respect.

We are exposed to exchange rate fluctuations. In particular, fluctuations in the exchange rate between the Peso and the US\$ could have an adverse effect on our results of operations and financial condition.

Our nickel ore sales are denominated in US\$ while some of our costs are incurred in Pesos. The appreciation of the Peso against the US\$ reduces our revenue in Peso terms. Accordingly, fluctuations in exchange rates can have an impact on our financial results. While our current policy is not to hedge our exposure to foreign currency exchange risk or invest in derivative instruments, the Company closely monitors the exchange rate fluctuations to determine if there is a need to hedge our exposure to foreign currency exchange risk or invest in derivative instruments.

Economic, political and other conditions in China, as well as government policies, could adversely affect our business and prospects.

Our business depends on the general economic conditions in China, as well as its political and social conditions. Our entire revenues for the years ended December 31, 2018, 2019 and 2020 was derived from sales of nickel ore to China. The Chinese market has become a significant source of global demand for commodities and China represented approximately 58% of the global primary nickel demand in the year of 2020. The China's annual consumption of primary nickel in Stainless Steel dropped by 2.02% year-on-year growth in 2018 to 985,000 metric tonnes and has an average year-on-year growth of 11.95% since 2010 from 393,000 metric tonnes to an estimated 1.15 million metric tonnes in 2020.

The economy of China differs in many respects from the economies of most developed countries, including with respect to:

- The amount and degree of government involvement;

- Growth rate and degree of development;
- Government control over capital investment;
- Government control of foreign exchange; and
- Government allocation of resources.

The Chinese economy is in the process of transitioning from a centrally planned economy to a more market-oriented economy. For approximately three (3) decades, the Chinese government has implemented economic reform measures to utilize market forces in the development of the economy. However, the Chinese government continues to play a significant role in regulating industries and the economy through policy measures. Any political tension between the Chinese and Philippine governments may also have an adverse effect on our business and operations if such tension escalates and has effects on commerce and economic relations. For example, such tension may result in policy directives restricting free trade between China and the Philippines or increase in the cost of doing business between the two (2) countries, such as with respect to shipping and freight costs, which at present constitutes a significant competitive advantage for us against international competitors. We cannot predict the extent of any adverse effect on our current or future business, financial condition or results of operations that could be caused by any changes in Chinese economic, political or social conditions and in Chinese laws, regulations and policies.

Moreover, particularly related to our business, China, in response to its increased demand for commodities, is increasingly seeking self-sufficiency in key commodities, including nickel, through investments in nickel mining operations in other countries. In addition, nickel ore is used in the production of stainless steel and a slowdown in the stainless steel industry in China, or China's economic growth in general, could result in lower Chinese demand for our products and therefore reduce our revenue. In the event that the demand for our nickel ore from our Chinese customers materially decreases and we are unable to find new customers to replace these customers, our business, results of operations, and financial condition could be materially and adversely affected.

Government Regulations and Approvals

The Company relies on regulatory approvals, permits, licenses (including MPSAs), operating agreements with third-party claim owners and land access agreements to conduct its mining operations.

Prior to its expiration, MPSA No. 007-92-X for the Cagdianao Mine, was renewed on June 21, 2016 for another twenty-five years from its initial term ending in 2017, or until February 14, 2042. On March 2, 2020, the MGB confirmed that MPSA No. 007-92-X and the Memorandum of Agreement between SIRC as "Claim Owner" and PGMC as "Operator" is valid and existing as of date.

The Company holds, or has applied for most of, the necessary regulatory approvals, licenses, permits, operating agreements and land access agreements to carry on the activities that it is conducting under applicable laws and regulations.

PROPERTIES

Mineral Property

Cagdianao Mine

MPSA No. 007-92-X - On November 16, 2015, SIRC applied for the renewal of its MPSA and was approved for another twenty-five (25) year term on June 21, 2016. The renewed MPSA is valid until February 14, 2042. The MPSA covers an area of 4,376 hectares and is currently operating deposits CAGA 2, 3 and 4.

The Cagdianao Mine is located in Sitio Kinalablaban, Barangay Cagdianao, Municipality of Claver, in

the province of Surigao del Norte in the northeast corner of Mindanao island. The Cagdianao Mine is located within the Surigao Mineral Reservation and in a geological area known as the Surigao Laterite Domain, characterized by substantial deposits of both limonite and saprolite. It is accessible via domestic flights from Manila, Cebu, and other domestic locations, which can land either in Surigao City or Butuan City; Surigao City is approximately 89 kilometers, while Butuan City is approximately 170 kilometers away from our Cagdianao Mine. The mine is connected to two (2) separate pier facilities connecting to the mining operation via causeways, which facilitate the loading of ore and the unloading of supplies to and from ships anchored offshore in the Philippine Sea. The Cagdianao Mine also features extensive infrastructure to support the Group's mining operations, including stockyards, administration buildings, testing and sampling laboratory, staff accommodation and access roads.

Mineral Resources and Reserves

Mineral resources and ore reserves at the Cagdianao Mine as estimated by the PMRC Competent Person as at October 15, 2020 and December 15, 2020, respectively, are shown in the tables in the next pages:

Statement of Mineral Resources for Total Nickel as of October 15, 2020 (Measured and Indicated)

Material Type	Deposit	PMRC Classification	Volume	Quantity (Tonnes)	%Ni	%Fe	Dry Bulk Density
Combined (High Grade, Medium Grade, Low Grade)	CAGA-1 (Development)	Measured	8,720,567	9,906,000	1.0	42.5	1.1
		Indicated	3,333,018	3,758,000	1.0	34.1	1.1
		Subtotal	12,053,585	13,664,000	1.0	40.2	1.1
	CAGA-2 (As of Oct 15, 2020)	Measured	5,496,065	7,064,000	1.2	29.4	1.3
		Indicated	4,307,197	5,536,000	1.1	29.8	1.3
		Subtotal	9,803,262	12,600,000	1.1	29.6	1.3
	CAGA-3 (As of Oct 15, 2020)	Measured	6,726,768	7,868,000	1.2	26.5	1.2
		Indicated	2,148,193	2,501,000	1.1	22.2	1.2
		Subtotal	8,874,961	10,369,000	1.2	25.5	1.2
	CAGA-4 (As of Oct 15, 2020)	Measured	9,966,680	12,282,000	1.2	24.9	1.2
		Indicated	4,812,480	5,934,000	1.2	25.2	1.2
		Subtotal	14,779,160	18,216,000	1.2	25.0	1.2
	CAGA-5 (Unmined)	Measured	1,155,038	1,386,000	1.0	45.7	1.2
		Indicated	1,415,964	1,699,000	1.0	22.7	1.2
		Subtotal	2,571,002	3,085,000	1.0	33.0	1.2
	CAGA-6N (Unmined)	Measured	112,735	156,000	0.9	47.4	1.4
		Indicated	2,366,602	3,008,000	1.2	21.3	1.3
		Subtotal	2,479,337	3,164,000	1.2	22.6	1.3
	CAGA-6S (Unmined)	Measured	3,230,098	3,548,000	1.1	30.9	1.1
		Indicated	925,019	1,008,000	1.0	25.9	1.1
		Subtotal	4,155,117	4,556,000	1.1	29.8	1.1
	CAGA-7 (Unmined)	Measured	4,738,652	5,636,000	1.1	34.4	1.2
		Indicated	1,490,362	1,773,000	1.1	34.0	1.2
		Subtotal	6,229,014	7,409,000	1.1	34.3	1.2
	Combined	Measured	40,146,603	47,846,000	1.1	31.7	1.2
		Indicated	20,798,835	25,217,000	1.1	27.3	1.2
		Total	60,945,000	73,063,000	1.1	30.2	1.2

Notes:

1. The PGM Statement of Mineral Resources has been generated under the supervision of Mr. Edgardo G. Garcia who is an independent Consulting Geologist and a Registered Member of the Geological Society of the Philippines and Australian Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the PMRC and JORC Codes.

2. All Mineral Resources figures reported in the table above represent estimates at 15 October 2020. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape, continuity of the mineralization and the availability of sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate and thus may cause some computational variances.
3. Mineral Resources are reported in accordance with the Philippine Mineral Reporting Code (PMRC 2007 Edition) which was adopted from JORC.
4. The PGM-C Statement of Mineral Resources includes all estimates for all explored deposits of the PGM-C CAGA Nickel Project, namely: CAGA-1 to CAGA-7. However, estimates* for CAGA-5 remains the same as reported on 31 May 2014 as no additional exploration/drilling and mining operations have been undertaken since then.

Statement of Ore Reserves as of December 15, 2020

Classification	Proven			Probable			Total		
Material	WMT	Nickel, Ni	Iron, Fe	WMT	Nickel, Ni	Iron, Fe	WMT	Nickel, Ni	Iron, Fe
	x 10 ⁵	%	%	x 10 ⁵	%	%	x 10 ⁵	%	%
HG	2.71	1.79	13.83	0.55	1.76	13.55	3.26	1.78	13.78
LGHF	16.67	0.83	48.73	4.97	0.81	48.65	21.65	0.82	48.71
LGMF	5.89	1.15	45.46	1.52	1.15	45.60	7.41	1.15	45.49
LGLF	9.50	1.22	13.12	6.20	1.20	13.22	15.71	1.22	13.16
MGMF	0.34	1.43	44.21	0.08	1.42	46.39	0.42	1.43	44.65
MGLF	8.04	1.47	13.82	2.97	1.46	13.44	11.01	1.47	13.72
ORE	43.15	1.14	31.71	16.30	1.15	27.28	59.45	1.14	30.50

Liens and Encumbrances

None of the Group's real properties are subject to any liens, encumbrances or other security interests.

LEGAL PROCEEDINGS

To the knowledge and information of the Company, there is no material pending legal proceeding (wherein the amount involved, exclusive of interest and costs, exceeds ten percent (10%) of the current assets of the Company), to which the Company is a party or of which its property is the subject before any court of law in the Philippines, and which if adversely determined, will have a material adverse effect on the financial condition of the Company.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company's Board of Directors reviews and approves the engagement of services of the Company's external auditors, who are appointed upon the recommendation of the Audit Committee, and which appointment shall be ratified by the stockholders during the annual stockholders' meeting. The Chairman of the Company's Audit Committee is Mr. Sergio Ortiz-Luis Jr.. He is joined by Atty. Dante R. Bravo and Mr. Edgardo G. Lacson as members of the Audit Committee.

The auditing firm of Sycip Gorres Velayo & Co. ("SGV"), a member firm of Ernst & Young Global Limited will be nominated and recommended to the stockholders for reappointment as external auditor for the year 2018-2019. Representatives of the said firm are expected to be present at the upcoming Annual Stockholders' Meeting to respond to appropriate questions and to make a statement if they so desire.

In compliance with SRC Rule 68 (3) (b) (iv) of the Securities Regulation Code, the appointment of a signing partner of SGV shall not exceed five (5) consecutive years. Ms. Eleonore A. Layug, commenced as engagement partner of the Company starting 2017.

The independent auditors for the Company were changed from Navarro, Amper & Co. to SGV effectively from July 2014 after the acquisition of the PGMC by the Company. SGV has been the auditor for PGMC since 2005, for the considerations of consistency and ease of consolidation of the Company's and PGMC's financial stations. SGV was also appointed by the Company as its auditors. There were no disagreements between the two auditing firms.

