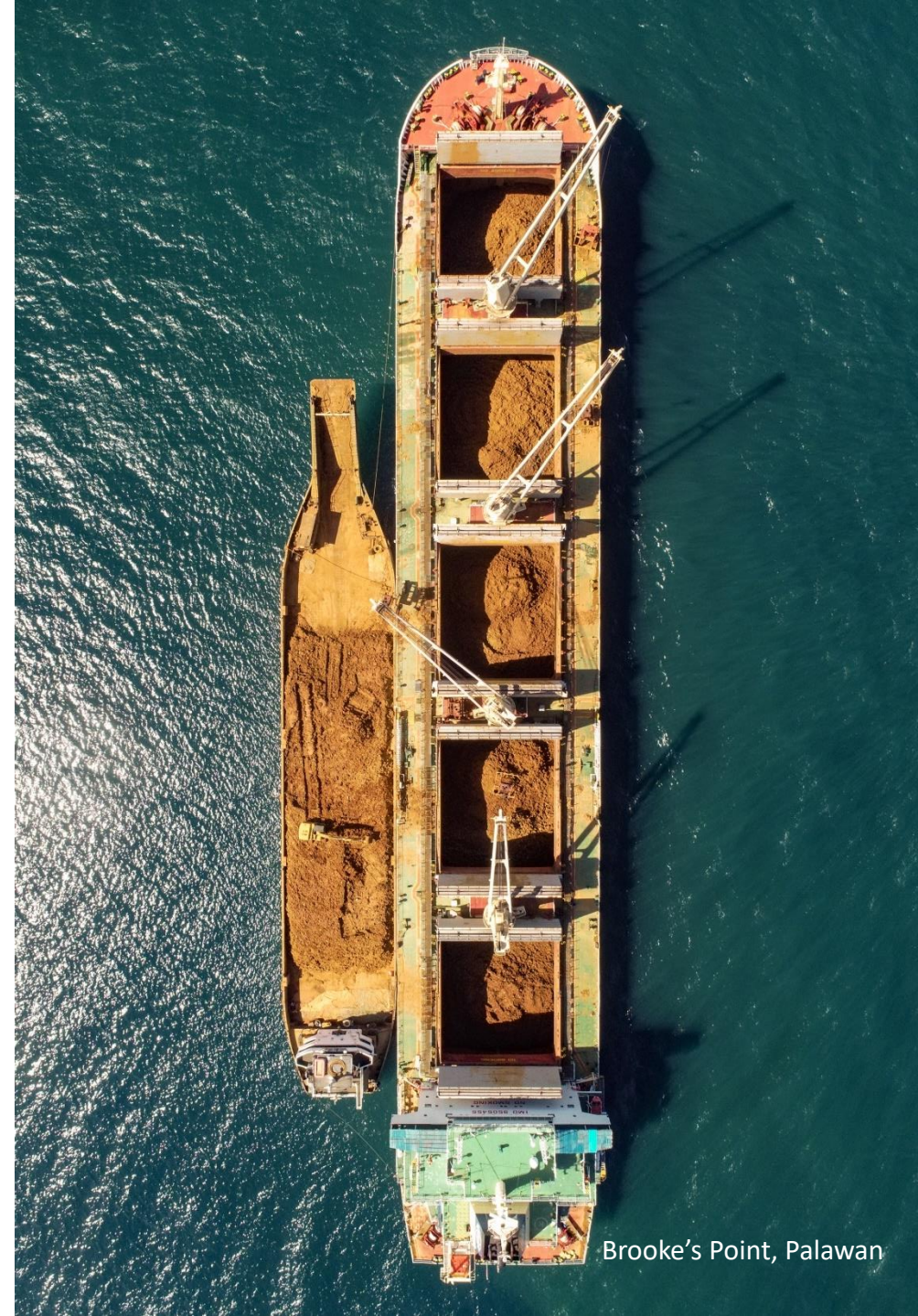




Global Ferronickel Holdings, Inc.

# Investor presentation

August 2024



Brooke's Point, Palawan



# Who we are

## We are a leading producer of nickel ore

Through our presence across the Philippines and in China, we are pursuing a multipronged strategy to diversify our investment portfolio into value-added nickel processing, port operations and logistics, and cement manufacturing.

**5,219** hectares  
Cagdianao, Surigao del Norte

**2,924** hectares  
Brooke's Point, Palawan

Brooke's Point, Palawan





## Our investment case

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### Robust industry outlook

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- Nickel to benefit from global megatrends

### Strong competitive positioning

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- Long-life, large-scale, low-cost nickel mines
- Compelling acquisition of a China-based processor
- Resilient balance sheet

### Seasoned leadership team focused on value creation

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- Balanced reinvestment in business and shareholder returns
- Recognized responsible and sustainable practices
- In service of delivering long-term stakeholder value

### Multipronged strategic vision

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- Expansion of nickel resource
  - Entry into value-added nickel processing
  - Expansion of port operations and logistics
  - Diversification into cement manufacturing
-





Cagdianao, Surigao del Norte

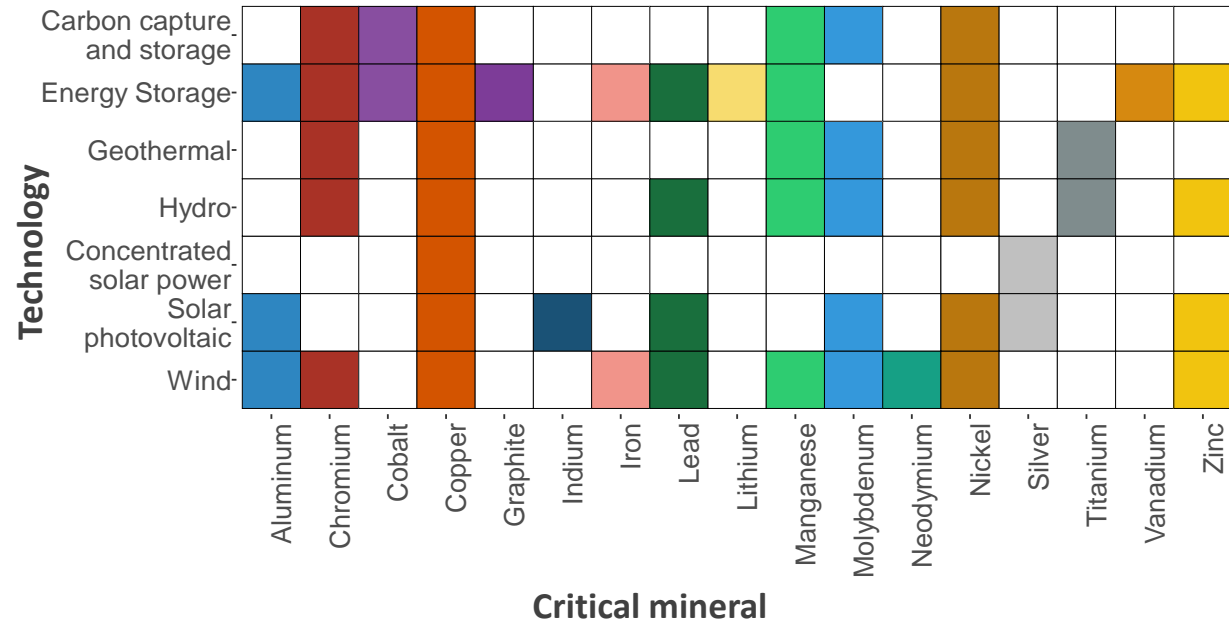


# Nickel to benefit from global megatrends



URBANIZATION

## Use of critical minerals in renewable energy technology



Source: World Bank Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition 2020

