AS094039920

SEC Registration Number

GLOBAL FERRONICKEL HOLDINGS INC

formerly:

SOUTHEAST ASIA CEMENT HOLDINGS INC

(Company's Full Name)

PENTHOUSE PLATINUM TOWER ASEAN AVENUE COR FUENTES ST ASEANA PARAÑAQUE CITY

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

Atty. Noel Lazaro

(Contact Person)

(632) 85118229

(Company Telephone Number)

Month *Day*

(Fiscal Year)

20-IS

(Form Type)

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

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

1. Check the appropriate box:

   [x] 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:
   Penthouse, Platinum Tower, Asean Avenue cor. Fuentes St., Aseana, Parañaque City, Metro Manila, Philippines **Postal code 1701**

7. Registrant's telephone number, including area code: (632) 8519-7888

8. Date, time and place of the meeting of security holders:
   Date: June 25, 2024, Wednesday
   Time: 01:00 p.m.
   Place/Venue: Via videoconference/livestream from Penthouse, Platinum Tower, Asean Avenue cor. Fuentes St., Aseana, Parañaque 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 4, 2025**

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	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	**5,125,175,687 shares**

In case of Proxy Solicitations: Not Applicable
Name of Person Filing the Statement/Solicitor: Not Applicable
Address and Telephone No.: Not Applicable

11. Are any or all of registrant's securities listed on a Stock Exchange?
    Yes **[x]** 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 25, 2025, Wednesday
Time of Meeting:	01:00 p.m.
Place/Venue of Meeting:	Videoconference/livestream from Penthouse, Platinum Tower, Asean Avenue cor. Fuentes St., Aseana, Parañaque 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: **Penthouse, Platinum Tower**
Asean Avenue cor. Fuentes St.
Aseana, Parañaque 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 4, 2025.**

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 occur:

   i. In case 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 Revised 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 Revised 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 5,125,175,687 outstanding shares as of April 30, 2025, all of which are common shares of stock. As of April 30, 2025, 1,553,630,379 common shares, or equivalent to 30.31% 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, 2025 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, 2025 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 on June 18, 2025.

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, 2025. 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 asm2025@gfni.com.ph before June 18, 2025. 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 asm2025@gfni.com.ph before the end of business day of June 18, 2025.

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 to and during the meeting is available and may be requested via email to asm2025@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 asm2025@gfni.com.ph.

D. Question and Answer

Registered stockholders may send their questions and/or comments prior to the ASM through email at asm2025@gfni.com.ph until close of business day of June 24, 2025. 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, 2025, 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	2,378,614,645	46.41%
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Non-Filipino	1,553,491,423	30.31%
Common	Regulus Best Nickel Holdings, Inc. 7th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct; Joseph C. Sy	Filipino	523,154,668	10.21%
Common	Blue Eagle Elite Venture, Inc. 7th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct; Joseph C. Sy	Filipino	348,769,779	6.81%

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, 2025, 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	2,862,128,278	55.84%
Common	Maybank Atr Kim Eng Securities, Inc.	Direct	Filipino	591,412,776	11.54%

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 records or beneficial shareholders for the purpose who is usually its President, Mr. Joseph C. Sy.

Security Ownership of Directors and Officers as of April 30, 2025

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) 2,231,503,031 (indirect)	Filipino	43.54%
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	16,000,000 (direct)	Filipino	0.31%
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	4,192,733 (direct)	Filipino	0.08%
Common	Carlo Matilac	1,733,227 (direct)	Filipino	0.03%
Common	Eveart Grace P. Claro	10,000(direct)	Filipino	0.00%
Common	Mario A. Nevado	776,552 (direct)	Filipino	0.01%
TOTAL		2,286,363,228		44.49%

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	58	Filipino	Chairman of the Board of Directors and Director
Dante R. Bravo	49	Filipino	President and Director
Gu Zhi Fang	51	Chinese	Director
Dennis Allan T. Ang	48	Filipino	Director
Mary Belle D. Bituin	57	Filipino	Treasurer/ Senior Vice President for Finance/ Human Resources Department/ Director
Francis C. Chua	76	Filipino	Director
Jennifer Y. Cong	40	Taiwanese	Director
Noel B. Lazaro	55	Filipino	Regular Director/Senior Vice President for Legal and Regulatory Affairs, and Corporate Information Officer
Edgardo G. Lacson	81	Filipino	Independent Director
Sergio R. Ortiz-Luis Jr.	82	Filipino	Independent Director