External Audit Fees

SGV

The consolidated financial statements of the Company and Subsidiaries as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 have been audited by SGV, a member firm of Ernst & Young Global Limited, independent auditors, as set forth in their reports appearing herein.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by SGV.

	For the year ended December 31,	
	2020	2019
	(P thousands)	
Audit and Audit-Related Fees ⁽¹⁾	1,744	6,759
Non-Audit Services ⁽²⁾	5,098	4,050
Total	6,842	10,809

(1) *Audit and Audit-Related Fees.* This category includes the audit of annual financial statements, review of interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years.

The fees presented above include out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 15.0% of the agreed-upon engagement fees.

(2) *Non-Audit Services.* This category includes the tax advisory fees for the tax advisory services provided by SGV. The fees presented above include out-of-pocket expenses incidental to the work performed, the amounts of which do not exceed 15.0% of the agreed-upon engagement fees

There was no event in the past where SGV had any disagreement with the Company regarding any matter relating to accounting principles or practices or financial statement disclosure or auditing scope or procedure.

Market Price of and Dividends

Market Information

The PSE is the principal market for the Company's shares. The closing price of the shares as of December 29, 2020 is at ₱2.72 per share.

The high and low sale prices of the shares of stock of the Company for each quarter within the period January 1, 2020 to December 31, 2020 and the last two (2) years are as follows:

YEAR	Q1		Q2		Q3		Q4	
	High	Low	High	Low	High	Low	High	Low
2020	1.86	0.45	1.07	0.55	1.38	0.86	2.77	1.08
2019	1.71	1.41	1.67	1.41	1.98	1.41	2.10	1.44
2018	2.55	2.17	2.57	2.12	2.20	1.85	1.85	1.66
2017	2.86	2.78	2.53	2.47	2.84	2.70	2.64	2.59

Holders

The Company has approximately 1,715 shareholders as of April 30, 2021. Based on the record, the following are the top 20 stockholders with their respective shareholdings and percentage to total shares outstanding as of said date:

Stockholder Name	Nationality	No. of Shares	%
PCD Nominee Corp – Filipino	Filipino	2,333,125,723	43.71
PCD Nominee Corp – Non-Filipino	Foreign	1,619,514,854	30.34
Regulus Best Nickel Holdings, Inc.	Filipino	523,154,668	09.80
Blue Eagle Elite Venture, Inc.	Filipino	348,769,779	06.53
Sohoton Synergy, Inc.	Filipino	233,156,767	04.37
Huatai Investment Pty. Ltd. –Australian	Australian	137,316,347	02.57
Red Lion Fortune Group, Inc.	Filipino	57,588,866	01.08
Joseph C. Sy	Filipino	5,000,000	00.09
Dante R. Bravo	Filipino	3,261,053	00.06
Orion-Squire Capital, Inc. A/C-0459	Filipino	2,283,106	00.04
Carlo A. Matilac	Filipino	1,733,226	00.03
Mary Belle D. Bituin	Filipino	1,630,523	00.03
Squire Securities, Inc.	Filipino	867,338	00.02
Geary L. Barias	Filipino	785,860	00.01
Corsino L. Odtojan	Filipino	785,860	00.01
Mario A. Nevado	Filipino	705,852	00.01
Amor Quintero	Filipino	678,479	00.01
Marilou C. Celzo	Filipino	678,479	00.01
Emmanuel Felipe E. Fang	Filipino	575,779	00.01
Hilario A. Sale Jr	Filipino	575,779	00.01
George L. Go	Filipino	539,153	00.01
Kuok Philippines Properties Inc.	Filipino	463,953	00.01
Richard C. Gimenez	Filipino	430,738	00.01

Dividends

Below is the history of the recent dividend declarations made by the Company and PGMC for the three most recent fiscal years.

	For the Years Ended December 31		
	2020	2019	2018
	(P in millions)		
The Company (cash dividend)	P-	P-	P-
(property dividend)	-	-	860
<i>Subsidiaries</i>			
PGMC (cash dividend)	1,230	2,201	-
PGMC (stock dividend)	-	-	-
Total	P1,230	P2,201	P860

On May 17, 2021, FNI declared cash dividends of ₱00.10 per share to stockholders of record as of June 15, 2021 or for a total of ₱521,031,282.90 and to be paid to its stockholders on or before July 9, 2021.

On December 30, 2020, PGMC declared cash dividends of ₱47.50 per share to stockholders of record as of December 30, 2020 or for a total of ₱1,230,249,952.50 and paid its stockholders on or before March 31, 2021.

On December 16, 2019, PGMC declared cash dividends of ₱85.00 per share to stockholders of record as of December 15, 2019 or for a total of ₱2,201,499,915.00 and paid its stockholders on or before January 2020.

The Board in its regular meeting on March 14, 2018 approved the declaration of property dividend consisting of FNI listed treasury shares at the ratio of 0.06 share for every FNI share to all shareholders of record by April 2, 2018 based on the March 14, 2018 listed price. On October 30, 2018, the SEC approved the Company's declaration of property dividend and payment to eligible shareholders was made on November 22, 2018.

Other than as set forth above, none of our other subsidiaries declared any dividends for the years ended December 31, 2020, 2019 and 2018. Declarations of dividends in previous years are not indicative of future dividend declarations.

Description of Registrant's Securities

As of April 30, 2021, the Company has a total issued capital stock of 6,072,357,151 common shares. 5,210,312,829 common shares of the Company are outstanding and 862,044,322 shares are treasury stock.

Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

On June 30, 2014, IHoldings, Inc., Kwantlen Development Corp. and Januarius Resources Realty Corp (collectively, the IHoldings Group) owned 74.80%, 10.17% and 4.85% of the Company, respectively.

On July 9, 2014, IHoldings Group entered into a Share Purchase Agreement with Huatai Investment Holdings Pty. Ltd., Regulus Best Nickel Holdings, Inc., Bellatrix Star, Inc., Alpha Centauri Fortune

Group, Inc., Antares Nickel Capital, Inc., Blue Eagle Elite Ventures, Inc., Ultimate Horizon Capital, Inc., Sohoton Energy, Inc., Great South Group Ventures, Inc., Red Lion Fortune Group, Inc., Wei Ting, Dante R. Bravo and Seng Gay Chan (collectively, the “Thirteen Stockholders”) pursuant to which IHoldings Group will sell to the Thirteen Stockholders 6,291,132,047 common shares of the Company (the “Subject Shares”) comprising the entirety of their respective shareholdings and representing 89.82% of the total issued and outstanding capital stock of the Company. This Share Purchase Agreement was amended on September 4, 2014,

On September 5, 2014, as a requirement under the Securities Regulation Code (SRC), the Thirteen Stockholders have launched a mandatory tender offer to acquire the shares of the minority stockholders holding 712,781,634 common shares of the Company and filed a Tender Offer Report with the SEC and PSE. The Tender Offer period lapsed October 10, 2014 where 204,264 common shares (the “Tendered Shares”) were tendered to the Thirteen Stockholders. After the lapse of the tender offer period, the Thirteen Stockholders completed the purchase of the Subject Shares in accordance with the Share Purchase Agreement. The Subject and Tendered Shares were crossed through the PSE on October 15, 2014.

On September 10, 2014 and October 22, 2014, the Board of Directors and the stockholders of the Company, respectively, approved the following amendments to the Articles of Incorporation and By-laws:

- Change in the Company’s name from Southeast Asia Cement Holdings, Inc. to Global Ferronickel Holdings, Inc.;
- Change in the registered and principal address from Room 1104, Liberty Center Buildings, 104 H.V. dela Costa corner Leviste Streets, Salcedo Village, Makati City to 7th Floor, Corporate Business Centre, 151 Paseo de Roxas corner Arnaiz Street, Makati City;
- Increase in the number of directors from nine (9) to ten (10) members;
- Increase in the authorized capital stock of the Company from ₱2,555,000,000.00 divided into 7,300,000,000 common shares with par value of ₱0.35 per share to ₱12,555,000,000.20 divided into 35,871,428,572 common shares with a par value of ₱0.35 per share; and
- Change of fiscal year from June 30 to December 31.

The Board and the stockholders of the Company also approved the issuance of 10,463,093,371 new common shares of the Company resulting from the increase in the authorized capital stock to the Thirteen Shareholders who are also the stockholders of PGMC in exchange for the sale and transfer to the Company of 99.85% of the outstanding capital stock of PGMC under a Deed of Exchange dated October 23, 2014; and the follow-on offering and listing of shares with the PSE which includes the 10,463,093,371 common shares issued to the stockholders of PGMC.

On October 23, 2014, the Company executed a Deed of Exchange for a share-for-share swap (Share Swap) with the Thirteen Stockholders of PGMC. The Company will issue 10,463,093,371 common shares to the Thirteen Stockholders in exchange for the 99.85% outstanding shares of PGMC and cancel the receivables of the Company assumed by the Thirteen Stockholders from the IHoldings Group pursuant to the Share Purchase Agreement dated July 9, 2014, as amended on 4 September 2014. The total par value of the 10,463,093,371 common shares to be issued by the Company to the Thirteen Stockholders amounted to ₱3,662.1 million.

On November 27, 2014, the Company entered into a Memorandum of Agreement with Giantlead Prestige, Inc., Alpha Centauri Fortune Group, Inc., Antares Nickel Capital, Inc., Huatai Investment Holding Pty. Ltd. and an individual for the purchase of 500,000 common shares and 6,250,000,000 preferred shares or one hundred percent (100%) interest of Southeast Palawan Nickel Ventures, Inc. (SPNVI) for \$50.0 million or its Philippine peso equivalent.

On December 1, 2014, the Company filed with SEC a Notice of Exempt Transaction under Section 10.1 (e) and (i) of the Securities Regulation Code, or pursuant to the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock and pursuant to the subscription for shares of the capital stock of a corporation prior to the incorporation thereof or in pursuance of an increase in its authorized capital stock under the Philippine Corporation Code, when no expense is incurred, or no commission, compensation or remuneration is paid or given in connection with the sale or disposition of such securities, and only when the purpose for soliciting, giving or taking of such subscriptions is to comply with the requirements of such law as to the percentage of the capital stock of a corporation which should be subscribed before it can be registered and duly incorporated, or its authorized capital increased, for the issuance of the aforementioned 10,463,093,371 new common shares. An amended Notice of Exempt Transaction was filed on February 18, 2015.

On December 22, 2014, the Philippine SEC approved the Company's application to increase in the authorized capital stock of the Company to ₱12,555,000,000.20 divided into 35,871,428,572 common shares with a par value of ₱0.35 per share, and the issuance of 10,463,093,371 to the stockholders of PGMC who transferred their shares in PGMC to the Company, as well as the amendment of its articles of incorporation and by-laws to reflect the change in the corporate name, principal address, number of directors and fiscal year.

On February 26, 2015, the Company's stockholders representing 71.64% of the total outstanding shares unanimously approved and ratified the planned acquisition of SPNVI.