CLEAN ENERGY TRANSITION





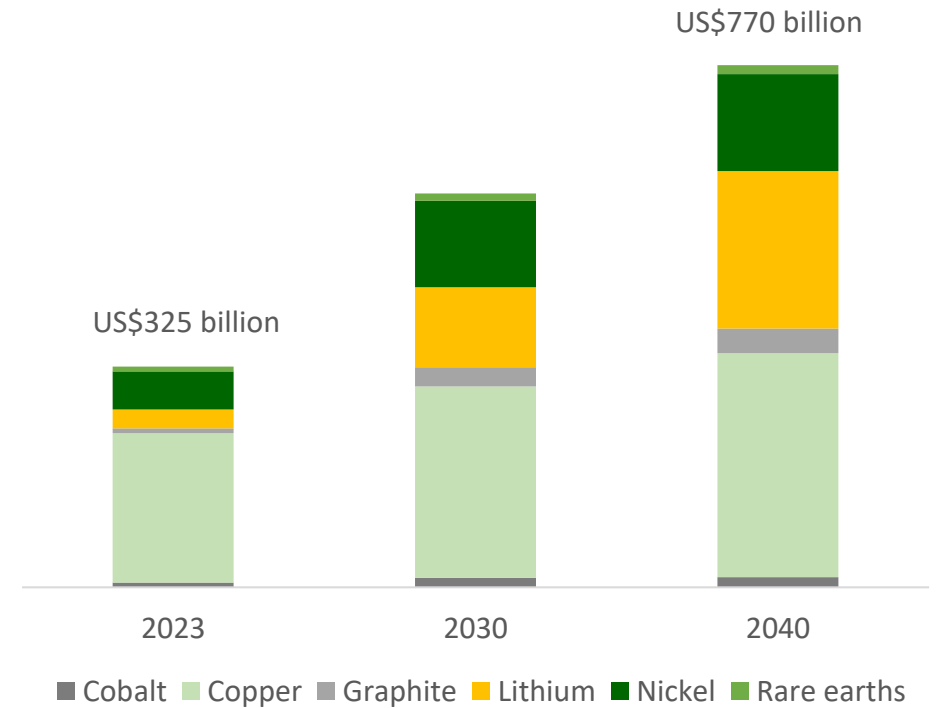
# Energy transitions advance

## Deployment of clean energy technologies continues to advance, driving key energy transition minerals

includes cobalt, copper, graphite, lithium, nickel, and rare earth elements

- Market size of key energy transition minerals is set to more than double to US\$770 billion by 2040 in the net zero emissions scenario
- Additional investments are required to develop new supply sources to meet climate goals
- The recent low-price environment makes investment less appealing, creating risks for future supply and diversification
- Consumer countries of clean technologies have enacted laws and regulations to ensure adequate and responsible supply

Market value of key energy transition minerals, net zero emissions scenario



Source: International Energy Agency Global Critical Minerals Outlook 2024



# Solid demand and limited supply diversity

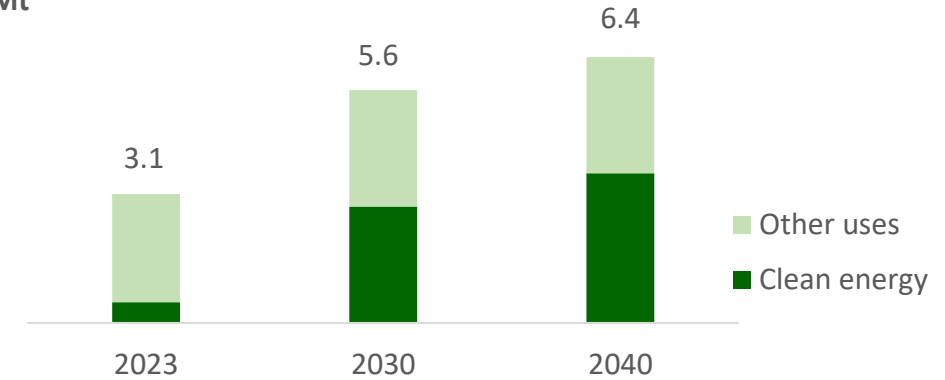
## Nickel demand: Strong growth largely on EV batteries

- Nickel demand to see over twofold rise by 2040
- Driven by clean energy applications, mainly EV batteries, with 55% share of total demand
- By 2035, every other car sold globally is set to be electric based on today's policies. As soon as 2030, it will be almost 1 in 3 cars on the roads in China, and almost 1 in 5 in the US and EU<sup>1</sup>

## Nickel supply: Vulnerable to geographical concentration

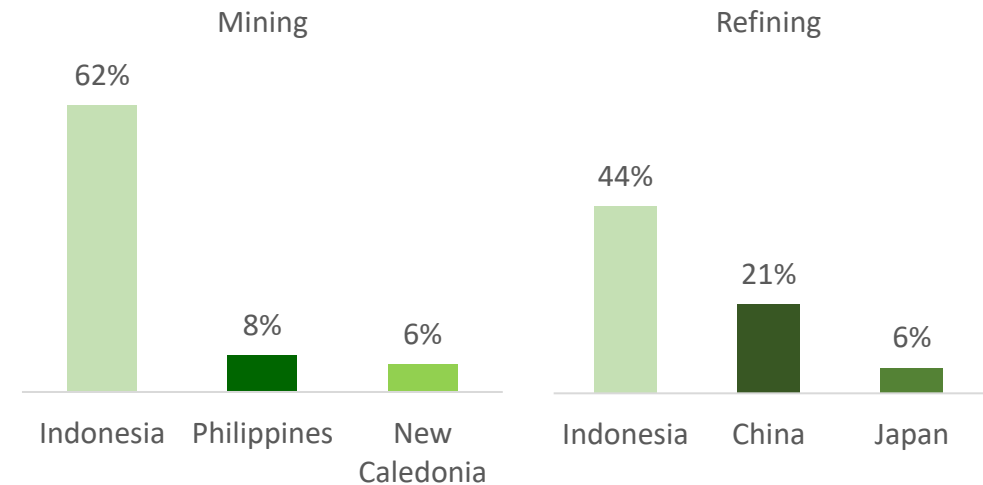
- Near-term oversupply due to the rise of output from Indonesia. Longer term, new projects including new refining and smelting facilities need to come through to meet requirements
- Indonesia will remain the largest producer of mined ore and refined primary nickel products
- Potential to diversify away from a single dominant country and for others to grow their share

Global nickel demand in the net zero scenario<sup>2</sup>  
in Mt



Clean energy applications include low-emissions power generation, EV and battery storage, grid networks and hydrogen technologies

Top three nickel producers<sup>2</sup>  
Year 2030



Source:

1 - International Energy Agency Global EV Outlook 2024

2 - International Energy Agency Global Critical Minerals Outlook 2024





Cagdianao, Surigao del Norte



# Long-life, large-scale, low-cost nickel mines

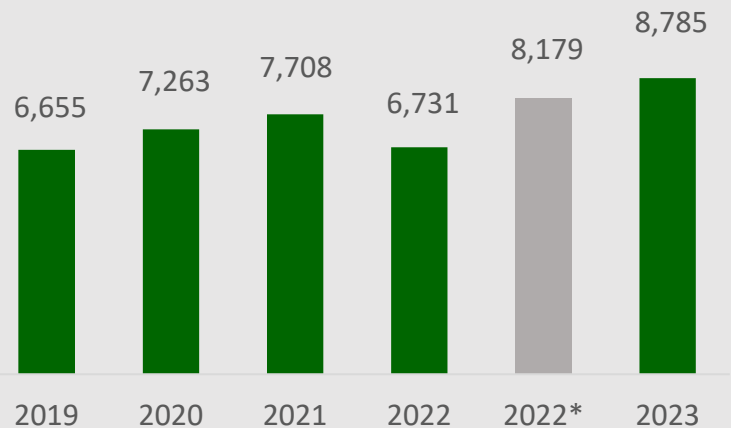
## Advantaged position

- Palawan mine (began Sep 2022) enables year-round production and faster growth

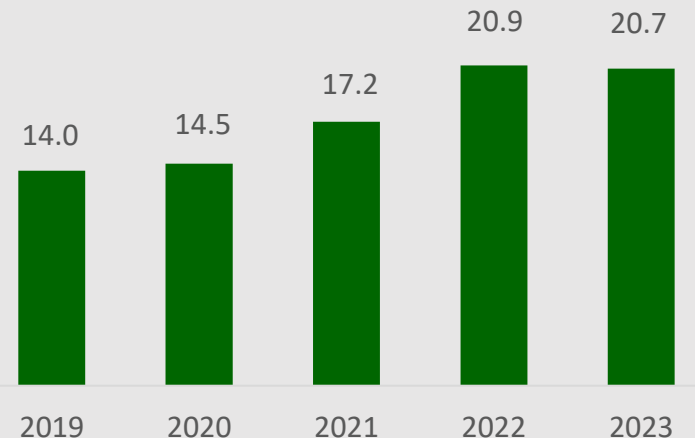
## Cost-efficient with low operational risk

- near-surface deposits
- short hauling distance
- long-term contractor relationships

Revenues, in PHP millions



Total cash cost/WMT, in USD\*\*



## 5,229 HECTARES

Cagdianao, Surigao del Norte  
 Mining season: April – October  
 Capacity: 7.5 million WMT/year  
 Resources: 68.6 million DMT  
 Reserves: 57.3 million WMT  
 Average grade: 1.1% Ni and 30.5% Fe  
 Mine life: 10 years  
 Other mineral deposit: limestone

## 2,924 HECTARES

Brooke’s Point, Palawan  
 Mining season: Year-round  
 Capacity: 1.5 million WMT/year  
 Resources: 42.8 million DMT  
 Reserves: 35.8 million WMT  
 Average grade: 1.2% Ni and 24.2% Fe  
 Mine life: 12 years