Name of Officers	**Age**	**Nationality**	**Position**
Carlo Matilac	52	Filipino	Senior Vice President for Operations
Eveart Grace Pomarin-Claro	44	Filipino	Corporate Secretary/ Alternate Corporate Information Officer
Mario A. Nevado	70	Filipino	Compliance Officer

The Nomination 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 2025-2026, 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	Mary Belle D. Bituin	Regular Director
6	Jennifer Cong	Regular Director
7	Noel B. Lazaro	Regular Director
8	Jaime F. del Rosario	Independent 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 PGMC 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 Director of Mining for the Philippine Chamber of Commerce and Industry. Mr. Sy has more than fourteen (14) years of experience in managing and heading companies engaged in mining and mineral exploration and development. He was conferred as a Doctorate Fellow of the Academy of Multi-Skills, United Kingdom. He is currently the Honorary Consul of the Republic of Lao People's Democratic Republic in Davao. Mr. Sy was recently awarded the Influential Leader in Business Category award at Asia's Influential Leader Awards in recognition of his contribution to championing the growth of the Philippine mining industry. He is also the Mining Director of the Philippine Chamber of Commerce and Industry (PCCI).

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 PGMC since 2011. He was Chief Finance Officer of PGMC 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 ten (10) years of corporate management experience. He placed 10th in the 2001 Philippine Bar Examinations. He is among the founders of the Philippine Nickel Industry Association (PNIA) and has been serving as the president of the association since 2017.

Mary Belle D. Bituin
Chief Financial Officer and Treasurer

Ms. Bituin became a Director of the Company on November 2, 2015. Ms. Bituin holds a Bachelor of Science degree in Business Administration, Major in Accounting from the Philippine School of Business Administration Manila. She is a Certified Public Accountant. She was Vice President for Business Transformation of Globe Telecom, Inc., from 1998 to 2014. 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

Mr. Lazaro became a Director of the Company on August 24, 2018. He previously served as Corporate Secretary from October 22, 2014 to August 23, 2018. He has also served as its Senior Vice President for Legal and Regulatory Affairs and as Corporate Information Officer of the Company since October 22, 2014. He joined PGMC as General Counsel on August 1, 2014. He is a Director and Corporate Secretary of SPNVI, PCSSC, and SIRC. Mr. Lazaro previously served as a Partner at Siguion Reyna Montecillo & Ongsiako, an Associate at SyCip Salazar Hernandez & Gatmaitan, and a Professorial Lecturer at the Lyceum of the Philippines College of Law, De La Salle University

Graduate School of Business, Far Eastern University Institute of Law, Master of Business Administration–Juris Doctor Dual Degree Program, Manila Adventist College School of Law and Jurisprudence, and Wesleyan University -Philippines John Wesley School of Law and Governance. He completed his Bachelor of Laws degree at the University of the Philippines College of Law and placed 19th in the 1995 Philippine Bar Examinations. He was also named among the Top 5 Philippine In-House Lawyers of the Year 2024 at the Asian Legal Business (ALB) – Philippine Law Awards, organized by Thomson Reuters.

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 and a Masters degree in Business Administration from Cavite State University. She was conferred as a Doctorate Fellow of the Academy of Multi-Skills, United Kingdom. She is a seasoned entrepreneur with over twenty (20) years of experience in business leadership.

Dennis Allan T. Ang
Director

Mr. Ang became a Director of the Company on August 10, 2015. He is the Corporate Secretary of Maxima Machineries, Inc. since February 2009. He has been 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.

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 was 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 at 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 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., Jolliville 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, a 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 degrees in Liberal Arts and in Business Administration from De La Salle College. He is also a Master in Business Administration Candidate at De La Salle College. He has a PhD in Business Administration honoris causa from Angeles University Foundation, PhD in Humanities *honoris causa* from Central Luzon Agricultural College, PhD in Business Technology honoris causa from Eugelio Rodriguez University, and PhD in Capital Management *honoris causa* from the Academy of Multiskills, United Kingdom.

Jaime F. del Rosario
Nominee Independent Director

Mr. Del Rosario is nominated for election as an Independent Director of the Company. He was with SGV & Co. for almost 40 years (1982 to 2022), and one of its Partners for more than 20 years, until his retirement in June 2022. Mr. del Rosario has extensive training and experience in the Mining and Metals (M&M) industry. He is a Certified Public Accountant and holds a Bachelor of Science in Business Administration, Major in Accounting, from the University of the East. He completed executive education programs at the Asian Institute of Management, INSEAD of Singapore, and Harvard Business School. In recognition of his professional achievements and leadership, he was named one of the University of the East's 75 Most Outstanding Alumni in 2021 and received the Ernst & Young Chairman's Value Award in 2010.