On May 19, 2015, SEC approved PGMC's increase of authorized capital stock from ₱ 715,375,046.80 to ₱ 1,515,375,046.80. Out of the increase in the authorized capital stock of ₱800,000,000.00 divided into 80,000,000,000 Class A Common Shares with a par value of ₱0.01 per share, FNI subscribed 20,000,000,000 Class A Common Shares or 61.51% of PGMC.

On August 6, 2015, the Board of Directors of the Company approved the following:

- the execution of the Contract to Sell for the purchase of 500,000 common shares and 6,250,000,000 preferred shares or one hundred percent (100%) interest of SPNVI for \$50.0 million or its Philippine peso equivalent
- subscription of the company to the remaining unissued and unsubscribed shares of SPNVI consisting of Three Hundred Thousand (300,000) common shares with a par value of One Peso (₱ 1.00) per share, and Three Billion Seven Hundred Fifty Million (3,750,000,000) preferred shares with a par value of One Centavo (₱ 0.01) per share, for a total subscription price of Thirty Seven Million Eight Hundred Thousand Pesos (₱ 37,800,000.00)

The Company, its Subsidiaries and Affiliates (collectively, the “Group”) have no record of any bankruptcy, receivership or similar proceedings during the past three (3) years. Neither has the Group made any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business from 2013 to 2017, except as disclosed and mentioned herein, and in the Company and Subsidiaries’ audited financial statements.

Management’s Discussion and Analysis of Financial Position and Results of Operations

Plan of Operations

The Company will serve as a holding company and will retain its shares in PGMIC. The Company will also explore other opportunities in the next twelve (12) months. The Company shall finalize consolidation of Ipilan Nickel Corporation into the Group as soon as practicable.

Operating Segment Information

The Group’s operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The mining segment is engaged in the mining and exploration of nickel saprolite and limonite ore and limestone.

The services segment is engaged in the chartering out of land craft tanks (LCTs) to PGMIC.

Summary Financial Information

The following discussion and analysis are based on the audited consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 and accompanying notes to the consolidated financial statements, prepared in conformity with Philippine Financial Reporting Standards (PFRS) and should be read in conjunction with those audited consolidated financial statements.

The Group has not, in the past five (5) years and since its incorporation, revised its consolidated financial statements for reasons other than changes in accounting period and policies.

The consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 are hereto attached.

The following tables set forth the summary financial information as at and for the years ended December 31, 2020, 2019 and 2018.

Summary of Consolidated Statements of Income

	For the Years Ended			Horizontal Analysis			
	December 31			Increase (Decrease)		Increase (Decrease)	
	2020	2019	2018	2020 vs. 2019	%	2019 vs. 2018	%
	<i>In Thousand Pesos</i>						
Revenues	7,262,574	6,654,626	5,486,619	607,948	9%	1,168,007	21%
Cost of Sales	(2,368,014)	(2,737,893)	(2,656,531)	(369,879)	-14%	81,362	3%
Operating Expenses	(2,185,279)	(1,943,071)	(1,956,182)	242,208	12%	(13,111)	-1%
Finance Costs	(54,922)	(83,084)	(76,938)	(28,162)	-34%	6,146	8%
Finance Income	7,418	9,951	4,609	(2,533)	-25%	5,342	116%
Share in Net Income (Loss) of							
Investment in Associates	35,745	(41,464)	-	(77,209)	-186%	41,464	100%
Other Charges - net	(44,466)	(27,409)	(15,170)	17,057	62%	12,239	81%
Provision for Income Tax - net	(787,656)	(528,101)	(276,879)	259,555	49%	251,222	91%
Net Income	1,865,400	1,303,555	509,528	561,845	43%	794,027	156%
Net Income Attributable to:							
Equity Holders of the Parent	1,867,572	1,307,772	509,528	559,800	43%	798,244	157%
Non-controlling Interest	(2,172)	(4,217)	-	(2,045)	-48%	4,217	100%
	1,865,400	1,303,555	509,528	561,845	43%	794,027	156%

Summary of Consolidated Statements of Income

	For the Years Ended			Vertical Analysis			
	December 31			Increase (Decrease)		Increase (Decrease)	
	2020	2019	2018	2020 vs. 2019	%	2019 vs. 2018	%
	<i>In Thousand Pesos</i>						
Revenues	7,262,574	6,654,626	5,486,619	607,948	108%	1,168,007	147%
Cost of Sales	(2,368,014)	(2,737,893)	(2,656,531)	(369,879)	66%	81,362	-10%
Operating Expenses	(2,185,279)	(1,943,071)	(1,956,182)	242,208	-43%	(13,111)	2%
Finance Costs	(54,922)	(83,084)	(76,938)	(28,162)	5%	6,146	-1%
Finance Income	7,418	9,951	4,609	(2,533)	0%	5,342	1%
Share in Net Income (Loss) of							
Investment in Associates	35,745	(41,464)	-	(77,209)	14%	41,464	-5%
Other Charges - net	(44,466)	(27,409)	(15,170)	17,057	-3%	12,239	-2%
Provision for Income Tax - net	(787,656)	(528,101)	(276,879)	259,555	-46%	251,222	-32%
Net Income	1,865,400	1,303,555	509,528	561,845	100%	794,027	100%
Net Income Attributable to:							
Equity Holders of the Parent	1,867,572	1,307,772	509,528	559,800	100%	798,244	101%
Non-controlling Interest	(2,172)	(4,217)	-	(2,045)	0%	4,217	-1%
	1,865,400	1,303,555	509,528	561,845	100%	794,027	100%

Summary Consolidated Statements of Financial Position as at December 31,

				Horizontal Analysis			
	2020	2019	2018	Increase (Decrease)		Increase (Decrease)	
				2020 vs. 2019	%	2019 vs. 2018	%
	<i>In Thousand Pesos</i>						
Current Assets	5,693,173	4,695,448	3,474,416	997,725	21%	1,221,032	35%
Noncurrent Assets	5,881,363	6,006,684	5,387,665	(125,321)	-2%	619,019	11%
Total Assets	11,574,536	10,702,132	8,862,081	872,404	8%	1,840,051	21%
Current Liabilities	1,537,995	1,493,422	961,271	44,573	3%	532,151	55%
Noncurrent Liabilities	923,579	1,562,194	1,513,304	(638,615)	-41%	48,890	3%
Non-controlling Interest	31,589	33,975	-	(2,386)	-7%	33,975	100%
Equity Attributable to							
Equity Holders of the Parent	9,081,373	7,612,541	6,387,506	1,468,832	19%	1,225,035	19%
Total Liabilities and Equity	11,574,536	10,702,132	8,862,081	872,404	8%	1,840,051	21%

Summary Consolidated Statements of Financial Position as at December 31,

				Vertical Analysis			
	2020	2019	2018	Increase (Decrease)		Increase (Decrease)	
	In Thousand Pesos			2020 vs. 2019	%	2019 vs. 2018	%
Current Assets	5,693,173	4,695,448	3,474,416	997,725	114%	1,221,032	66%
Noncurrent Assets	5,881,363	6,006,684	5,387,665	(125,321)	-14%	619,019	34%
Total Assets	11,574,536	10,702,132	8,862,081	872,404	100%	1,840,051	100%
Current Liabilities	1,537,995	1,493,422	961,271	44,573	5%	532,151	29%
Noncurrent Liabilities	923,579	1,562,194	1,513,304	(638,615)	-73%	48,890	3%
Non-controlling Interest	31,589	33,975	-	(2,386)	0%	33,975	2%
Equity Attributable to							
Equity Holders of the Parent	9,081,373	7,612,541	6,387,506	1,468,832	168%	1,225,035	67%
Total Liabilities and Equity	11,574,536	10,702,132	8,862,081	872,404	100%	1,840,051	100%

Summary Consolidated Statements of Cash Flows

	For the Years Ended December 31		
	2020	2019	2018
	<i>In Thousand Pesos</i>		
Net Cash Flows From (Used in):			
Operating Activities	2,137,320	1,843,293	1,345,821
Investing Activities	(775,257)	(915,298)	(1,138,813)
Financing Activities	(582,354)	(186,973)	(57,036)
Net Increase in Cash and Cash Equivalents	779,709	741,022	149,972
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(89,387)	(28,461)	12,145
Cash and Cash Equivalents at Beginning of Year	1,761,244	1,048,683	886,566
Cash and Cash Equivalents at End of Year	2,451,566	1,761,244	1,048,683

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)	Increase/ (Decrease)	Percent Inc. (Dec.)
	<i>(In Thousand Pesos)</i>			
ASSETS				
Current Assets	5,125,105	5,693,173	(568,068)	-10.0%
Noncurrent Assets	5,912,017	5,881,363	30,654	0.5%
TOTAL ASSETS	11,037,122	11,574,536	(537,414)	-4.6%
LIABILITIES AND EQUITY				
Current Liabilities	1,460,168	1,537,995	(77,827)	-5.1%
Noncurrent Liabilities	918,028	923,579	(5,551)	-0.6%
Total Liabilities	2,378,196	2,461,574	(83,378)	-3.4%
Equity				
Attributable to Equity Holders				
of the Parent Company	8,627,951	9,081,373	(453,422)	-5.0%
Non-controlling Interest (NCI)	30,975	31,589	(614)	100.0%
Total Equity	8,658,926	9,112,962	(454,036)	-5.0%
TOTAL LIABILITIES AND EQUITY	11,037,122	11,574,536	(537,414)	-4.6%

	For the Quarter Ended March 31		Increase (Decrease)	Percent Inc. (Dec.)
	2021	2020		
	<i>(In Thousand Pesos)</i>			
Revenues	133,269	38,997	94,272	241.7%
Cost and Expenses	(237,933)	(222,056)	(15,877)	7.1%
Finance Costs	(9,531)	(16,125)	6,594	-40.9%
Share in Net Loss of Investment in Associates	(6,259)	(2,859)	(3,400)	118.9%
Other Income (Charges) - net	6,148	(3,322)	9,470	-285.1%
Loss Before Income Tax	(114,306)	(205,365)	91,059	-44.3%
Benefit from Income Tax - net	(20,539)	(47,394)	26,855	-56.7%
Net Loss	(93,767)	(157,971)	64,204	-40.6%
Other Comprehensive Income	7,633	3,857	3,776	97.9%
Total Comprehensive Loss	(86,134)	(154,114)	67,980	-44.1%
Basic and Diluted Loss Per Share	(0.0176)	(0.0288)	0.0112	-38.8%
Net Loss Attributable To:				
Equity Holders of the Parent	(93,153)	(157,543)	64,390	-40.9%
Non-controlling Interest (NCI)	(614)	(428)	(186)	43.5%
	(93,767)	(157,971)	64,204	-40.6%

	For the Quarter Ended March 31		For the Year Ended December 31
	2021	2020	2020
	<i>(In Thousand Pesos)</i>		
Capital Stock	6,375,975	6,375,975	6,375,975
Additional Paid-in Capital	239,012	239,012	239,012
Fair Value Reserve of Financial Asset at Fair Value through Other Comprehensive Loss	(5,270)	(6,893)	(5,481)
Remeasurement Gain on Retirement Obligation	8,607	19,729	8,607
Cumulative Translation Adjustment	(37,547)	1,923	(44,969)
Retained Earnings	3,959,980	2,028,015	4,053,133
Treasury Shares - at cost	(1,912,806)	(1,206,238)	(1,544,904)
Non-controlling Interest (NCI)	30,975	33,546	31,589
Total Equity	8,658,926	7,485,069	9,112,962

	For the Quarter Ended March 31	
	2021	2020
	<i>(In Thousand Pesos)</i>	
NET CASH FLOWS USED IN:		
Operating Activities	(264,049)	(343,488)
Investing Activities	(183,462)	(741,730)
Financing Activities	(373,789)	(16,137)
NET DECREASE IN CASH	(821,300)	(1,101,355)
Effect of Exchange Rate Changes on Cash	19,653	(3,460)
CASH AT BEGINNING OF PERIOD	2,451,566	1,761,244
CASH AT END OF PERIOD	1,649,919	656,429

RESULTS OF OPERATIONS

Year ended December 31, 2020 compared with year ended December 31, 2019

Export Revenues

The Group's sale of nickel ore for the year ended December 31, 2020 generated total export revenues of ₱7,262.6 million compared to ₱6,654.6 million in the year ended December 31, 2019, an increase of ₱608.0 million or 9.1%. The increase was attributable to higher prices of nickel ore compared to 2019.