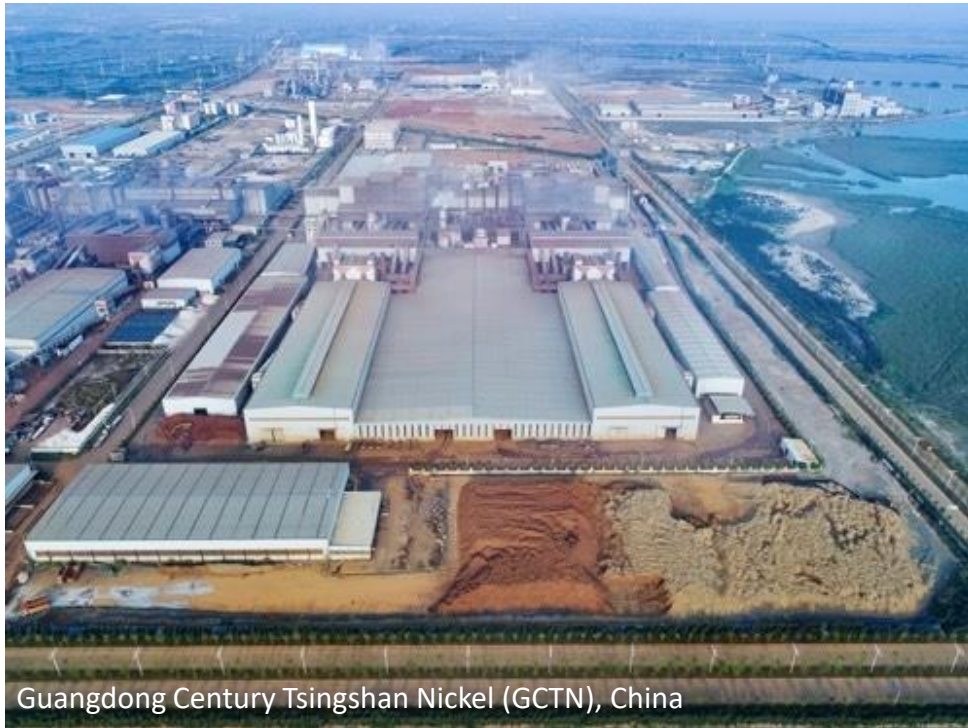


\*A total of 9 shipments from Palawan mine were completed in 2022 with only 1 shipment recorded in the consolidated revenues. The remaining 8 shipments were reflected as share in net income of investment in associates. Including this impact, total revenues would have been ₱8.2 billion.

\*\*includes cost of sales, excise taxes and royalties, general and administrative, shipping and distribution, excludes depreciation, depletion, and amortization



## Compelling acquisition of a China-based processor



**20%** OWNERSHIP in GCTN

**33**-HECTARE RKEF PROCESSING FACILITY

**300,000**-TON FERRONICKEL PRODUCTION/YEAR

**600+** EMPLOYEES



- Supports ongoing diversification and creates synergies between FNI as a nickel ore supplier and GCTN as a value-added processor by optimizing the value of the ore in a cost-effective manner
- Increases technological know-how and market depth

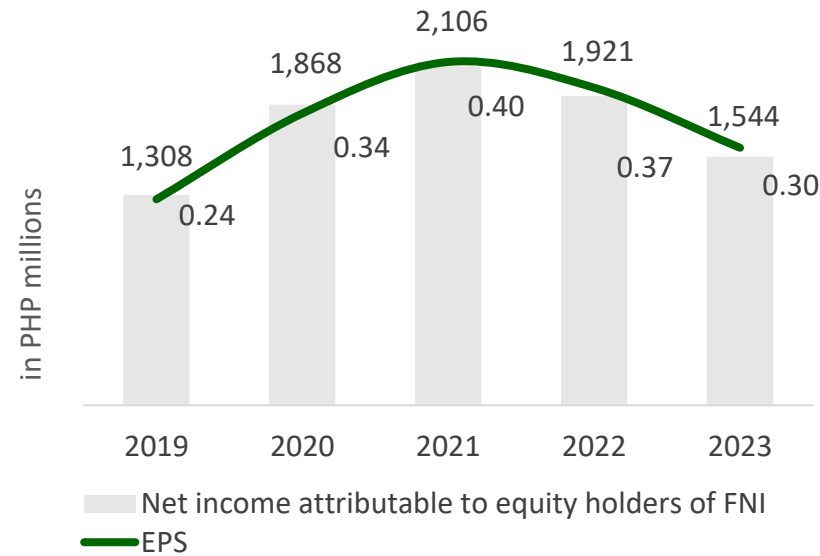




# Resilient balance sheet

## Supportive features

- higher cash from operations driven by the commercial production of Palawan mine
- expected increase in production capacity in Palawan from 1.5 million WMT to 3 million WMT
- share in net income of an associate following the acquisition of a 20% stake in GCTN
- stable debt and liquidity profiles



in PHP millions except ratios	2023	2022	2021	2020	2019
Debt to equity	0.42	0.57	0.31	0.27	0.40
Net cash	1,272	1,503	2,098	1,897	990
EBITDA	3,302	2,417	2,913	3,174	2,353
Net cash to EBITDA	0.39	0.62	0.72	0.60	0.42



- Debt to equity is total liabilities divided by total equity. It measures the degree of our financial leverage relative to equity from shareholders.  
 - Net cash or net debt is the sum of interest-bearing liabilities including short-term and long-term borrowings and lease liabilities (PFRS 16), less cash and cash equivalents.  
 - EBITDA is earnings before interest, income tax, depreciation, and amortization, excluding non-recurring and one-off items.  
 - Net cash to EBITDA is net cash divided by EBITDA. It provides an indication of our financial strength and flexibility.





Brooke's Point, Palawan



# Seasoned leadership team focused on value creation



**Joseph C. Sy** – Chairman

- Over 20 years of experience in mining and mineral exploration and development
- Director of Mining for the Philippine Chamber of Commerce and Industry, President of China Economy & Trade Promotion, Inc., VP of the International Chamber of Commerce



**Noel B. Lazaro** – SVP for Legal and Regulatory Affairs, Corporate Information Officer, and Director

- Director and Corporate Secretary of SPNVI, PCSSC, and SIRC
- Former Corporate Secretary of FNI, Partner of Siguion Reyna Montecillo & Ongsiako, Associate of SyCip Law
- Lawyer. Bachelor of Laws from the University of the Philippines



**Dante R. Bravo** – President and Director

- Director of all FNI's Philippine-based subsidiaries, President of the Philippine Nickel Industry Association
- Former Director at SGV
- Certified public accountant and a lawyer. Bachelor of Laws from San Beda College and Bachelor of Accountancy from the University of Santo Tomas



**Carlo A. Matilac** – SVP for Operations

- Over 25 years of experience in the mining industry, including in mineral evaluation, planning and design, mine development and production
- Work experience includes BHP Billiton-SIRC, QNI Philippines Inc., and Manila Mining Corp
- Mining engineer. MBA from Saint Paul University and BS in mining engineering from Cebu Institute of Technology



**Mary Belle D. Bituin** – CFO and Director

- Previous VP for Business Transformation of Globe Telecom, Inc., International auditor for the Cooperative for Assistance and Relief Everywhere, Senior auditor at SGV
- Certified public accountant. BS major in accounting from Philippine School of Business Administration Manila



**Seng Gay Chan** – Senior Advisor

- Previous Principal in Droege International Management Consulting, Equity Analyst with Primasia and BNP in Taiwan, Manager of Finance East Asia Pacific in Anheuser-Busch International
- MBA from University of Michigan and civil engineering degree from National University of Singapore



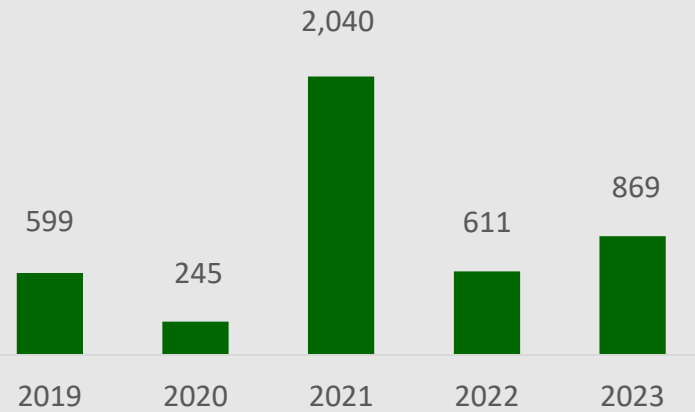


# Balanced reinvestment in business and shareholder returns

## Capital expenditures

Recent investments channeled towards expansion of mine facilities and equipment, port operations and logistics