He is an active member of several industry organizations, including the Chamber of Mines of the Philippines and the Philippine Minerals Exploration Association, and has served as a speaker at both national and international conferences on accounting standards and mining industry developments.

OTHER EXECUTIVE OFFICERS

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 from Cebu Institute of Technology in 1994 and thereafter passed the 1994 Mining Engineer Licensure Exam, garnering 1st Place. Mr. Matilac has more than nineteen (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 and Alternate Corporate Information Officer of the Company on August 24, 2018. Ms. Pomarin Claro was Assistant Corporate Secretary and Alternate Corporate Information Officer of the Company from September 10, 2014 to August 24, 2018, and served as Corporate Secretary of the Company from February 1, 2014 to August 29, 2014. She is the Executive Legal Officer of PGMC. She is Assistant Corporate Secretary of PGMC, SIRC, and the Corporate Secretary of INC, NLRI, and CNMEC. She completed a Bachelor of Laws from the 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 PGMC since 2007 and became the Assistant Vice President for Finance in 2011. He 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 and 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 at 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, except as mentioned in Note 30 of the audited consolidated financial statements for the period ended December 31, 2024 (Annex A) which 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 PAS 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 table identifies and summarizes the aggregate compensation of the Company's Chairman and its three (3) other executive officers of the Group for the years ended December 31, 2025 and 2024:

Name and Position	Fiscal year	Annual Salary	Bonus	Other Compensation **(In million ₱)**
Joseph C. Sy Chairman of the Board of Directors and Managing Director	2025 estimated 2024	0	0	1.846
Dante R. Bravo President and Managing Director	2025 estimated 2024	0	0	1.846
Mary Belle D. Bituin Treasurer/ Senior Vice President for Finance/ Human Resources Department/ Managing Director	2025 estimated 2024	0	0	1.846
Noel B. Lazaro Senior Vice President for Legal and Regulatory Affairs and Corporate Information Officer	2025 estimated 2024	0	0	1.846

The Compensation and Remuneration Committee comprises at least three (3) members, including the President and one (1) 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 consists of three (3) members, including Mr. Sergio R. Ortiz-Luis Jr. as chairman, and Mr. Joseph C. Sy and Atty. Dante R. Bravo.

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. The 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 the 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 7, 2025, the Compliance Officer issued a certification that for calendar year 2024, 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 were 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 were 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 those 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, 2024, Management Discussion and Analysis, market price of shares and dividends and other data related to the Company's financial information are attached.

For the Annual Stockholders' Meeting of June 26, 2024, votes were cast by submission of proxy/ballot form where all the matters for approval were enumerated. The counting of votes was done by counting of votes cast by the Office of the Corporate Secretary with assistance from independent auditors and the Company's stock transfer agent, Stock Transfer Services, Inc..

In each of the board committee charters and policies include a mandate for assessment of the effectiveness of the Board's processes which can aid in the appraisal and performance report preparation.

Transaction with related parties is found in Note 30 of the audited consolidated financial statements as of December 31, 2024.

OTHER MATTERS

Action with Respect to Reports

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

1. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on June 26, 2024
2. Annual Report and Approval of the Audited Financial Statements as of December 31, 2024
3. Ratification of all acts of the board of directors and management
4. Election of the Board of Directors
5. Appointment of external auditors
6. Other Matters

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 Auditor

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, Penthouse Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque 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 Parañaque, Metro Manila on **May 16, 2025**.

GLOBAL FERRONICKEL HOLDINGS, INC.
Issuer

EVEART GRACE POMARIN-CLARO
Corporate Secretary

MANAGEMENT REPORT

BUSINESS

Corporate Information

Global Ferronickel Holdings, Inc. (the "Company", "Parent Company", "Corporation", or "FNI") is a leading producer of nickel ore, established on May 3, 1994, as a holding company.

The registered principal office address of the Company is at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque 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 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 on October 10, 2014, when 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 AOI 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 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 6, 2015, after the meeting, the parties through their authorized representatives signed the Contract to Sell.

On December 21, 2022, the Company and the shareholders of SPNVI entered into an agreement to terminate the Contract to Sell. The termination paves the way for the Company to concentrate its mining portfolio in its subsidiary, as PGMC instead will subscribe to the primary shares in SPNVI, making PGMC the majority shareholder of SPNVI.