The sale of nickel ore for the year ended December 31, 2020 was 5.625 million WMT, lower by 0.265 million WMT or 4.5%, compared to 5.890 million WMT of nickel ore in the year ended December 31, 2019. The Group shipped 103 vessels of nickel ore during the year ended December 31, 2020 as against 108 vessels of nickel ore during the same period last year. The decrease in the number of vessels loaded and consequently in the volume of nickel ore shipped was a result of the temporary suspension of operations in April to combat the spread of the coronavirus. The resulting product mix was 68% low-grade ore and 32% medium-grade ore in 2020 versus the previous year's mix of 45% low-grade ore and 55% medium-grade ore. These shipments sold solely to Chinese customers consisted of 3.831 million WMT low-grade nickel ore and 1.794 million WMT medium-grade nickel ore compared to 2.660 million WMT low-grade nickel ore and 3.230 million WMT medium-grade nickel ore of the same period in 2019.

The average realized nickel ore prices for 2020 were higher than 2019, specifically: (1) Low-grade ore was US\$24.61/WMT in 2020, 37.6% higher than 2019 price of US\$17.89/WMT; and (2) Medium-grade ore was US\$29.47/WMT, 17.2% higher than 2019 price of US\$25.15/WMT. The overall average realized nickel ore price for the year ended December 31, 2020 was US\$26.16/WMT compared to US\$21.87/WMT for the year ended December 31, 2019, higher by US\$4.29/WMT or 19.6%.

The average realized Peso over US\$ exchange rate for the Group's export revenues was ₱49.35 compared to ₱51.65 of the same period last year, lower by ₱2.30 or 4.4%.

Service Revenues

The service income earned for the LCT chartered by PGMCM from its subsidiary, PCSSC, amounted to ₱82.6 million for the year ended December 31, 2020 as compared to ₱100.4 million for the year ended December 31, 2019.

Cost and Expenses

The cost and expenses include cost of sales, excise taxes and royalties, general and administrative expenses, and shipping and distribution. The cost and expenses amounted to ₱4,553.3 million for the year ended December 31, 2020 compared to ₱4,681.0 million for the year ended December 31, 2019, a decrease of ₱127.7 million or 2.7%. The average cash operating cost per volume sold decreased to ₱720.30 per WMT in 2020 from ₱727.31 per WMT, lower by ₱7.01 per WMT or 1.0%. For the year ended December 31, 2020, the total aggregate cash costs and total sales volume were ₱4,051.7 million and 5.625 million WMT, respectively. For the year ended December 31, 2019, the total aggregate cash costs and total sales volume were ₱4,283.9 million and 5.890 million WMT, respectively.

Cost of Sales

The cost of sales went down from ₱2,737.9 million for the year ended December 31, 2019 to ₱2,368.0 million for the same period this year, a decrease by ₱369.9 million, or 13.5%, broken down mainly as follows: (a) decrease in contract hire by ₱260.3 million (from ₱1,935.9 million in 2019 to ₱1,675.6 million in 2020), or 13.4%; (b) decrease in depreciation, depletion and amortization by ₱50.1 million (from ₱340.7 million), or 14.7%; (c) decrease in personnel costs by ₱10.6 million (from ₱177.7 million), or 6.0%; and decrease in fuel, oil, and lubricants by ₱10.8 million (from ₱39.3 million), or 27.5%. This was brought about mainly by the lower volume produced and shipped in the current year compared to the prior year, and no shipment during the month of April due to the temporary suspension of operations. Also, more low grade nickel ore was produced and shipped in 2020 compared to 2019. In addition, the decrease in depreciation, depletion and amortization was due to lower average depletion and amortization rates used because of the increase in ore reserves based on the latest PMRC Report (see Notes 8 and 10 of the consolidated financial statements). Furthermore, operation overhead decreased by ₱21.8 million (from ₱33.0 million), or 66.2% due to the completed confirmatory drilling services for operating CAGA 2 and CAGA 4 in 2019 versus nil in the current year.

Excise Taxes and Royalties

Excise taxes and royalties were ₱959.8 million and ₱843.0 million for the years ended December 31, 2020 and 2019, respectively. Since these expenses were computed and paid based on the percentage of revenues, the increase in revenues consequently increased the excise taxes and royalties taken up.

General and Administrative

General and administrative expenses were ₱794.3 million in the year ended December 31, 2020 compared to ₱675.2 million in the year ended December 31, 2019, an increase of ₱119.1 million, or 17.6%. The increase was mainly attributable to the provision for impairment losses on input value-added tax (VAT) taken up by the Group during the year amounted to ₱160.9 million. These are long-outstanding input VAT and the management deemed it prudent to take a conservative approach to the Group's financials. In addition, the Group is taking the necessary steps to realize these long-outstanding input VAT in the future. The increase was offset by the decrease in personnel costs, consultancy fees, and travel and transportation amounted to ₱24.5 million, ₱15.6 million, and ₱9.5 million, respectively.

Shipping and Distribution

Shipping and loading costs were ₱431.1 million for the year ended December 31, 2020 compared to ₱424.8 million in the same period last year, up by ₱6.3 million, or 1.5%.

Finance Costs

Finance costs amounted to ₱54.9 million in the year ended December 31, 2020 compared to ₱83.1 million in the year ended December 31, 2019, a decrease of ₱28.2 million, or 33.9%. The decrease was mainly due to the decrease in interest expense attributable to the principal payment of Taiwan Cooperative Bank Manila Offshore Banking Branch (TCB) loan during the year.

Share in Net Income (Loss) of Investment in Associates

The share in net income (loss) of investment in associates amounted to ₱35.7 million for the year ended December 31, 2020 compared to (₱41.5 million) for the year ended December 31, 2019, an increase of ₱77.2 million, or 186.2%. This represents: (a) net loss take-up for deposits for future acquisition amounted to ₱0.5 million and ₱42.9 million in 2020 and 2019, respectively, in accordance with Philippine Accounting Standards (PAS) 28; and (b) share in net income on the investment in Seasia Nectar Port Services Inc. (SNPSI), an associate, amounted to ₱36.2 million and ₱1.4 million in 2020 and 2019, respectively.

Other Charges - net

Net other charges amounted to ₱44.5 million in the year ended December 31, 2020 compared to ₱27.4 million in the year ended December 31, 2019, an increase of ₱17.1 million, or 62.2%. The increase was attributable to: (a) increase in net foreign exchange losses by ₱31.5 million (from ₱12.5 million), or 252.2% as a result of the rebooking of US\$ denominated accounts; and (b) increase in the Group's net demurrage by ₱27.7 million (from ₱14.9 million), or 185.2% incurred in the current year compared to the prior year. The increase in the other charges was offset by the ₱40.2 million other income earned during the year which pertains to the collection from a customer's receivables previously provided with an allowance for impairment loss.

Provision for Income Tax - net

The net provision for income tax was ₱787.6 million for the year ended December 31, 2020 compared to ₱528.1 million in the same period last year, an increase of ₱259.5 million or 49.1%. The Group's current provision for income tax represents regular corporate income tax for the years ended December 31, 2020 and 2019. It also represents amounts which are expected to be paid to different taxation authorities, the Bureau of Internal Revenue (BIR) in the Philippines and the Inland Revenue Department (IRD) in Hong Kong. The increase was due to the higher taxable income earned during the year compared to the prior year attributable to increase in revenues.

Total Comprehensive Income - net of tax

Currency Translation Adjustment

The Group had recognized currency translation adjustment, net of tax amounted to (₱41.8 million) and (₱15.8 million) for the years ended December 31, 2020 and 2019, respectively, which pertained to the exchange differences arising on the translation of a subsidiary's functional currency to the presentation currency of the Parent Company.

Remeasurement Gain (Loss) on Retirement Obligation

Remeasurement gain (loss) on retirement obligation - net of tax recognized in 2020 and 2019 amounted to (₱11.1 million) and ₱16.9 million, respectively.

Year ended December 31, 2019 compared with year ended December 31, 2018

Export Revenues

The Group's sale of nickel ore for the year ended December 31, 2019 generated total export revenues of ₱6,654.6 million compared to ₱5,486.6 million in the year ended December 31, 2018, an increase of ₱1,168.0 million or 21.3%. The increase was attributable to higher prices of nickel ore and

increase in the volume shipped. The increase was offset by unfavorable exchange rate compared to the prior year.

The sale of nickel ore for the year ended December 31, 2019 was 5.890 million WMT, up by 0.181 million WMT or 3.2%, compared to 5.709 million WMT of nickel ore in the year ended December 31, 2018. The Group was able to ship 108 vessels of nickel ore during the year ended December 31, 2019 as against 103 vessels of nickel ore during the same period last year. The resulting product mix was 45% low-grade ore and 55% medium-grade ore in 2019 versus the previous year's mix of 47% low-grade ore and 53% medium-grade ore. These shipments sold solely to Chinese customers consisted of 2.660 million WMT low-grade nickel ore and 3.230 million WMT medium-grade nickel ore compared to 2.658 million WMT low-grade nickel ore and 3.051 million WMT medium-grade nickel ore of the same period in 2018.

The average realized nickel ore prices for 2019 were higher than 2018, specifically: (1) Low-grade ore was US\$17.89/WMT in 2019, 38.5% higher than 2018 price of US\$12.92/WMT; and (2) Medium-grade ore was US\$25.15/WMT, 11.5% higher than 2018 price of US\$22.56/WMT. The overall average realized nickel ore price for the year ended December 31, 2019 was US\$21.87/WMT compared to US\$18.07/WMT for the year ended December 31, 2018, higher by US\$3.80/WMT or 21.0%.

The average realized Peso over US\$ exchange rate for the Group's export revenues was ₱51.65 compared to ₱53.18 of the same period last year, lower by ₱1.53 or 2.9%.

Service Revenues

The service income earned for the LCT chartered by PGMCO from its subsidiary, PCSSC, amounted to ₱100.4 million for the year ended December 31, 2019 as compared to ₱95.4 million for the year ended December 31, 2018.