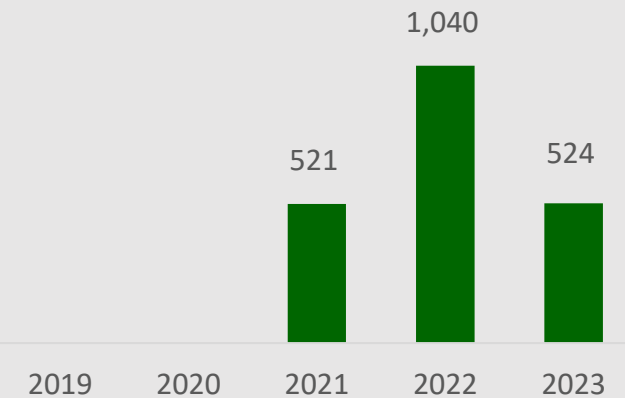
in PHP millions



## Dividends

Policy of at least 20% of the prior year's net income

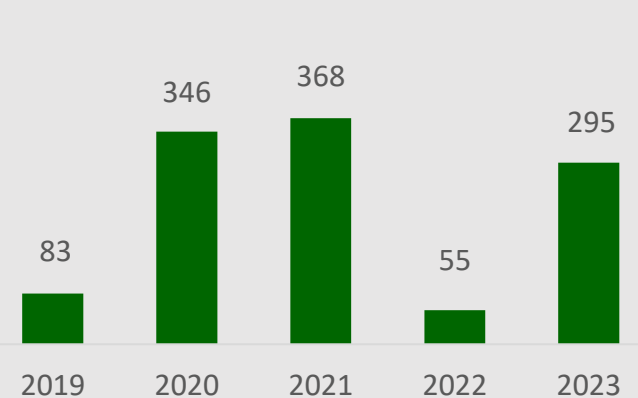
in PHP millions



## Share buyback

₱2.8 billion of capital returned to shareholders since 2016 or 19% of outstanding shares

in PHP millions





# Recognized responsible and sustainable practices

## Recent awards for responsible mining

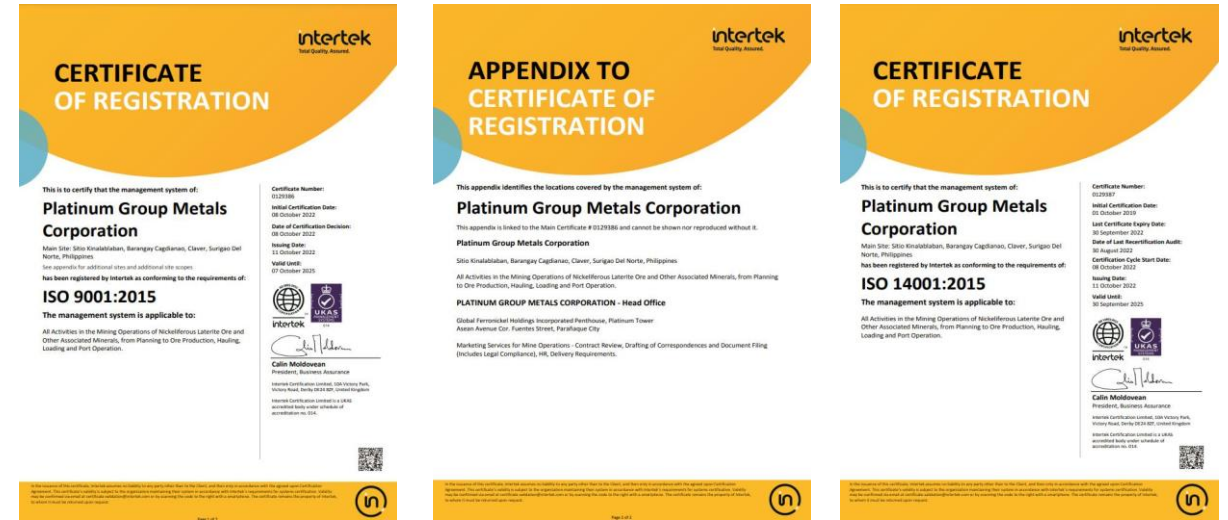
- Best Mining Forest 1st Runner-Up (2023)
- Presidential Mineral Industry Environmental Award for surface mining operation (2021, 2022)
- Platinum Achievement Award (2020)

## Participation in global industry benchmarks and disclosure initiatives

- Extractive Industries Transparency Initiative
- Towards Sustainable Mining

## Current certifications in environmental, quality, and occupational health and safety management systems

- ISO 14001:2015
- ISO 9001:2015
- ISO 45001:2018





# In service of delivering long-term stakeholder value

## 2021 – 2023

- ₱15.9B Payments to suppliers
- ₱5.2B Taxes paid to government
- ₱1.6B Employee wages and benefits
- ₱209M Investments to community



₱422M Final mine rehabilitation and decommissioning fund







Cagdianao, Surigao del Norte



# Multipronged strategic vision

- Less seasonality impact
- Reduced reliance on single mining location
- Expanded resource base and proven reserves
- Development of complementary new products
- Greater scale in terms of production and profitability
- Higher efficiency through optimization of mining infrastructure
- Leverage and development of key relationships with customers
- Improved bargaining power with suppliers, contractors, service providers, and customers

## Expansion of nickel resource

- Cagdianao, Surigao del Norte
- Brooke's Point, Palawan
- Northern Luzon, Visayas, additional areas in Surigao

ongoing exploration and application

## Entry into value-added processing

- Ferronickel processing plant in the Philippines
- Battery-grade nickel plant in the Philippines

ongoing assessment

## Expansion of port operations and logistics

- Warehousing
- Container terminal services

ongoing assessment

## Diversification into cement manufacturing

- Production of limestone, clinker

ongoing exploration







First-half results



# Performance highlights

		1H 2024	1H 2023	% change
<b>Mining revenues</b>	PHP '000	3,071,059	3,098,152	-0.9%
<b>Sales volume</b>				
Cagdianao, Surigao del Norte	WMT	1,032,960	758,380	36.2%
Brooke's Point, Palawan		1,076,482	700,920	53.6%
<b>Total</b>		<b>2,109,442</b>	<b>1,459,300</b>	<b>44.6%</b>
<b>Sales mix</b>				
Low grade	%	41%	48%	
Medium grade		59%	52%	
<b>Average realized price</b>				
Low grade	USD	17.98	24.13	-25.5%
Medium grade		30.54	51.30	-40.5%
<b>Average realized price</b>	USD	<b>25.35</b>	<b>38.37</b>	<b>-33.9%</b>
<b>Average realized FX rate</b>	PHP	<b>57.43</b>	<b>55.34</b>	

- Mining revenues were relatively flat over the prior year at ₱3.071 billion, despite record sales volumes as prices remained subdued due to supply surplus in the nickel ore and NPI markets.
- At Palawan, shipments were up 53.6% to 1.076 million WMT, supported by recently expanded infrastructure (mine facilities and causeways), along with optimized processes in logistics and human resources. In 2Q, Palawan delivered 0.695 million WMT, the highest quarterly output since it opened in September 2022.
- At Surigao, shipments rose 36.2% to 1.033 million WMT, as favorable weather conditions allowed ore extraction and stockpiling to start in 1Q, as planned. The improved availability of chartered LCTs for shipside loading of ores as well as transportation and handling equipment for mine operations and safety also contributed to volume growth.
- The average realized nickel ore price was down 33.9% to US\$25.35 per WMT, and still well below the three-year historical average of US\$32.25.





# Summary of costs

PHP '000	1H 2024	1H 2023	change	% change
<b>Cost of sales</b>	1,735,377	1,286,234	449,143	34.9%
<b>Operating expenses</b>				
Excise taxes and royalties	320,488	211,019	109,469	51.9%
General and administrative	613,074	530,345	82,729	15.6%
Shipping and distribution	134,786	178,754	(43,968)	-24.6%
	1,068,348	920,118	148,230	16.1%

- Cost of sales came in at ₱1.735 billion, up 34.9%, on larger production and shipping volumes, reflecting a rise in contractor rates in Surigao due to the change in sales mix and sources of nickel ore deposits, where the location affects the hauling distance and ultimately the mining cost.
- Operating expenses totaled ₱1.068 billion, up 16.1%, resulting from revenue-based government excise taxes and royalties, licenses, partially offset by lower stevedoring charges and shipping expenses.
- The total aggregate cash costs amounted to ₱2.512 billion, translating to an average cash operating cost per volume sold of ₱1,191.2 per WMT, down 8.1%, benefiting from cost discipline, volume growth and mix, and operational efficiencies.
- In 1H 2024, we delivered incremental improvements in our supply chain including equipment productivity and technology integration, which increased production flexibility and cost efficiency. This continued execution positions us to maximize performance in 2H 2024 and meet our near-term priority of doubling our capacity in Palawan to 3 million WMT annually.