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 of 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, which 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 2022 to 2024, except as disclosed and mentioned herein and in the Company and Subsidiaries audited financial statements.

Corporate Objective

In all businesses that the Company engages in, its objective is to be a world-class group of companies with a broad range of pioneering development options, enabling shared values and prosperity to all its stakeholders and contributing to sustainable national development. The Company's mission is to be a world-class mining company providing metals and minerals that are essential ingredients for greener, more sustainable products required in almost every aspect of everyday life. The Company carries out its activities in an environmentally, socially, & 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 and associates are presented below:

Subsidiaries and Associates	Principal Place of Business	Principal Activities	Effective Ownership 2024	2023
PGMC	Philippines	Mining	**99.98%**	99.98%
Surigao Integrated Resources Corporation (SIRC)[1]	Philippines	Mining	**99.98%**	99.98%
PGMC-CNEP Shipping Services Corp. (PCSSC)[1]	Philippines	Services	**99.98%**	99.98%
PGMC International Limited (PIL)[1]	Hong Kong	Marketing, Trading and Services	**99.98%**	99.98%
Wealthy Huge Corporation Limited (WHCL)[1]	Hong Kong	Marketing, Trading and Services	**99.98%**	99.98%
FNI Steel Corporation (FSC)	Philippines	Manufacturing	**100.00%**	100.00%
FNI Steel Landholdings Corporation (FSLC)	Philippines	Landholdings	**100.00%**	100.00%
Mariveles Harbor Corporation (MHC), formerly Seasia Nectar Port Services Inc.	Philippines	Port Operations	**88.01%**	88.01%
SPNVI[1]	Philippines	Holding/Mining	**99.98%**	99.98%
Ipilan Nickel Corporation (INC)[1]	Philippines	Mining	**99.98%**	99.96%
Celestial Nickel Mining Exploration Corporation (CNMEC[1]	Philippines	Mining	**99.98%**	83.98%
Nickel Laterite Resources, Inc. (NLRI)[1]	Philippines	Holding/Mining	**99.98%**	93.58%
Camarines Nickel Ore Mining Corporation (CNOMC)[1]	Philippines	Mining	**99.98%**	99.98%
Eastern Samar Nickel Mining Corporation (ESNMC)[1]	Philippines	Mining	**99.98%**	99.98%
Northern Luzon Nickel Edge Corporation (NLNEC)[1]	Philippines	Mining	**99.98%**	99.98%
Worldlink EV Power Philippines Corporation (WEPPC)[2]	Philippines	Processing	**99.98%**	–
Associates				
GHGC Holdings Ltd. (GHGC)	British Virgin Islands	Holding	**22.22%**	22.22%
Guangdong Century Tsingshan Nickel Industry Company Limited (GCTN)[3]	China	Nickel Processing	**20.00%**	20.00%

(1) Indirect ownership through PGMC.

(2) This is a newly incorporated subsidiary, established through PGMC.

(3) Indirect ownership through GHGC.

The Subsidiaries

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 of nickel ore located in the municipality of Claver, Surigao del Norte. PGMC's principal office address is the same as that of the Parent Company.

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 Production 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 four (4) deposit sites known as CAGA 1, CAGA 2, CAGA 3, and CAGA 4 within the Cagdianao Mine. There are three (3) 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 during 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 2024, 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 2024, accounting for 11.59% and 8.96%, 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's principal office address is the same as that of the Parent Company.

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. The Deed of Assignment was approved by the MGB on June 27, 2016. CLNMI has an 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. SIRC applied for the expansion of its mining tenement annexing the area covered by the application for EP with Application No. EPA-000101-XIII. On March 2, 2020, MGB approved the area expansion of SIRC's MPSA from 4,376 hectares to 5,219.56 hectares by annexing the area covered by the application for exploration permit EXPA-000101-XIII. MGB redenominated SIRC's MPSA from MPSA No. 07-92-X-SMR to MPSA No. 07-92-X-SMR (Amended I).

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. PCSSC's principal office address is the same as that of the Parent Company.

In April 2014 and June 2014, PCSSC's LCT 3 and 4, and LCT 1, 2, and 5, respectively, were registered with the Maritime Industry Authority (MARINA), under the Department of Transportation, the former being the agency responsible for integrating the development, promotion, and regulation of the maritime industry in the Philippines. In August 2024, PCSSC's newly acquired LCT 6, 7, and 8 were registered with the MARINA. These shipping equipment are classified as cargo ships and are primarily engaged in coastwise trading with licenses that remain valid during operations.