Cost and Expenses

The cost and expenses include cost of sales, excise taxes and royalties, general and administrative expenses, and shipping and distribution. The cost and expenses amounted to ₱4,681.0 million for the year ended December 31, 2019 compared to ₱4,612.7 million for the year ended December 31, 2018, an increase of ₱68.3 million or 1.5%. The increase was primarily due to an increase in contractors' fee (see related discussion in the cost of sales section). The average cash operating cost per volume sold increased to ₱727.31 per WMT in 2019 from ₱717.34 per WMT, higher by ₱9.97 per WMT or 1.4%. For the year ended December 31, 2019, the total aggregate cash costs and total sales volume were ₱4,283.9 million and 5.890 million WMT, respectively. For the year ended December 31, 2018, the total aggregate cash costs and total sales volume were ₱4,095.3 million and 5.709 million WMT, respectively.

Cost of Sales

The cost of sales went up from ₱2,656.5 million for the year ended December 31, 2018 to ₱2,737.9 million for the same period this year, an increase by ₱81.4 million, or 3.1%, broken down mainly as follows: (a) increase in contract hire by ₱99.2 million (from ₱1,836.7 million in 2018 to ₱1,935.9 million in 2019), or 5.4%, due to increase of contractors' fee (from original 2019 contract) amounting to US\$0.50/WMT and an additional US\$0.50/WMT for vessel arrival starting August 1 and September 1, respectively. Also, there is an additional fee increase of US\$1.00/WMT (from 2019 original contract) for 1.60%-1.79% nickel ore grade for September arriving vessels; (b) increase in operation overhead by ₱19.8 million (from ₱13.2 million) or 150.4% due to completed confirmatory drilling services for operating CAGA 2 and CAGA 4; and (c) increase in personnel costs and community relations expense by ₱19.2 million or 12.1% and ₱17.0 million or 49.5%, respectively. The increase was offset by the decrease in depreciation, depletion and amortization by ₱73.0 million

(from ₱413.6 million) or 17.6% due to lower depletion and amortization rates used because of the increase in ore reserves based on the latest Philippine Mineral Reporting Code (PMRC) Report (see Notes 8 and 10 of the consolidated financial statements).

Excise Taxes and Royalties

Excise taxes and royalties were ₱843.0 million and ₱727.5 million for the years ended December 31, 2019 and 2018, respectively. Since these expenses were computed and paid based on the percentage of revenues, the increase in nickel ore price and volume shipped consequently increased the excise taxes and royalties taken up.

General and Administrative

General and administrative expenses were ₱675.2 million in the year ended December 31, 2019 compared to ₱795.7 million in the year ended December 31, 2018, a decrease of ₱120.5 million, or 15.1%. The decrease was mainly attributable to the provision for impairment losses taken up by the Group in 2018 amounted to ₱79.7 million compared to nil in 2019. The Group's 2018 provision pertains to a disputed receivable from its previous contractor. In addition, taxes and licenses decreased by ₱57.6 million, or 31.7%. Furthermore, rentals decreased by ₱24.6 million with a corresponding increase in depreciation and amortization amounted to ₱26.4 million due to the adoption of PFRS 16, *Leases* effective January 1, 2019.

Shipping and Distribution

Shipping and loading costs were ₱424.8 million for the year ended December 31, 2019 compared to ₱432.9 million in the same period last year, down by ₱8.1 million, or 1.9%.

Finance Costs

Finance costs amounted to ₱83.1 million in the year ended December 31, 2019 compared to ₱76.9 million in the year ended December 31, 2018, an increase of ₱6.2 million, or 8.1%.

Other Charges - net

Net other charges amounted to ₱27.4 million in the year ended December 31, 2019 compared to ₱15.2 million in the year ended December 31, 2018, an increase of ₱12.2 million, or 80.3%. The difference pertains mainly to the net foreign exchange losses as a result of the rebooking of US\$ denominated accounts and the Group's net despatch revenues earned, net of demurrage and other adjustment.

Provision for Income Tax - net

The net provision for income tax was ₱528.1 million for the year ended December 31, 2019 compared to ₱276.9 million in the same period last year, an increase of ₱251.2 million or 90.7%. The Group's current provision for income tax represents regular corporate income tax for the years ended December 31, 2019 and 2018. The increase was due to the higher taxable income earned during the year compared to the prior year attributable to increase in revenues.

Share in Net Loss of Associates

The share in net loss of associates amounted to ₱41.5 million for the year ended December 31, 2019 compared to nil in 2018. This represents: (1) Equity take-up of deposits for future acquisition amounted to ₱42.9 million attributable to unrecognized share in net loss of SPNVI in accordance with Philippine Accounting Standards (PAS) 28; and (2) Share in net income on the investment in Seasia Nectar Port Services Inc. (SNPSI), an associate, amounted to ₱1.4 million applicable for the period December 1 to 31, 2019.

Total Comprehensive Income - net of tax

Currency Translation Adjustment

The Group had recognized currency translation adjustment, net of tax amounted to (P15.8 million) and P17.4 million for the years ended December 31, 2019 and 2018, respectively, which pertained to the exchange differences arising on the translation of a subsidiary's functional currency to the presentation currency of the Parent Company.

Remeasurement Gain (Loss) on Retirement Obligation

Remeasurement gain (loss) on retirement obligation - net of tax recognized in 2019 and 2018 amounted to P16.9 million and (P9.7 million), respectively.

Year ended December 31, 2018 compared with year ended December 31, 2017

Export Revenues

The Group's sale of nickel ore for the year ended December 31, 2018 generated total export revenues of P5,486.6 million compared to P5,815.6 million in the year ended December 31, 2017, a decrease of P329.0 million or 5.7%. The decline was attributable to lower volume of shipment in 2018 (than in 2017) and lower selling prices, which is mainly driven by external demand and supply. The decrease was offset by favorable exchange rate compared to the prior year.

The sale of nickel ore for the year ended December 31, 2018 was 5.709 million WMT, down by 0.262 million WMT or 4.4%, compared to 5.971 million WMT of nickel ore in the year ended December 31, 2017. The Group was able to ship 103 vessels of nickel ore during the year ended December 31, 2018 as against 109 vessels of nickel ore during the same period last year. The decrease in the number of vessels loaded and consequently in the volume of nickel ore shipped was mainly due to Management's decision to shift its focus towards higher-grade ores that entails more processing activities in order to maximize profitability. This resulted in a product mix of 47% low-grade ore and 53% medium-grade ore in 2018 versus the previous year's mix of 61% low-grade ore and 39% medium-grade ore, which led to an average revenue per vessel of P53.3 million, slightly lower by 0.2% compared to 2017. The 53% medium-grade ore sold in 2018 included 11 shipments of 1.65% nickel ore grade that were not in the 2017 product offering. These shipments sold solely to Chinese customers consisted of 2.658 million WMT low-grade nickel ore and 3.051 million WMT medium-grade nickel ore compared to 3.641 million WMT low-grade nickel ore and 2.330 million WMT medium-grade nickel ore of the same period in 2017.

The average realized nickel ore prices for 2018 were lower than 2017, specifically: (1) Low-grade ore was US\$12.92/WMT in 2018, 18.4% lower than 2017 price of US\$15.83/WMT; and (2) Medium-grade ore, without considering the shipments of 1.65% nickel ore grade, was US\$20.51/WMT, 17.0% lower than 2017 price of US\$24.70/WMT. However, considering the 1.65% nickel ore grade shipments, the average realized ore price for medium-grade ore increased (from US\$20.51/WMT) to US\$22.56/WMT. Because of this, the Group was able to temper the overall average realized nickel ore price decline to only 6.3% (US\$18.07/WMT in 2018 versus US\$19.29/WMT in 2017).

The average realized Peso over US\$ exchange rate for the Group's export revenues was P53.18 compared to P50.49 of the same period last year, higher by P2.69 or 5.3%.

Service Revenues

The service income earned for the LCT chartered by PGMG from its subsidiary, PCSSC, amounted to P95.4 million for the year ended December 31, 2018 as compared to P89.9 million for the year ended December 31, 2017.

Cost and Expenses

The cost and expenses include cost of sales, excise taxes and royalties, general and administrative expenses, and shipping and distribution. The cost and expenses amounted to ₱4,612.7 million for the year ended December 31, 2018 compared to ₱4,704.8 million for the year ended December 31, 2017, a decrease of ₱92.1 million or 2.0%. The decrease was primarily due to lower contractor rates by US\$1 compared to the prior year. However, the average cash operating cost per volume sold increased to ₱717.34 per WMT in 2018 from ₱674.45 per WMT, higher by ₱42.89 per WMT or 6.4%. For the year ended December 31, 2018, the total aggregate cash costs and total sales volume were ₱4,095.3 million and 5.709 million WMT, respectively. For the year ended December 31, 2017, the total aggregate cash costs and total sales volume were ₱4,027.1 million and 5.971 WMT, respectively.

Cost of Sales

The cost of sales went down from ₱2,768.6 million for the year ended December 31, 2017 to ₱2,656.5 million for the same period this year, a decrease by ₱112.1 million, or 4.0%. The decline was mainly due to decrease in contract hire by ₱125.8 million (from ₱1,962.5 million in 2017 to ₱1,836.7 million in 2018), or 6.4% as a result of renegotiation of contract rates with Contractors (reduction by US\$1.0 per WMT). In addition, depreciation, depletion and amortization decreased by ₱12.1 million (from ₱425.7 million in 2017 to ₱413.6 million in 2018) due to reduction in depletion rates as a result of the increase in ore reserve based on the updated PMRC Report effective February 1 and November 1, 2018. On the other hand, repairs and maintenance, environmental protection costs, fuel and oil, and personnel costs increased by ₱16.7 million, ₱13.8 million, ₱8.8 million and ₱8.5 million, respectively.

Excise Taxes and Royalties

Excise taxes and royalties were ₱727.5 million and ₱714.2 million for the years ended December 31, 2018 and 2017, respectively. Since these expenses were computed and paid based on the percentage of revenues, it is expected that the decrease in nickel ore price and volume shipped should consequently decrease the excise taxes and royalties taken up. However, excise taxes and royalties increased due to the implementation of Tax Reform for Acceleration and Inclusion (TRAIN) Law this year increasing the applicable excise tax rate from two percent (2%) to four percent (4%). The increase in excise tax was offset by lower royalty fees paid to the claim-owner as Management was able to negotiate and entered into an Amended Royalty Agreement effective 2018 mining season, with the new rates ranging from two percent (2%) to five percent (5%) versus the previous rates of three percent (3%) to seven percent (7%).

General and Administrative

General and administrative expenses were ₱795.7 million in the year ended December 31, 2018 compared to ₱833.2 million in the year ended December 31, 2017, a decrease of ₱37.5 million, or 4.5%. The decrease was mainly attributable to the provision for impairment losses taken up by the Group in 2018 amounted to ₱79.7 million compared to ₱208.8 million in the prior year. The Group's 2018 provision pertains to a disputed receivable from its previous contractor while the 2017 provision pertains to long-outstanding trade receivables. The provision has no effect on cash and is less than 2% and 5% of the Group's revenues in 2018 and 2017, respectively. Also, the Group continues to take the necessary steps to collect at least a portion of the amount. On the other hand, taxes and licenses, personnel costs and consultancy fees increased by ₱40.9 million, ₱23.4 million and ₱19.0 million, respectively. The net increase in taxes and licenses is mainly attributable to the increase in local business tax in Claver amounted to ₱48.7 million due to the 100% increase in the corresponding tax rate (from 1% to 2%) and higher tax base (revenue was ₱5.8 billion in 2017 versus ₱3.8 billion in 2016). The increase in personnel costs is due to salary adjustments to eligible employees starting March 1 and minimum salary wage increase effective February 14 and May 1, 2018. Moreover, the increase in consultancy fees is mainly attributable to the professional fees incurred in relation to the completion of the Group's FOO in July.