# Summary consolidated statements of comprehensive income

PHP '000, except per share amounts  
and percentages

	1H 2024	1H 2023	Change	% change
Revenues	3,078,768	3,115,901	(37,133)	-1.2%
Cost and expenses	(2,803,725)	(2,206,352)	597,373	27.1%
Finance costs	(110,625)	(142,715)	(32,090)	-22.5%
Share in net income (loss) of investment in associates	114,131	54,009	60,122	111.3%
Other income – net	30,344	59,473	(29,129)	-49.0%
Income before income tax	308,893	880,316	(571,423)	-64.9%
Provision for income tax – net	107,479	254,999	(147,520)	-57.9%
<b>Net income</b>	<b>201,414</b>	<b>625,317</b>	(423,903)	-67.8%
Other comprehensive income	50,382	(7,968)	58,350	-732.3%
<b>Total comprehensive income</b>	<b>251,796</b>	<b>617,349</b>	(365,553)	-59.2%
Earnings per share	0.0404	0.0676	(0.0272)	-40.2%
Net income (loss) attributable to				
Equity holders of FNI	207,078	349,499	(142,421)	-40.8%
Non-controlling interest	(5,664)	275,818	(281,482)	102.1%





# Summary consolidated statements of financial position

PHP '000	June 30, 2024	December 31, 2023	change	% change
<b>Assets</b>				
Current assets	3,278,081	3,938,933	(660,852)	-16.8%
Noncurrent assets	13,971,597	13,475,808	495,789	3.7%
<b>Total assets</b>	<b>17,249,678</b>	<b>17,414,741</b>	<b>(165,063)</b>	<b>-0.9%</b>
<b>Liabilities and Equity</b>				
Current liabilities	2,449,222	2,288,173	161,049	7.0%
Noncurrent liabilities	2,268,309	2,846,217	(577,908)	-20.3%
<b>Total liabilities</b>	<b>4,717,531</b>	<b>5,134,390</b>	<b>(416,859)</b>	<b>-8.1%</b>
<b>Equity</b>				
Equity attributable to the Parent company	12,384,116	12,126,656	257,460	2.1%
Non-controlling interests	148,031	153,695	(5,664)	-3.7%
<b>Total equity</b>	<b>12,532,147</b>	<b>12,280,351</b>	<b>251,796</b>	<b>2.1%</b>
<b>Total liabilities and equity</b>	<b>17,249,678</b>	<b>17,414,741</b>	<b>(165,063)</b>	<b>-0.9%</b>







Brooke's Point, Palawan

## Why FNI?

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### Robust industry outlook

- Nickel to benefit from global megatrends

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### Strong competitive positioning

- Long-life, large-scale, low-cost nickel mines
- Compelling acquisition of a China-based processor
- Resilient balance sheet

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### Seasoned leadership team focused on value creation

- Balanced reinvestment in business and shareholder returns
- Recognized responsible and sustainable practices
- In service of delivering long-term stakeholder value

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### Multipronged strategic vision

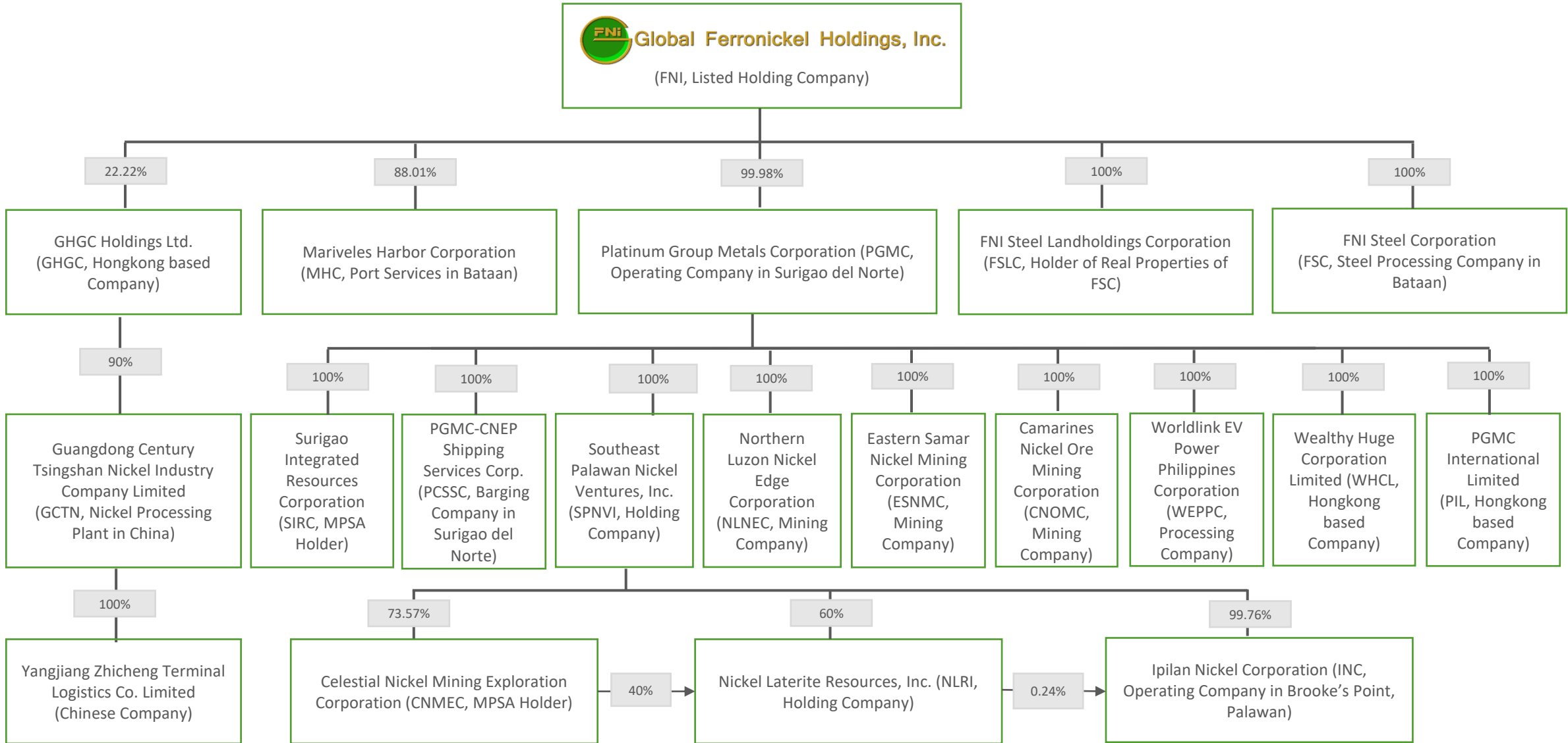
- Expansion of nickel resource
  - Entry into value-added nickel processing
  - Expansion of port operations and logistics
  - Diversification into cement manufacturing
-



# Appendix











**Global Ferronickel Holdings, Inc.**

(FNI, Listed Holding Company)

## Mining Business Group

Expansion of nickel resource and exploration of limestone

### Operating Mines

- Platinum Group Metals Corporation (Surigao Mine)
- Ipilan Nickel Corporation (Palawan Mine)\*

### MPSA Holders

- Surigao Integrated Resources Corporation (Surigao Mine)
- Celestial Nickel Mining Exploration Corporation (Palawan Mine)

### Support Service (Barging Operation)

- PGMC-CNEP Shipping Services Corp.

### Trading Companies (Hongkong-based)

- PGMC International Limited
- Wealthy Huge Corporation Limited

### Holding Companies of Palawan Mine

- Southeast Palawan Nickel Ventures, Inc.\*
- Nickel Laterite Resources, Inc.\*

## Manufacturing/ Processing Business Group

Entry into value-added nickel processing

### Investment in Nickel Processing Plant (Associates)

- GHGC Holdings Ltd. (Hongkong-based Company)
- Guangdong Century Tsingshan Nickel Industry Company Limited (Nickel Processing Plant in China)
- Yangjiang Zhicheng Terminal Logistics Co. Limited (Port Service)

### Steel Processing Company

- FNI Steel Corporation (Bataan)

### Landholdings

- FNI Steel Landholdings Corporation (Holder of Real Properties of FNI Steel Corporation)