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. PIL's principal office address

is Unit 4101-02, 41/F, Office Tower, Convention Plaza, 1 Harbour Road Wanchai, Hong Kong.

Wealthy Huge Corporation Limited
On March 1, 2021, WHCL was incorporated under the Companies Ordinance of Hong Kong and is a limited company. It was established to facilitate relations with offshore customers, collection of accounts, availment of offshore banking services, and such other services as will aid PGMC's strategic growth in the ASEAN region. WHCL's principal office address is Room 804, 8/F, LAP FAI Building, 6-8 Pottinger Street, Central Hong Kong. WHCL has not started its operations as of December 31, 2024.

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, and 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. FSC's principal office address is at 9L 3/F AFAB Administration Bldg. Freeport Area of Bataan Alas-asin Mariveles, Bataan, Region III, Philippines.

On October 21, 2019, FSC entered into a Registration Agreement with the Authority of the Freeport Area of Bataan (AFAB) which entitles FSC to conduct and operate its business at the Freeport Area of Bataan (FAB).

In March 2020, FSC has already started with its land development.

At its meeting on December 27, 2024, upon assessment of its strategic priorities, the BOD of FNI was informed by the management of FSC that it would no longer pursue its planned FNI Rebar Steel Project, prospectively explored since 2019. This decision follows a comprehensive review of market conditions, capital requirements, and the outlook of the rebar steel industry. The Company believes it is in its best interest to focus on opportunities from its current businesses that offer greater long-term value—nickel ore mining and export, port operations and logistics, and ferronickel smelting—which continue to see strong demand driven by the global transition to clean energy and electric vehicles.

In line with this decision, FSC is initiating the de-registration process with the AFAB. While the steel project will not proceed, it has generated value for the Company through the acquisition of land in Bataan that has appreciated in value. These assets will be strategically evaluated for profitable use. The company is committed to maximizing value for its stakeholders through continued growth in its current business operations.

On December 26, 2024, FSC's BOD and stockholders approved the cancellation of FSC's registration with AFAB as the terms and conditions under the Registration Agreement with AFAB have not been complied with and FSC has not enjoyed or availed of the tax incentives, such as Income Tax Holiday (ITH) for four (4) years, special corporate income tax for six (6) years, value-added tax exemption, among others.

In addition, on December 27, 2024, the BOD and stockholders approved the merger of the FSC with FSLC, with the latter being designated as the surviving entity. On the same date, FSC's BOD and stockholders approved the cancellation of FSC's contract of lease with FSLC.

On December 27, 2024, FSC's management decided that it would no longer pursue its planned FNI Rebar Steel Project, prospectively explored since 2019. This decision follows a comprehensive review of market conditions, capital requirements, and the outlook for the rebar steel industry.

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. FSLC's principal office address is the same as that of the Parent Company.

On January 21, 2020, FSLC entered into a 25-year agreement with FSC to lease the 100,000-square-meter land located at Barangay Alas-asin, Mariveles, Bataan, Philippines, for a consideration amounting to ₱5.00 per square meter or ₱500,000 every month. Lease payments will commence upon the commercial operations of FSC. On December 27, 2024, the BOD and stockholders of FSC and FSLC approved the merger of the two companies, with FSLC being designated as the surviving entity. On the same date, both companies mutually agreed to terminate the 25-year lease agreement for the 100,000-square-meter property.

Mariveles Harbor Corporation
MHC was registered with the SEC on July 11, 2014 primarily to carry on the business of providing and rendering general services incidental to and necessarily connected with the operation and management of port terminals in the Philippines, which will involve the handling of containers, bulk liquid and dry cargoes, refrigerated warehousing facilities, warehousing and stevedoring, lightering, towing, and/or storing of cargo handled by MHC to and from port terminals in the delivery from abroad and/or for shipment abroad as may be necessary or incidental thereto. MHC's principal office address is at Mariveles Multi-Purpose Terminal, Mariveles Diversion Road, Freeport Area of Bataan, Brgy. Sisiman, Mariveles, Bataan.

MHC operates the first purpose-built Dry Bulk Terminal located within the FAB in Mariveles and handles shipments of coal, clinker, silica sand and cement raw materials, as well as steel, fertilizer, and other dry bulk cargoes. It was formed as a result of a joint venture between Nectar Group Limited, Seasia Logistics Philippines, Inc., both with 40% ownership interest, and Webcast Technologies, Inc. with 20% ownership interest.

On December 19, 2019, as part of the diversification plans of the Company, it acquired a 40.05% interest in MHC and increased its ownership interest to 64.03% on December 29, 2021.