Shipping and Distribution

Shipping and loading costs were ₱432.9 million for the year ended December 31, 2018 compared to ₱388.8 million in the same period last year, up by ₱44.1 million, or 11.3%. The increase was mainly due to payment of Philippine Port Authority (PPA) wharfage fees during the year versus none in the prior years since it is covered under the 10-year exemption of wharfage fees from the Board of Investments (BOI) which expired in 2016.

Finance Costs

Finance costs amounted to ₱76.9 million in the year ended December 31, 2018 compared to ₱68.7 million in the year ended December 31, 2017, an increase of ₱8.2 million, or 11.9%. The provision for mine rehabilitation and decommissioning cost increased in 2017 based on the latest FMRDP of the Group resulting in the increase in accretion interest expense (increase by ₱10.0 million, from ₱4.1 million in 2017) taken up by the Group at the start of the year.

Other Income (Charges) - net

Net other charges amounted to ₱15.2 million in the year ended December 31, 2018 compared to net other income amounted to ₱28.4 million in the year ended December 31, 2017, a decrease of ₱43.6 million, or 153.5%. The difference pertains mainly to the net foreign exchange losses during the year as a result of the rebooking of US\$ denominated accounts. This was offset by the net despatch revenues earned by the Group during the year.

Provision for Income Tax - net

The net provision for income tax was ₱276.9 million for the year ended December 31, 2018 compared to ₱297.5 million in the same period last year, a decrease of ₱20.6 million or 6.9%. The Group's current provision for income tax represents regular corporate income tax for the years ended December 31, 2018 and 2017. The decrease was due to the lower taxable income earned during the year compared to the prior year.

Total Comprehensive Income – net of tax

Currency Translation Adjustment

The Group had recognized currency translation adjustment amounted to ₱17.4 million and ₱9.4 million for the years ended December 31, 2018 and 2017, respectively, which pertained to the exchange differences arising on the translation of a subsidiary's functional currency to the presentation currency of the Parent Company.

Remeasurement Gain (Loss) on Retirement Obligation

Remeasurement gain (loss) on retirement obligation - net of tax recognized in 2018 and 2017 amounted to (₱9.7 million) and ₱7.2 million, respectively.

The Group's operational Surigao mine performs nickel ore production and shipment during the dry months of each year between April to October, and hence the net loss of ₱93.8 million for the quarter ended March 31, 2021 mainly represents the recurring general and administrative expenses of the Group.

Export Revenues

The Group's first quarter 2021 mining operations generated total export revenue of ₱133.3 million compared to ₱39.0 million in the three months ended March 31, 2020, an increase of ₱94.3 million or 241.7% due to higher nickel ore price. The Group was able to ship one vessel each for the first quarter of 2021 and 2020. This shipment sold solely to Chinese customers consisted of 0.055 million wet metric ton (WMT) low-grade nickel ore at an average realized price of United States Dollar (US\$)52.31/WMT in 2021 compared to 0.055 million wet metric ton (WMT) low-grade nickel ore at an average realized price of US\$14.00/WMT of the same period in 2020. In addition, the average

realized Peso over US\$ exchange rate for the Group's export revenues was ₱46.24 compared to ₱50.71 of the same period in 2020, lower by ₱4.47 or 8.8%.

Service Revenues

The service income earned for the LCT chartered by Platinum Group Metals Corporation (PGMC) from its subsidiary, PGMC-CNEP Shipping Services Corp. (PCSSC), amounted to ₱4.7 million for the period ended March 31, 2021 as compared to ₱0.9 million for the period ended March 31, 2020.

Cost of Sales and Excise Taxes and Royalties

Cost of sales and excise taxes and royalties for the periods ended March 31, 2021 and 2020 amounted to ₱60.8 million and ₱38.2 million, respectively, representing the contract hire fee and allocated cost, and corresponding excise taxes and royalties for the Group's first shipment in March.

General and Administrative

General and administrative expenses were ₱166.7 million in the first three months of 2021 compared to ₱175.6 million in the first quarter of 2020, a decrease of ₱8.9 million, or 5.1%. The decrease was mainly due to the decrease in consultancy fees and marketing and entertainment by ₱5.5 million or 34.1% and ₱3.4 million or 22.7%, respectively.

Shipping and Distribution

Shipping and loading costs were ₱10.5 million in the first three months of 2021 compared to ₱8.3 million in the first quarter of 2020, an increase of ₱2.2 million, or 26.5%.

Finance Costs

Finance costs amounted to ₱9.5 million in the period ended March 31, 2021 compared to ₱16.1 million in the period ended March 31, 2020, a decrease of ₱6.6 million, or 40.9%. The decrease was mainly due to the decrease in interest expense attributable to the principal payment of Taiwan Cooperative Bank Manila Offshore Banking Branch (TCB) loan.

Other Income (Charges) - net

Net other income amounted to ₱4.7 million in the first three months of 2021 compared to net other charges of (₱5.2 million) in the first three months of 2020, an increase of ₱9.9 million, or 190.4%. The difference pertains mainly to unrealized foreign exchange gain during the period as a result of rebooking of US\$ denominated loan and payables.

Total Comprehensive Income - net of tax

Cumulative Translation Adjustment

The Group had recognized cumulative translation adjustment amounted to ₱7.4 million and ₱5.1 million for the periods ended March 31, 2021 and 2020, respectively, which pertained to the exchange differences arising on the translation of a subsidiary's functional currency to the presentation currency of the Parent Company.

FINANCIAL POSITION

Year as at December 31, 2020 and 2019

As at December 31, 2020, total assets of the Group stood at ₱11,574.5 million, an increase of ₱872.4 million or 8.2%, from ₱10,702.1 million as at December 31, 2019.

Current assets were ₱5,693.2 million as at December 31, 2020 compared to ₱4,695.4 million as at December 31, 2019, an increase of ₱997.8 million or 21.2%. The increase in current assets was mainly attributable to the increase in cash and cash equivalents, advances to related parties, and

prepayments and other current assets by ₱690.3 million, ₱346.5 million, and ₱38.8 million, respectively. This was offset by the decrease in inventories and trade and other receivables by ₱57.1 million and ₱20.9 million, respectively. The increase in prepayments and other current assets mainly pertains to the increase in prepaid taxes and licenses representing advance payments made to the MGB and the BIR for the processing of shipments' permits and will be applied to the 2021 shipments.

Noncurrent assets decreased by ₱125.3 million or 2.1% from ₱6,006.7 million as at December 31, 2019 to ₱5,881.4 million as at December 31, 2020. The decrease was mainly due to the: (a) decrease in mining rights by ₱19.5 million or 12.5% due to the amortization during the year; (b) decrease in other noncurrent assets by ₱168.0 million or 19.1% mainly due to provision for impairment loss on input VAT (see related discussion in the general administrative section); (c) increase in investment in an associate by ₱36.2 million or 8.0% representing share in net income during the year; and (d) increase in mine exploration costs by ₱21.6 million or 9.8% representing the cost for the additional exploration activities conducted during the year.

Total liabilities of the Group stood at ₱2,461.6 million as at December 31, 2020, a decrease of ₱594.0 million or 19.4%, from ₱3,055.6 million as at December 31, 2019. The decrease was mainly due to the net decrease in: (a) decrease in trade and other payables by ₱140.2 million or 23.8%; (b) bank loan availments amounted to ₱291.8 million and payments during the year amounted to ₱499.4 million; (c) payment of subscription payable amounted to ₱225.0 million; (d) decrease in income tax payable amounted to ₱90.2 million; (e) increase in provision for mine rehabilitation and decommissioning amounted to ₱76.1 million; and increase in lease liabilities amounted to ₱19.9 million.

Year as at December 31, 2019 and 2018

As at December 31, 2019, total assets of the Group stood at ₱10,702.1 million, an increase of ₱1,840.0 million or 20.8%, from ₱8,862.1 million as at December 31, 2018.

Current assets were ₱4,695.4 million as at December 31, 2019 compared to ₱3,474.4 million as at December 31, 2018, an increase of ₱1,221.0 million or 35.1%. The increase was mainly due to the increase in cash and trade and other receivables by ₱712.6 million or 67.9% and ₱98.2 million or 198.4% attributable to operating activities. In addition, the advances to related parties and inventories increased by ₱333.6 million or 16.0% and ₱75.0 million or 27.9%, respectively.

Noncurrent assets increased by ₱619.1 million or 11.5% from ₱5,387.6 million as at December 31, 2018 to ₱6,006.7 million as at December 31, 2019. The increase was mainly due to the: (1) increase in property and equipment by ₱242.8 million (from ₱1,736.6 million as at December 31, 2018) or 14.0% attributable to acquisitions during the year; and (2) investment in SNPSI in December 2019, an associate, amounted to ₱451.4 million, including equity taken up during the period.

Total liabilities of the Group stood at ₱3,055.6 million as at December 31, 2019, an increase of ₱581.0 million or 23.5%, from ₱2,474.6 million as at December 31, 2018. The increase was mainly due to the increase in: (1) trade and other payables amounted to ₱184.7 million (from ₱405.4 million as at December 31, 2018); and (2) advances from related parties amounted to ₱109.6 million (from ₱287.2 million as at December 31, 2018). Also, the Group recognized total lease liabilities amounted to ₱74.2 million as a result of the adoption of PFRS 16, *Leases* effective January 1, 2019. Furthermore, other noncurrent liabilities increased by ₱223.3 million (from ₱533.7 million as at December 31, 2018) mainly due to the subscription payable representing the remaining unpaid portion of the Parent Company's subscription to SNPSI.

As at March 31, 2021, total assets of the Group stood at ₱11,037.1 million, a decrease of ₱537.4 million or 4.6%, from ₱11,574.5 million as at December 31, 2020. The decrease was due to the net

effect of the decrease in current assets by ₱568.1 million or 10.0% and increase in noncurrent assets by ₱30.7 million or 0.5%.

The net decrease in current assets was mainly attributable to the decrease in cash by ₱801.6 million for the working and operating capital of the Group. The trade and other receivables account increased by ₱46.7 million or 36.8% as the payment for the first shipment during the period is yet to be fully collected as of the reporting period.

The net increase in noncurrent assets was mainly due to the following: (a) increase in net deferred tax assets by ₱22.2 million mainly attributable to the net loss carryover (NOLCO) for the first quarter; (b) net decrease in property and equipment by ₱52.1 million due to depreciation and depletion during the period amounted to ₱59.9 million, net of ₱7.5 million acquisitions; and (c) increase in other noncurrent assets by ₱61.2 or 8.6%, mainly attributable to increase in advances to suppliers.