## Services Group

Expansion of port operations and logistics

### Port Operation and Logistics

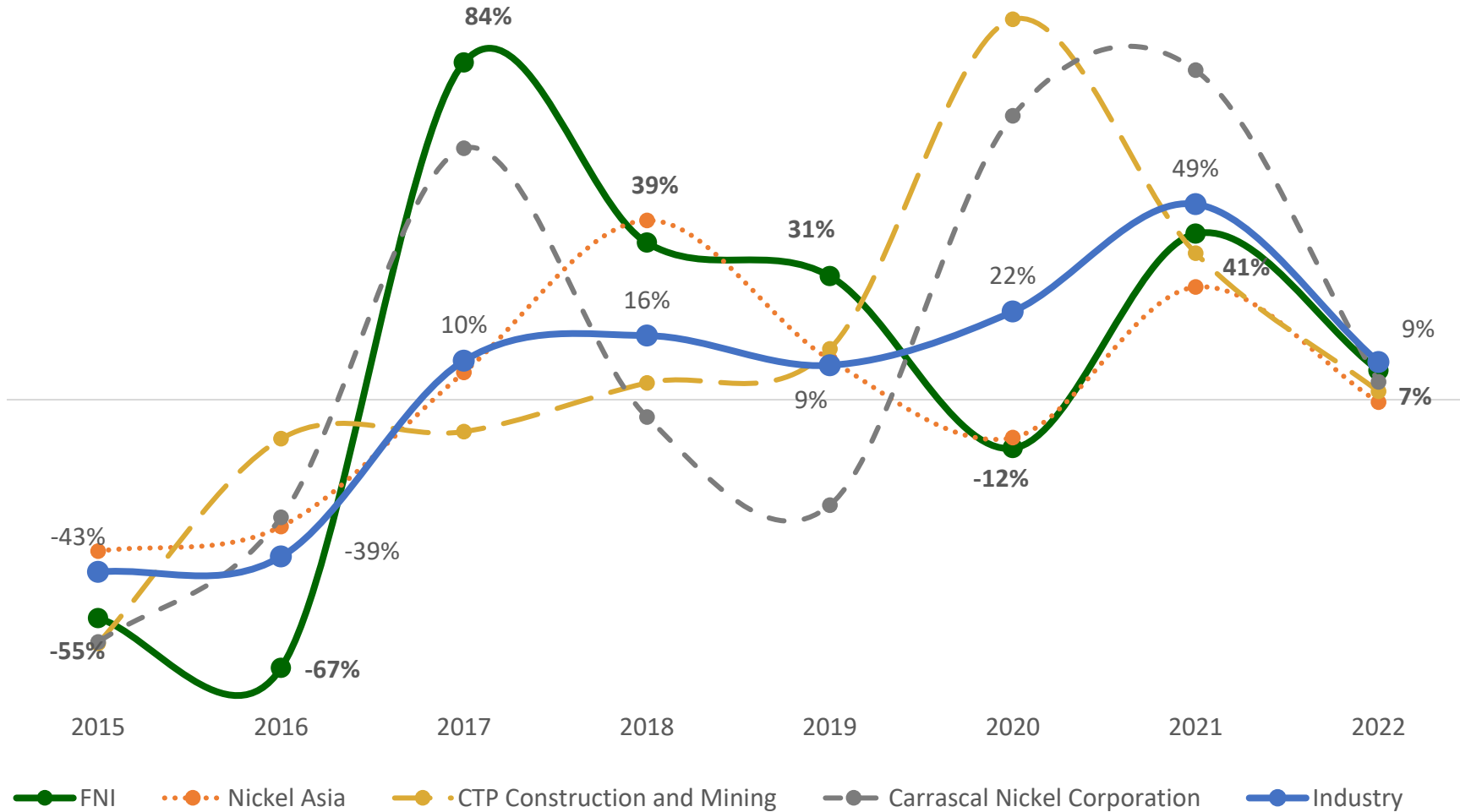
- Mariveles Harbor Corporation (Port Services in Bataan)



\*There is a plan to merge these companies



# Growth of Philippine nickel industry



## Estimated production value

(in PHP millions)

Company

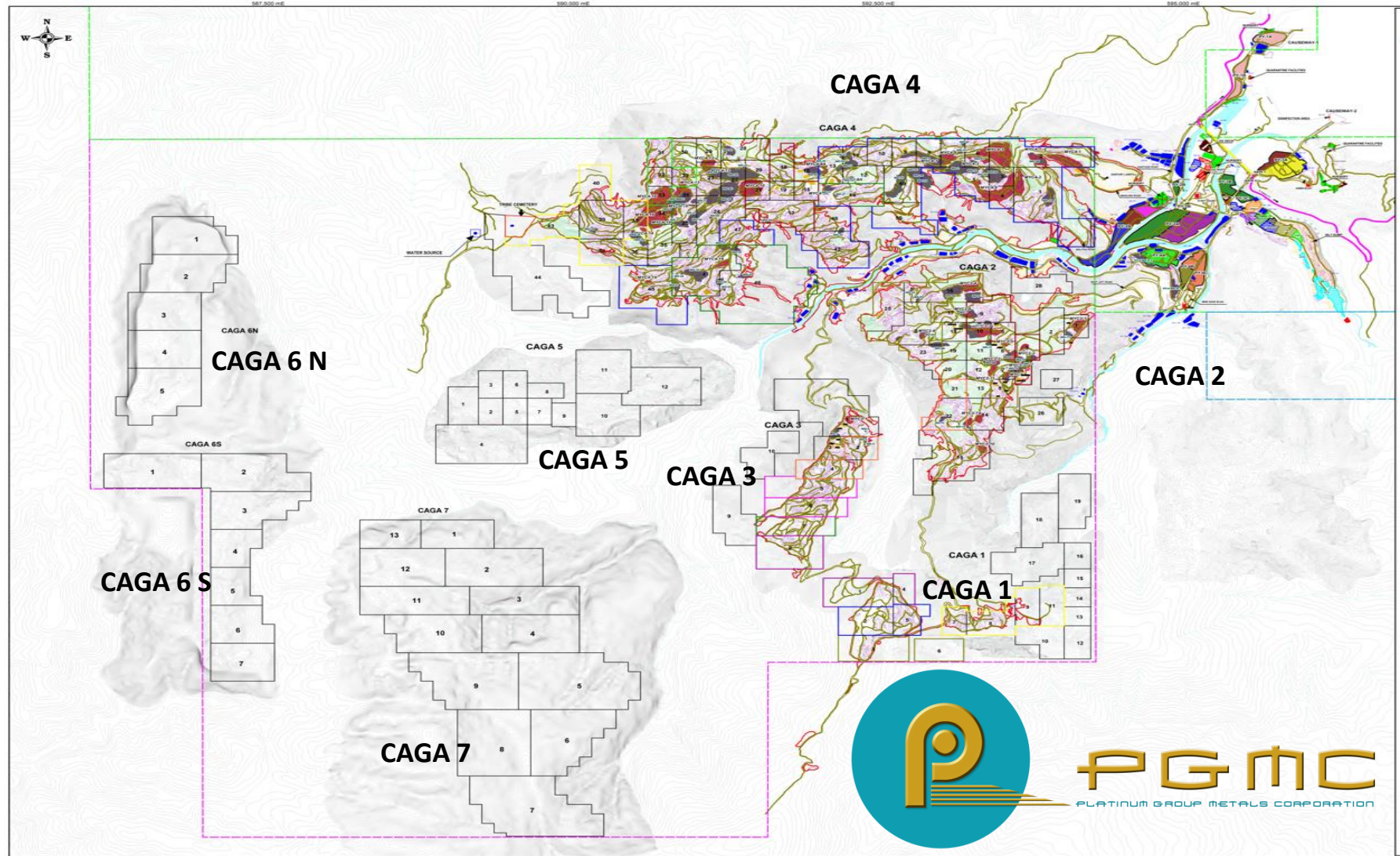
(# of operating mines)	2021	2022
Nickel Asia (5)	18,722	18,606
<b>FNI (2)</b>	<b>7,136</b>	<b>7,656</b>
CTP (2)	7,083	7,228
Carrascal Nickel (1)	5,225	5,457
Industry	56,333	61,605

Source: Mines and Geosciences Bureau (MGB)