On January 4, 2022, MHC was registered with the FAB as a Domestic Market Enterprise which entitled MHC to a Special Corporate Income Tax (SCIT) incentive applicable for ten (10) years for the registered project or activity effective on January 1, 2022 to December 31, 2032. MHC has also been granted an incentive of duty exemption, and value-added tax (VAT) exemption on importation.

On March 2, 2023, the Parent Company acquired an additional 23.98% interest (equivalent to 1,000,000 common shares) in MHC from Seasia Logistics Philippines, Inc., an existing stockholder, for ₱192.0 million cash, resulting in 88.01% ownership in MHC. The increased shareholding in MHC gives FNI significant control over the operation of the Mariveles port.

Southeast Palawan Nickel Ventures, Inc.
SPNVI was registered with the SEC on July 11, 2014. It is primarily engaged to prospect, explore, locate, acquire, hold, work, develop, lease, operate, and exploit mineral lands for nickel, chromite, copper, manganese, magnesite, silver, gold, and other precious and non-precious metals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing,

milling, concentrating, smelting, treating or preparing for market, and to market, sell at wholesale, exchange, or otherwise deal in nickel, chromite, copper, manganese, magnesite, silver, gold and other mineral products. SPNVI's principal office address is the same as that of the Parent Company.

On June 1, 2023, PGMC entered into a Deed of Assignment with Giantlead Prestige, Inc., Alpha Centauri Fortune Group, Inc., Antares Nickel Capital, Inc., Huatai Investments Holding Pty. Ltd. and Wei Ting (collectively referred to as "Five Stockholders"), where the Five Stockholders sold, in a manner absolute, all their rights, interests, and title to the shares of SPNVI, including all the interests accruing therefrom, in favor of PGMC, and PGMC accepts the same. As a result of this transaction, FNI now owns 99.98% of SPNVI.

Ipilan Nickel Corporation
SPNVI wholly owns INC, a company registered with the SEC on July 22, 2005, for the primary purpose to explore, develop, mine, operate, produce, utilize, process and dispose of all the minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed or found within the area of Sitio Ipilan, Mambalot, Municipality of Brooke's Point, Province of Palawan, consisting initially of 2,835.0600 hectares and covered by MPSA No. 017-93-IV-as Amended-2000, by the Government of the Republic of the Philippines through the Secretary of the Department of Environment and Natural Resources (DENR). INC's principal office address is the same as that of the Parent Company.

In its letter dated April 7, 2025, the MGB granted INC the authority to continue its mining and related operations pending final resolution of its renewal application by the DENR. The MGB confirmed that INC's application has been previously endorsed to the DENR and informed INC that, pursuant to Section 18, Chapter 3, Book VII of Executive Order No. 292, otherwise known as the Administrative Code of 1987, "where the licensee has made timely and sufficient application for the renewal of license with reference to any activity of a continuing nature, the existing license shall not expire until the application shall have been finally determined by the agency." This ensures the continuity of INC's operations.

Celestial Nickel Mining Exploration Corporation
SPNVI wholly owns CNMEC, a company registered with the SEC on December 17, 1979, for the primary purpose to search for, prospect, explore, develop ores and mineral, to locate mining claims within the Philippines and record the same according to mining laws, and to purchase, take on lease, exchange, or otherwise acquire mines, workings, mineral lands, mining claims, mineral, water and timer rights, foreshore leases, licenses concessions and grants, and other effects whatsoever which CNMEC may from time to time deem proper to be acquired for any of its purposes. CNMEC's principal office address is the same as that of the Parent Company.

The Philippine Government through the DENR granted MPSA No. 017-93-IV to CNMEC on August 5, 1993, which was later approved by the President of the Republic of the Philippines on September 18, 1993, covering an area of 2,835.0600 hectares in the Municipality of Brooke's Point, Province of Palawan. The MPSA No. 017-93-IV was amended on April 10, 2000, to conform to the provisions of Republic Act No. 7942 and was redominated as MPSA No. 017-93-IV-as Amended-2000. The DENR, in an Order dated December 21, 2020, clarified that the effective date of MPSA No. 017-93-IV-as Amended-2000 shall be reckoned on April 10, 2020, and shall expire on April 10, 2025. On April 12, 2024, CNMEC initiated the MPSA renewal process and submitted its requirements to MGBIVB. Subsequently, on September 18, 2024, it submitted its renewal requirements to incorporate the Certification Precondition (CP) issued by the National Commission on Indigenous Peoples (NCIP). As of March 7, 2025, CNMEC is still waiting for the issuance of DENR's Order of Renewal.