Total liabilities of the Group stood at ₱2,378.2 million as at March 31, 2021, a decrease of ₱83.4 million or 3.4%, from ₱2,461.6 million as at December 31, 2020. The decrease was mainly due to the decrease in trade and other payables by ₱69.3 million from ₱449.9 million to ₱380.6 million as a result of settlement of obligations with the suppliers/contractors during the first quarter.

CASH FLOWS

Years ended December 31, 2019, 2018 and 2017

Cash Flows from Operating Activities

The net cash flows from operating activities resulted in ₱2,137.3 million for the year ended December 31, 2020 compared to ₱1,843.3 million of the same period in 2019. The increase in the cash generated from operations was due to higher sales of ore during the year compared to the prior year as a result of the improved prices of nickel ore.

The net cash flows from operating activities was ₱1,345.8 million for the year ended December 31, 2018, primarily comprising operating income before changes in working capital of ₱1,376.9 million adjusted for changes in working capital of ₱346.7 million, income taxes paid of ₱288.3 million, interest paid of ₱57.9 million, retirement plan contributions of ₱34.7 million, and interest received of ₱3.1 million.

Cash Flows from Investing Activities

The net cash flows used in investing activities for the years ended December 31, 2020, 2019 and 2018 amounted to ₱775.2 million, ₱915.3 million, and ₱1,138.8 million, respectively.

The net cash outflows in 2020 arise mainly from the net acquisitions of property and equipment amounted to ₱185.0 million, full payment of subscription payable for investment in an associate amounted to ₱225.0 million, additional advances to related parties amounted to ₱346.5 million, and additional mine exploration costs amounted to ₱21.6 million.

The net cash outflows in 2019 arise mainly from the net acquisitions of property and equipment amounted to ₱360.3 million, investment in an associate amounted to ₱225.0 million, additional advances to related parties amounted to ₱174.9 million, and additional mine exploration costs amounted to ₱127.0 million.

The net cash outflows in 2018 arise mainly from the increase in other noncurrent assets by ₱506.9 million, additional advances to related parties amounted to ₱568.8 million, and net acquisitions of property and equipment amounted to ₱69.7 million.

Cash Flows from Financing Activities

For the years ended December 31, 2020, 2019 and 2018, the net cash flows used in financing activities amounted to ₱582.4 million, ₱187.0 million, and ₱57.0 million, respectively.

The net cash outflows in 2020 arise mainly from the proceeds from avilment of bank loans amounted to ₱291.8 million, net of payments amounted to ₱499.4 million, and repurchase of treasury shares amounted to ₱346.0 million.

The net cash outflows in 2019 arise mainly from the proceeds from avilment of bank loans amounted to ₱388.4 million, net of payments amounted to ₱451.2 million, and repurchase of treasury shares amounted to ₱82.6 million.

The net cash outflows in 2018 arise mainly from the proceeds from avilment of bank loans amounted to ₱1,559.1 million, net of payments amounted to ₱1,495.4 million, and repurchase of treasury shares amounted to ₱636.9 million. In addition, proceeds from issuance of common stock arising from the Group's follow-on offering amounted to ₱517.5 million.

The net cash flows used in operating activities resulted in ₱264.0 million for the first quarter ended March 31, 2021 compared to cash flows from operating activities of ₱343.5 million of the same period last year. Inventories increased as at March 31, 2021 was due to the cost incurred related to operations in preparation for the 2021 mining season. In addition, prepayments and other current assets increased due to advanced payments of taxes and licenses related to the April 2021 shipments that will be realized within the second quarter. In addition, trade and other receivables increased attributable to trade receivable from the first shipment completed in March this year. On the other hand, trade and other payables decreased due to settlement of obligations during the first quarter. Net cash flows used in investing activities for the three months ended March 31, 2021 and 2020 amounted to ₱183.5 million and ₱741.7 million, respectively. For the three months ended March 31, 2021 and 2020, the net cash flows used in financing activities amounted to ₱373.8 million and ₱16.1 million, respectively.

Cash Dividends Payable and Treasury Stock Distributable as Dividends

On May 22, 2013, the BOD of the Parent Company approved the declaration of cash dividends in the amount of ₱1.656 per outstanding common share or ₱10,500 million to stockholders of record as at June 5, 2013, payable on June 12, 2013. In 2014, cash dividends declared and payable to certain shareholders on May 22, 2013 amounting to ₱20.3 million were returned as stale checks and presented as cash dividends payable and will be reissued to such investors subsequent to year-end. As at December 31, 2019 and 2018, dividends payable amounted to ₱20.2 million and ₱20.3 million, respectively.

On June 15, 2014, the PGM's BOD approved the declaration of cash dividends in the amount of ₱1,411.7 million and property dividends of ₱3,657.4 million to stockholders of record as at June 15, 2014. On September 1, 2014, PGM's BOD amended its initial dividend declaration dated June 15, 2014 by declaring cash dividends in the amount of ₱5,069.1 million out of its unrestricted retained earnings. Out of the total dividends declared, ₱4,309.0 million pertains to 16% participating, non-cumulative, preferred stockholders at ₱0.07 per share and the remaining ₱760.1 million pertains to common stockholders at ₱0.06 per share. On December 29, 2014, PGM settled its cash dividends payable amounting to ₱5,069.1 million. The dividends payable was offset against the cash advances to stockholders classified under "Advances to related parties".

On July 15, 2014, the PGM's BOD approved the declaration of cash dividends amounting to ₱1,084.6 million at ₱0.09 per share. The dividends were settled on August 29, 2014.

On December 1, 2014, the BOD approved the adoption of a dividend policy of declaring dividends equivalent to at least twenty percent (20%) of the unrestricted retained earnings of GFHI for the preceding year as indicated in its audited financial statements.

On December 26, 2017, PGMC declared cash dividends of ₱480.00 per share to stockholders of record as of December 31, 2017 or for a total of ₱4,365,119,520.00 and paid its stockholders on January 15, 2018. On the same day, PGMC declared a stock dividend amounting to ₱1,200,000,000.00 divided into 12,000,000 shares at the par value of ₱100.00 per share, or on or about 1.32 common shares for every common share held.

On March 14, 2018, the Board approved the declaration of property dividend consisting of FNI listed treasury shares at the ratio of 0.06 share for every FNI share to all shareholders of record by April 2, 2018 based on the March 14, 2018 listed price. On October 30, 2018, the SEC approved the Company's declaration of property dividend and payment to eligible shareholders was made on November 22, 2018.

On December 16, 2019, PGMC declared cash dividends of ₱85.00 per share to stockholders of record as of December 15, 2019 or for a total of ₱2,201,499,915.00 and paid its stockholders on or before January 2020.

On December 30, 2020, PGMC declared cash dividends of ₱47.50 per share to stockholders of record as of December 30, 2020 or for a total of ₱1,230,249,952.50 and paid its stockholders on or before March 31, 2021.

Capital Stock

The capital structure of the Parent Company as at December 31, 2020 and 2019 is as follows:

	2020	2019
Authorized shares	11,957,161,906	11,957,161,906
Par value	₱1.05	₱1.05
Total authorized capital stock	₱12,555,020,001.30	₱12,555,020,001.30
Issued shares	6,072,357,151	6,072,357,151
Total capital stock (amounts in thousand Pesos)	₱6,375,975	₱6,375,975

The Parent Company has only one class of common shares. The common shares do not carry any right to fixed income.

As discussed in the Corporate Information section, the BOD and stockholders of the Parent Company approved a capital restructuring through a reverse stock split. In relation to this, the Parent Company applied for an increase in its authorized capital stock which was approved by the SEC on November 7, 2016. Out of the increase in capital stock, an individual stockholder subscribed a total of ₱20,000.40 divided into 19,048 common shares at a par value of ₱1.05.

The Parent Company applied for an increase in its authorized capital stock from ₱2,555.0 million divided into 7,300,000,000 common shares with a par value of ₱0.35 per share to ₱12,555.0 million divided into 35,871,428,572 common shares with a par value of ₱0.35 per share. The increase in the authorized capital stock as well as the issuance of the 10,463,093,371 common shares to the Thirteen Stockholders in accordance with the Share Swap transaction was approved by the SEC on December 22, 2014.

Parent Company Follow-on Offering

On July 20, 2018, the Parent Company completed its 250,000,000 common shares follow-on offering

at an offer price of ₱2.07 with total proceeds of ₱517.5 million. On the same date, all the 6,072,357,151 issued shares of the Parent Company, including the common shares issued in accordance with the Share Swap transaction approved by the SEC on December 22, 2014, private placement and follow-on offer shares, are listed in the PSE.

The issuance of the 250,000,000 common shares resulted in an increase in the common stock and recognition of additional paid-in capital amounted to ₱262.5 million and ₱239.0 million (net of transaction costs directly attributable to the issuance of new common shares), respectively.

The following table summarizes the track record of registrations of securities under the Securities Regulation Code.

Transaction	Subscribers	Registration Date	Issue/Offer Price	Number of Shares
Initial registration	Various	October 1994	1.50	5,000,000,000
Additional registration	Various	September 1996	–	1,150,000,000
Exempt from registration	Various	December 1998	–	305,810,000
Exempt from registration	Two individuals	June 2013	0.35	554,000,000
Additional registration	Various	July 2018	2.07	250,000,000
				7,259,810,000

Treasury Stock

The Parent Company has 735,182,322 shares amounting to ₱1,544.9 million and 598,147,322 shares amounting to ₱1,198.9 million in treasury shares as at December 31, 2020 and 2019, respectively.

In 2020 and 2019, the Parent Company purchased a total of 137,035,000 common shares amounting to ₱346.0 million and 50,755,937 common shares amounting to ₱82.6 million, respectively. As at December 31, 2020, the Company purchased a total of 862,766,414 common shares amounting to ₱2,047.8 million. This is pursuant to the Share Buyback Program which was approved by the BOD on June 29, 2016 and May 15, 2018. The estimated number of shares for re-purchase, approved and authorized by the BOD is up to 10% and an additional 5% of the total outstanding shares of the Parent Company, respectively. On December 22, 2020, the BOD approved to buy back an additional 5% of the Parent Company's outstanding shares for three years at market price. As at December 31, 2020 and 2019, the Parent company repurchased about 6% and 1% of its outstanding shares, respectively.

Employee Stock Option Plan (ESOP)

On June 29, 2016, the BOD and stockholders of the Parent Company approved the establishment of an ESOP (which covers the qualified employees of the subsidiaries of the Parent Company), the details of which shall be subject to the approval of the Compensation Committee. On May 9, 2017, the Compensation Committee and the BOD approved the Employee Stock Option Master Plan which is a share-based compensation plan. It also approved the granting of the First Tranche which comprised the 20,000,000 option grants to be vested over three (3) years at a strike price of ₱2.00 and 20,000,000 share/stock grants to be granted over two (2) years (i.e., 10,000,000 share/stock grants each year).