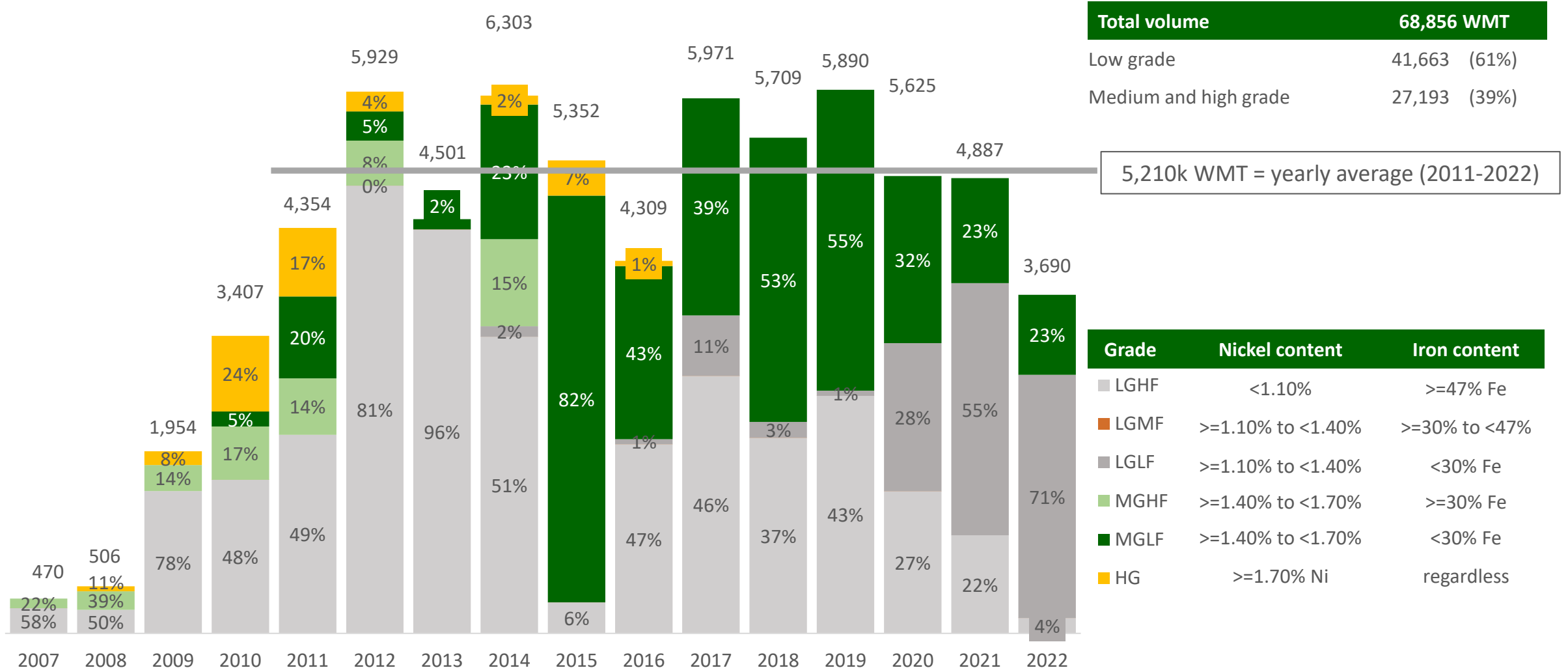


# Active mining areas at Cagdianao, Surigao del Norte





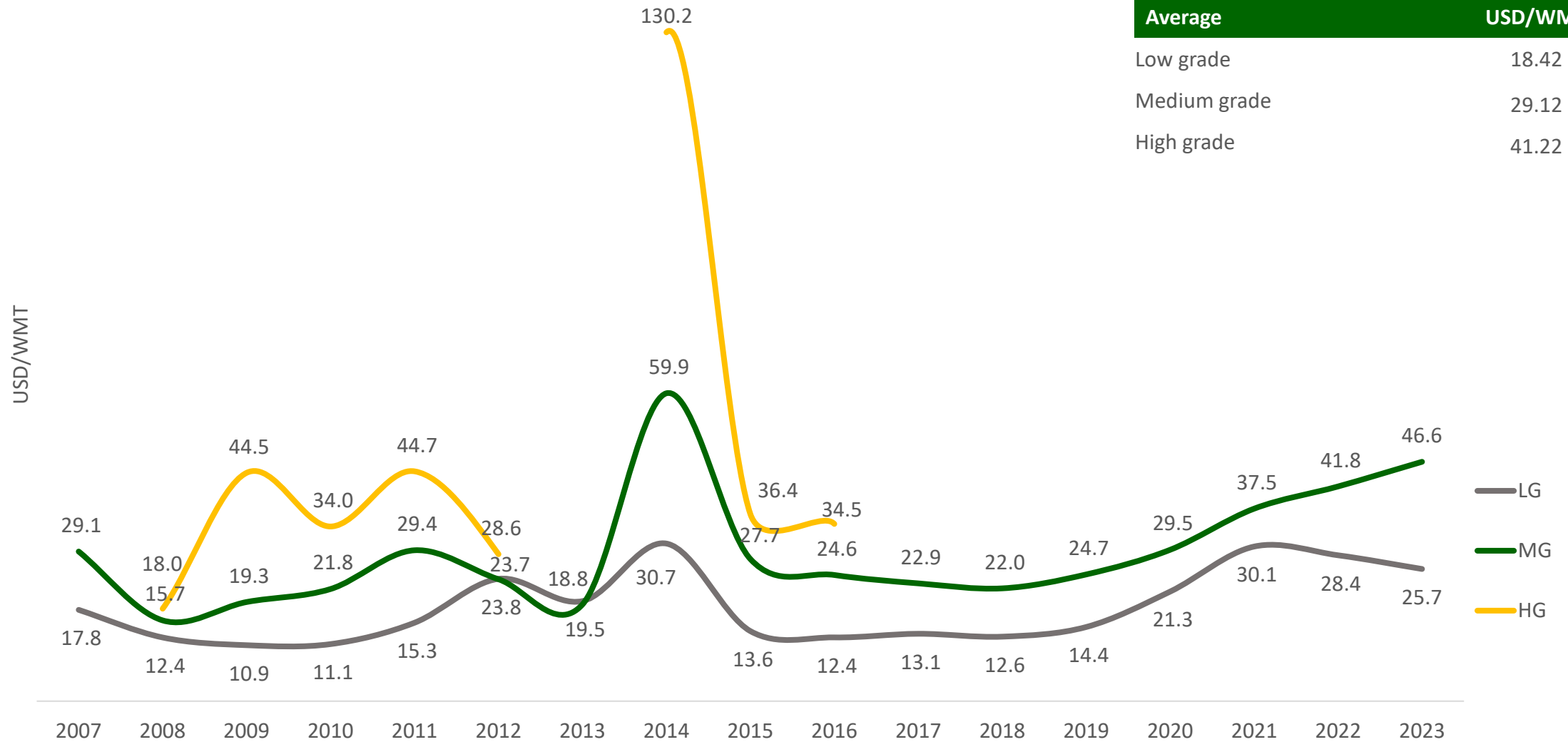
# Historical production





# Historical average realized price

Average	USD/WMT
Low grade	18.42
Medium grade	29.12
High grade	41.22





# Resources and reserves at Cagdianao, Surigao del Norte

## Statement of Mineral Resources for Total Nickel as of 15 October 2023

Deposit	Material	PMRC Classification	DMT	WMT	% Nickel, Ni	% Iron, Fe	Dry bulk Density
Combined CAGA 1, 2, 3, 4, 5, 6, 7	Combined (High, Medium, Low Grade)	Measured	38,199,000	58,763,000	1.2	29.0	1.2
		Indicated	30,436,000	46,823,000	1.0	32.4	1.2
		<b>Total</b>	<b>68,635,000</b>	<b>105,586,000</b>	<b>1.1</b>	<b>30.5</b>	<b>1.2</b>

## Statement of Ore Reserves as of 15 October 2022

Deposit	Material	Proven			Probable			Proven + Probable		
		WMT	%Ni	%Fe	WMT	% Ni	% Fe	WMT	% Ni	% Fe
Combined CAGA 1, 2, 3, 4, 5, 6, 7	LGHF	15,970,000	0.83	48.77	5,900,000	0.81	48.58	21,870,000	0.82	48.72
	LGMF	5,030,000	1.16	45.44	1,400,000	1.14	44.93	6,430,000	1.15	45.33
	LGLF	9,230,000	1.22	13.22	5,640,000	1.21	13.38	14,880,000	1.22	13.28
	MGMF	320,000	1.43	44.53	60,000	1.42	45.03	380,000	1.43	44.60
	MGLF	7,670,000	1.47	13.70	2,950,000	1.46	13.43	10,620,000	1.47	13.62
	HG	2,600,000	1.79	13.92	580,000	1.78	13.77	3,170,000	1.79	13.89
	<b>ORE</b>	<b>40,820,000</b>	<b>1.15</b>	<b>31.48</b>	<b>16,530,000</b>	<b>1.13</b>	<b>28.75</b>	<b>57,350,000</b>	<b>1.14</b>	<b>30.69</b>