INC is the Operator of CNMEC by virtue of the January 19, 2005, Operating Agreement that was approved by the MGB through an Order dated April 20, 2015. Based on the evaluation of the boundary dispute between MPSA No. 017-93-IV-As Amended-2000 and MPSA No. 220-2005-IVB, the contract area of the former should be adjusted to 2,924.0200 hectares.

Nickel Laterite Resources, Inc.
SPNVI wholly owns NLRI, a company registered with SEC on July 22, 2005, for the primary purpose to subscribe for, purchase or otherwise acquire, obtain interests in, own, hold, pledge, hypothecate, assign, sell, exchange, or otherwise dispose of and generally deal in and with personal properties and securities of every kind and description of any government, municipality or other political subdivision or agency, corporation, association or entity; to exercise any and all interest in respect of any such securities; and to promote, manage, participate in and act as agent for any purchasing or selling syndicate or group of investors and otherwise to take part in and assist, in any legal matter for the purchase and sale of any securities as may be allowed by law, without acting as or engaging in the business of an investment house, mutual fund or broker or dealer in securities. NLRI's principal office address is the same as that of the Parent Company.

Camarines Nickel Ore Mining Corporation
CNOMC is a wholly-owned subsidiary of the Parent Company through PGMC and was registered with the Philippine SEC on July 18, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate, and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange, or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. CNOMC's principal office address is the same as that of the Parent Company.

Eastern Samar Nickel Mining Corporation
ESNMC is a wholly-owned subsidiary of the Parent Company through PGMC and was registered with the Philippine SEC on July 18, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate, and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange, or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. ESNMC's principal office address is the same as that of the Parent Company.

Northern Luzon Nickel Edge Corporation
NLNEC is a wholly-owned subsidiary of the Parent Company through PGMC and was registered with the Philippine SEC on July 10, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate, and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange, or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. NLNEC's principal office address is the same as that of the Parent Company.

Worldlink EV Power Philippines Corporation
WEPPC is a newly incorporated processing company. It is a wholly-owned subsidiary of the Parent Company through PGMC and was registered with the Philippine SEC on February 5, 2024. Its primary purpose is to engage generally in the business of, and/or to invest in the development, manufacturing, production, sale, invention, export, processing, and use of battery-grade materials, technologies, software, hardware, systems, applications, processes, machines, parts, appurtenances, facilities, stations, products, devices, equipment which are needed to allow the corporation to venture into the construction, assembly, commission, marketing, installation, sale, operation, maintenance, rehabilitation, management, repair, commission, recycling and/or distribution of batteries, battery systems, battery energy storage systems, electric vehicle charging stations and docks, energy supply

equipment, and other renewable energy components for residential, commercial, and industrial purposes. WEPPC's principal office address is the same as that of the Parent Company.

The Associates

GHGC Holdings Ltd. and Guangdong Century Tsingshan Nickel Industry Company Limited

GHGC is 22.22% owned by the Parent Company and was incorporated in the British Virgin Islands on April 14, 2011, whose principal activity is investment holding. The registered office of GHGC is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. It engages in trading nickel ore and other related mineral products.

GHGC owns 90% shareholding in GCTN. GCTN is a nickel alloy enterprise in China that processes laterite nickel ore and sells nickel pig iron. It operates a 33-hectare area. GCTN is one of the most competitive smelters with Rotary kiln-electric furnace (RKEF) technology. The rotary kiln can feed up to four (4) furnaces and is estimated to produce about 28,000 tons of pure nickel at its optimum. GCTN's wholly owned subsidiary is Yangjiang Zhicheng Terminal Logistics Co. Limited, located near Yangjiang Harbour, Hailing Cove area.

Products

The Group produces two (2) 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 Group'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 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 Group stockpiles waste for future blending purposes or for future sale when it becomes marketable.

In general, low-grade nickel products have the greatest volumes sold, which represented approximately 61.0% by mass of total ore shipped followed by medium-grade nickel products at approximately 35.8% and high-grade products at approximately 3.2% for the years 2007 to 2024. A high proportion of low-grade nickel materials have been sold as this material is closest to the surface; they are the easiest to mine and most abundant at our Cagdianao operating mine.

The Group's primary customers include trading companies as well as end users in China. One hundred percent (100.0%) of the Group's sales for the years ended December 31, 2022, 2023 and 2024 were mostly sold to customers in China and the Group expects that China will continue to be a large contributor to its sales of nickel ore in the future. The Group'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 ores are purchased by the Group's customers for the production of higher-grade stainless steel such as the 300 Series, and low-grade nickel ore is used by the Group'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 and Palawan Mine.