Special Stock Grant

The stock grant agreement in relation to the Employee Stock Option Master Plan was executed on December 27, 2017, the grant date, between the Parent Company and the grantees. A total of 10,100,000 treasury shares of the Parent Company was granted to PGMCM, then subsequently issued and awarded by PGMCM to its employees as recognition for their past services. The basic terms and conditions of the stock grant are as follows:

- The participants of the special stock grant are the officers and employees of its significantly owned subsidiaries as selected and approved by the Compensation Committee;
- The shares granted under the 2017 Plan will be registered in the employee's name and will have a lock-in period of two (2) years from the date of grant;
- As the owner of record, the employee will have the right to vote shares and receive dividends; and
- During the lock-in period, such shares of stocks granted may not be sold, assigned, transferred, pledged, hypothecated, or otherwise encumbered or disposed of. Pursuant to this, the certificate covering the shares of stock will be held in escrow by the designated escrow agent, and will be released at the end of the lock-in period.

The second tranche of the Stock Grant was executed on December 28, 2018, the grant date, between the Parent Company and the grantees. A total of 9,900,000 treasury shares of the Parent Company was granted to PGMC, then subsequently issued and awarded by PGMC to its employees as recognition for their past services. The basic terms and conditions of the stock grant are the same as that of the 2017 Stock Grant.

As of date, the stock grants have been released to the grantees since the lapse of the lock-in periods.

Key Performance Indicators (KPIs)

The Group identified the following KPIs:

<i>KPI</i>	<i>Formula</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Profitability				
1. Return on Equity	Profit for the Year / Average Total Equity	22.3%	18.6%	8.0%
2. Return on Assets	Profit for the Year / Average Total Assets	16.7%	13.3%	5.7%
3. Earnings Per Share	Profit for the Year / Adjusted Weighted Average Number of Common Shares Outstanding	0.35	0.24	0.09
Leverage				
4. Debt-to-Equity Ratio	Total Liabilities / Total Equity	0.27:1	0.40:1	0.39:1
Liquidity				
5. Current Ratio	Current Assets / Current Liabilities	3.70:1	3.14:1	3.61:1

The Group considers the following as the significant Key Performance Indicators as at March 31, 2021 and 2020:

<u>Indicators</u>	<u>Formula</u>	<u>2021</u>	<u>2020</u>
Earnings (Loss) Per Share	Profit for the Period/Weighted Average Number of Shares Outstanding	(0.0176)	(0.0288)
Debt-to-Equity Ratio	Total Liabilities/Total Equity	0.27:1	0.37:1
Asset-to-Equity Ratio	Total Assets/Total Equity	1.27:1	1.37:1
Current Ratio	Current Assets/Current Liabilities	3.51:1	3.53:1

Trends, Events or Uncertainties

Recent Trends

The nickel prices weakened in Q1 2020 due to the pandemic outbreak but recovered quickly by Q3 2020. By the end of 2020, LME pure nickel inventory is at 240k MT with an LME nickel price last-three-months-average of US\$16,870. Despite the growing LME pure nickel inventory, the price increased by about 22% year-on-year. In China, NPI supply tightened after the ore export ban in Indonesia, while output of 300 series stainless steel increased slightly. Domestic consumption in China performed well with a positive growth in GDP, supporting the nickel prices firmly in the domestic market. The NPI-stainless industry chain contributed a sharp increase in nickel prices as strong NPI consumption buoyed primary nickel fundamentals. The Philippines is China's main nickel ore supplier since the ore export ban from Indonesia in 2014.

Locally, nickel ore production in 2020 declined by about 14% year-on-year due to the enhanced community quarantine implemented in the Philippines around the period March to May 2020.

Outlook

The Philippines is expected to supply 85% of China's total laterite ore imports by 2022. Given the strong demand coming from the growing stainless-steel business and the booming electronic vehicle (EV) production in China, coupled with continued export ore ban in Indonesia, the medium- to long-term projections of Nickel ore prices remain positive.

Uncertainties

There are no known significant uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way.

Capital Expenditures

The Group does not have any outstanding commitment on capital expenditures as of December 31, 2020.

Operational and Financial Requirements

The Group maintains liquid assets in order to meet future operational and financial requirements.

Material Contingencies and Off-Balance Sheet Obligations

The Group is not aware of any significant commitment, guarantee, litigation or contingent liability during the reported period other than those discussed in this report and the audited consolidated financial statements.

Events that will Trigger Direct or Contingent Financial Obligation

The group is not aware of any event that will trigger a direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.



Global Ferronickel Holdings, Inc.

May 24, 2021

SECURITIES AND EXCHANGE COMMISSION
PICC Complex, Roxas Boulevard
Pasay City

Attention : MR. VICENTE GRACIANO P. FELIZMENIO, JR
Director, Markets and Securities Regulation Department

Re : Certification of Non-Involvement with Government Agencies
or Its Instrumentalities

Gentlemen:

In compliance with requirements of the Commission relative to the filing of SEC Form 20-IS, we certify that none of the Company's incumbent directors and executive officers who may be elected and appointed during the Annual Stockholders' and Organization Meetings to be held on June 30, 2021 is a government employee or official covered by Memorandum Circular 17, Sec. 12 Rule XVIII of the Revised Civil Service Rules.

Truly yours,

EVEART GRACE POMARIN-CLARO
Corporate Secretary

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Sergio R. Ortiz-Luis, Jr., Filipino of legal age and with address at No. 151, 3rd Street, 10th Ave, Riverside Village, Sta. Lucia, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Global Ferronickel Holdings, Inc. and have been its independent director since August 5, 2020.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position / Relationship	Period of Services
Phil. Chamber of Commerce & Industry	Honorary Chairman/ Treasurer	2013 - Present
Philippine Exporters Confederation Inc.	President	1991 – Present
Employers' Confederation of the Phils.	Honorary Chairman/ Past President	1991 – Present
National Center for Mediation	Chairman	2015 – Present
Waterfront Phils, Inc.	Chairman	2019 – Present
Alliance Global, Inc.	Vice Chairman	2008 – Present
SPC Power Corporation	Director	2017 – Present
The Wellex Group	Director	2008 – Present
Forum Pacific, Inc.	Director	2008 – Present
Jollville Holdings Corporation	Director	2014 – Present
Philippine H2O Ventures Corp. (formerly Calapan Ventures, Inc.)	Director	2014 – 2018
Country Garden Agri-Tourism Dev't Inc.	Chairman of the Board	2018 - Present
Acesite Hotel Philippines, Inc.	Vice Chairman	2018 - Present
VC Securities Corp.	Vice Chairman	2016 - Present
LikeCash Asia & Pacific Corp.	Director	2015 - Present
Human Resource Dev't Foundation	Trustee/Treasurer	2015 - Present
Philippine Estate Corp.	Director	2012 - Present
B.A. Securities	Director	2012 - Present
Int'l Chamber of Commerce of the Phils.	Founding Director	2012 - Present
La Salle Tech Academy	Director	2000 - Present
Manila Exposition Complex Inc.	Director	1997 - Present

GSI (formerly Philippine Article Numbering Council)	Founding Director	1995 - Present
Integrated Concept & Solution, Inc.	Honorary Chairman	2008 - Present
Rural Bank of Baguio	Director	1981 - Present
Philippine International Airways	Chairman	2009 - Present
Asia Pacific Chinese Media, Inc.	President	2015 - Present
Philippine Foundation, Inc. (Team Phil.)	Director/Past President	2013 - Present
Drug Abuse Resistance Education Phils.	Director	2018 - Present
Export Development Council	Vice Chairman	Present
Patrol 117 – Foundation for Crime Prevention	Commissioner	Present
National Competitiveness Council	BPLS Champion	Present
Industry Development Council	Member	Present
The Philippine Bamboo Council	Private Sector Representative	Present
Rotary Club of Greenmeadows Foundation	Member/Past President	1988 - Present
Philippine Jaycee Senate	Member	1989 - Present
Philippine Coastguard Auxiliary	Captain	Present
JARDELI Club Foundation	Vice Chairman	Present
Consulate of Romania in the Philippines	Hon. Consul General	2015 - Present
Consular Corps of the Philippines	Treasurer	Present
Int'l Association of Educators for World Peace	Honorary Adviser	Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Global Ferronickel Holdings, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Global Ferronickel Holdings, Inc., its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Global Ferronickel Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this MAY 24 2021 in Makati City.


SERGIO R. ORTIZ-LUIS, JR.
Affiant

Subscribed and sworn to before me this MAY 24 2021 at
MAKATI CITY, affiant exhibiting to me his competent evidence of identity as follows:

Name	Competent Evidence of Identity	Date and Place of Issue	Issuing Office / Agency
Sergio R. Ortiz-Luis, Jr.	Tax Identification No. 107-846-762-000		

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Book No. 203
Series of 2021.


ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. M-92 / MAKATI CITY
UNTIL JUNE 30, 2021
(per Supreme Court En Banc Resolution
dated December 1, 2020)
PTR No. 8889074 / 01-04-2021 / MAKATI CITY
ISE No. 1-1000 / 01-04-2021 / RIZAL
MCLE COMMISSION No. Y1-0027025 / 05-28-2019
ROLL NO. 00482 / TRN No. 100-893-102-000
Unit G-14 Makati Executive Tower 3
Sen. Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EDGARDO G. LACSON**, Filipino, of legal age and with address at Suites 212-217 Cityland III V. A. Rufino St., Legaspi Village, Makati City after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Global Ferronickel Holdings, Inc. and have been its independent director since June 29, 2016.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
MIS Maritime Corporation	President	1992 - present
Safe Seas Shipping Agency	Chairman	1997 - present
Double Dragon Meridian Park REIT, Inc. (DDMPR)	Independent Director	2021- present
Link Edge	Managing Director	2006 - present
Metrostore Corporation	Chairman	2003 - present
MIL Export Philippines, Inc.	Treasurer	2013 - present
Puregold Price Club, Inc.	Director	2010 – present
ADR Institute for Strategic and International Studies	Trustee	2014 – present
University of Makati (UMAK)	Trustee	2020 - present
Employers Confederation of the Philippines (ECOP)	Chairman	2010 – present
Philippine Chamber of Commerce & Industry (PCCI)	Trustee/Past President & Honorary Chairman	2004 - present
Philippine Stock Exchange	Director Representing Market Participants	2019 – present 2011 - 2016

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director Global Ferronickel Holdings, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rule and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Global Ferronickel Holdings, Inc., its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Global Ferronickel Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

MAY 24 2021


Done this _____ in Makati City.


EDGARDO G. LACSON
 Affiant

Subscribed and sworn to before me this **MAY 24 2021** at **MAKATI CITY**, affiant exhibiting to me his competent evidence of identity as follows:

Name	Competent Evidence of Identity	Date and Place of Issue	Issuing Office / Agency
Edgardo G. Lacson	Tax Identification No. 127-418-012		

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 Book No. **203**
 Series of 2021.


ATTY. JOHN DOMINGO A. PONCE, JR.
 NOTARY PUBLIC
 APPOINTMENT No. M-92 / MAKATI CITY
 UNTIL JUNE 30, 2021
 (per Supreme Court En Banc Resolution
 dated December 1, 2020)
PTR No. 8598287 / 01-04-2021 / MAKATI CITY
ISF No. 542544 / 01-04-2021 / RIZAL
MOLE COMPLIANCE No. VI-0027026 / 05-28-2019
ROLL NO. 36452 / TIN No. 106-099-102-000
 Unit G-14 Makati Executive Tower 3
 Sen. Gil Puyat Avenue, Pio del Pilar,
 Makati City, Metro Manila