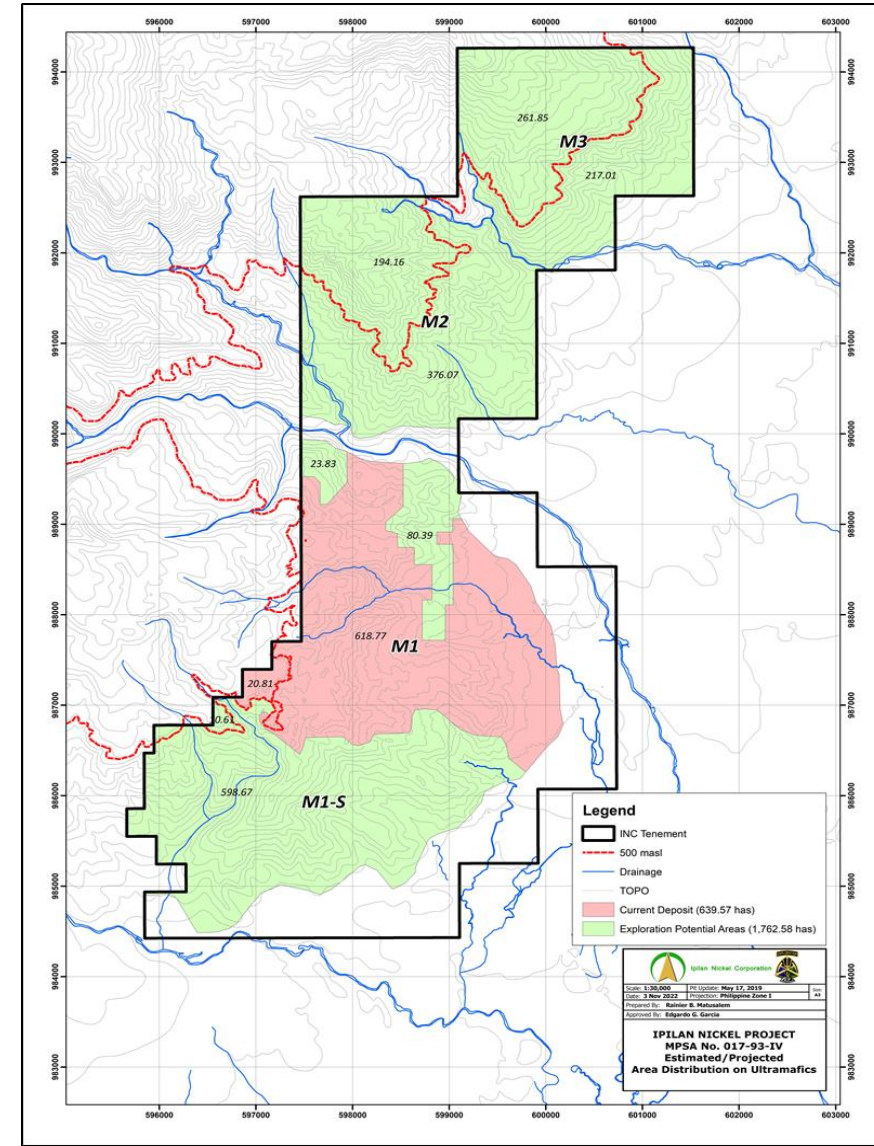
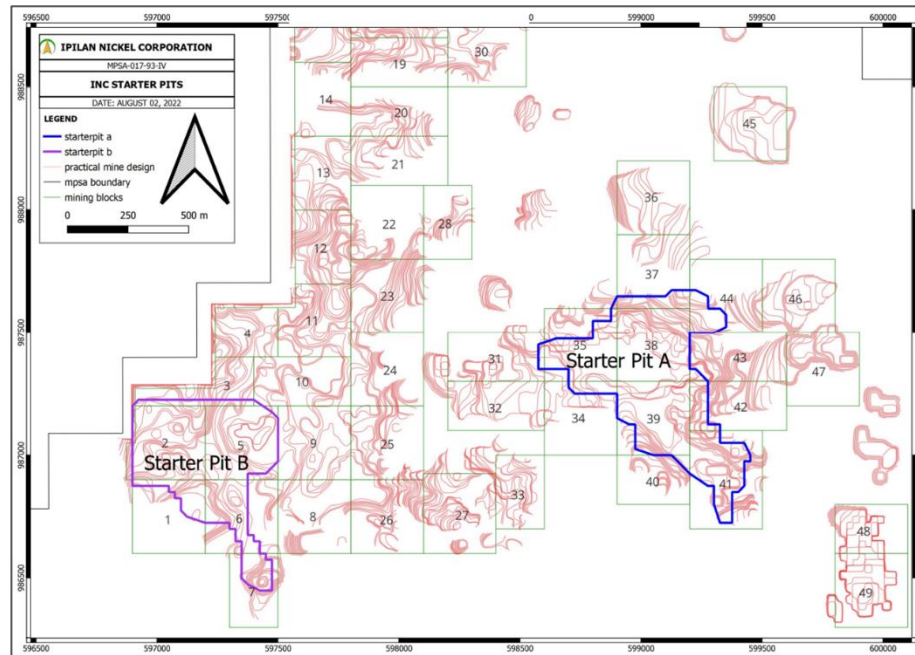




# Active mining area at Brooke's Point, Palawan



Iplan Nickel Corporation



# Resources and reserves at Brooke's Point, Palawan

## Statement of Mineral Resources for Total Nickel as of 31 December 2022

Deposit	Material	PMRC Classification	DMT	WMT	% Nickel, Ni	% Iron, Fe	Dry Bulk Density
M1	Combined (High, Medium, Low Grade)	Measured	36,009,000	55,400,000	1.3	23.9	1.2
		Indicated	6,753,000	10,389,000	1.2	25.3	1.2
		<b>Total</b>	<b>42,762,000</b>	<b>65,789,000</b>	<b>1.2</b>	<b>24.2</b>	<b>1.2</b>

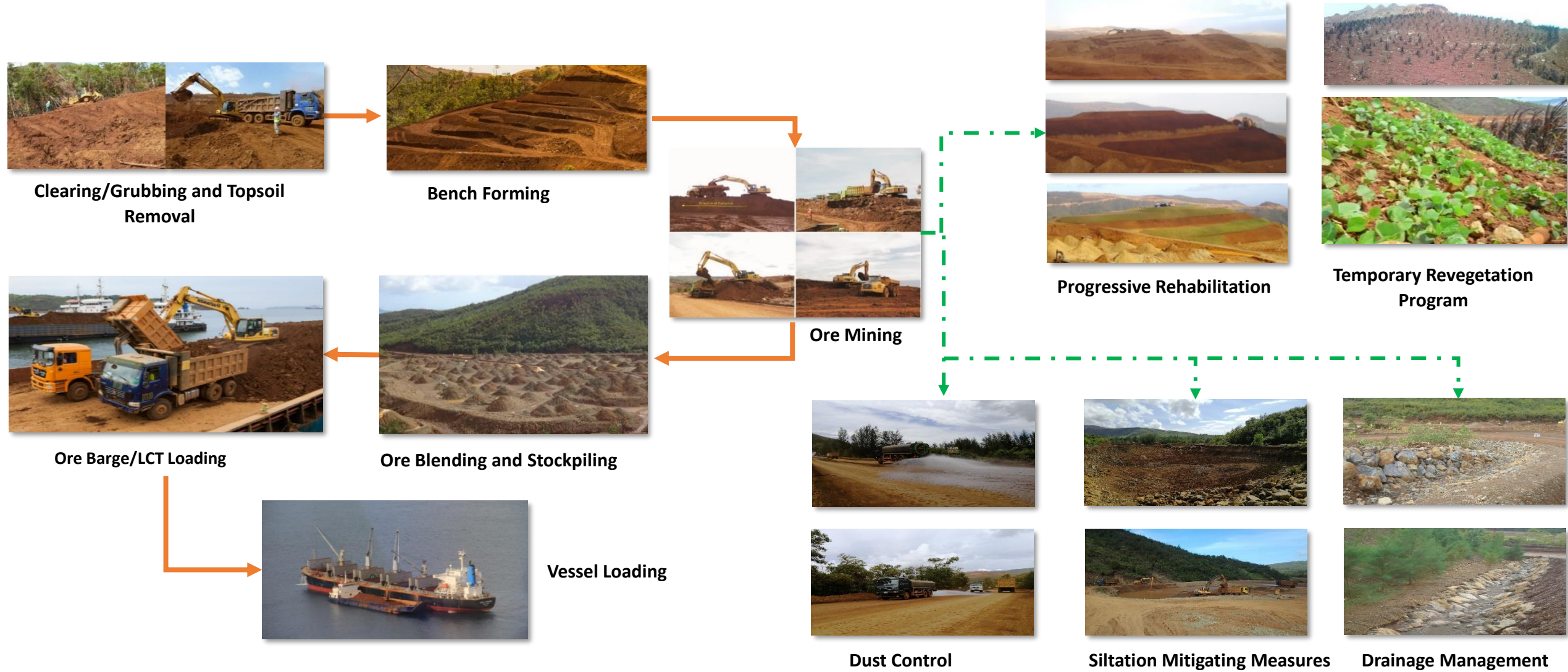
## Statement of Ore Reserves as of 31 December 2022

Deposit	Material	Proven			Probable			Proven + Probable		
		WMT	%Ni	%Fe	WMT	% Ni	% Fe	WMT	% Ni	% Fe
M1	LGHF	1,774,174	0.94	49.3	26,014	0.99	48.16	1,800,188	0.94	49.28
	LGMF	7,221,243	1.18	43.59	374,693	1.18	42.86	7,595,935	1.18	43.55
	LGLF	11,494,837	1.21	14.46	1,126,160	1.20	14.24	12,620,997	1.21	14.44
	MGMF	1,014,391	1.43	41.86	26,963	1.41	40.46	1,041,355	1.43	41.82
	MGLF	8,511,473	1.48	14.54	461,443	1.49	14.95	8,972,916	1.48	14.56
	HG	3,577,390	1.78	14.79	203,227	1.78	13.83	3,780,617	1.78	14.74
	<b>ORE</b>	<b>33,593,508</b>	<b>1.33</b>	<b>23.44</b>	<b>2,218,500</b>	<b>1.31</b>	<b>19.9</b>	<b>35,812,008</b>	<b>1.33</b>	<b>23.22</b>





# Mining process



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**PSE: FNI**

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