Source of Supplies

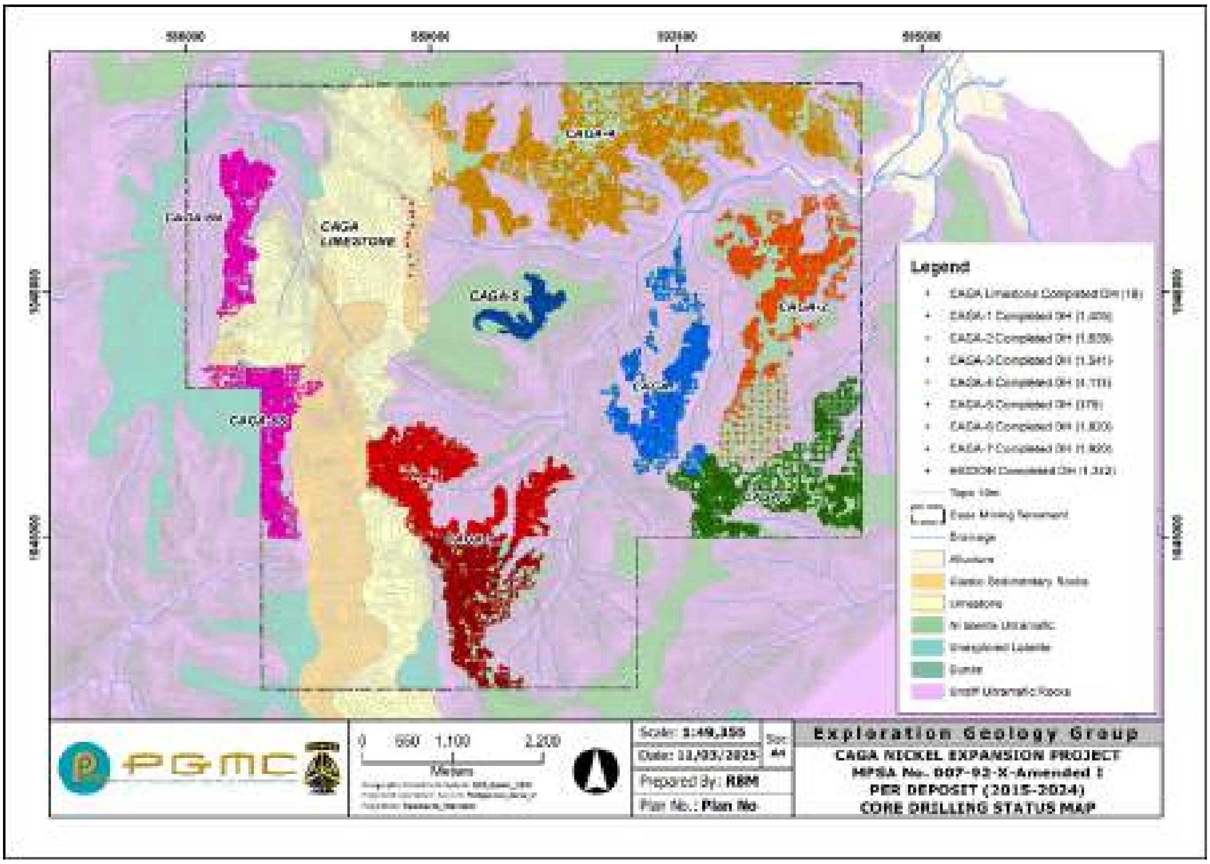
The main supplies that the Group and its service contractors require to operate its business include diesel fuel, tires, and spare parts for its mining equipment. The Group buys diesel fuel from Petron Corporation and Phoenix Petroleum Philippines, Inc. and heavy mining equipment such as bulldozers, road graders, excavators, and dump trucks from three (3) manufacturers, Komatsu, Caterpillar and Volvo, through their Philippine distributors Maxima Machineries, Inc., Monark Equipment Corporation, Topspot Heavy Equipment Inc., TMSQ Trading Marketing Inc., NZH International Vehicle & Machinery Inc and Goldens Dynasty Motors, Inc. In addition, the Group has its own fleet of barges and in this year acquired three new LCTs. The Group's contractors provide their own mining equipment, supplies, and manpower necessary for the mining operations. The Group believes that there are a number of alternative suppliers for all of its requirements.

Exploration and Development

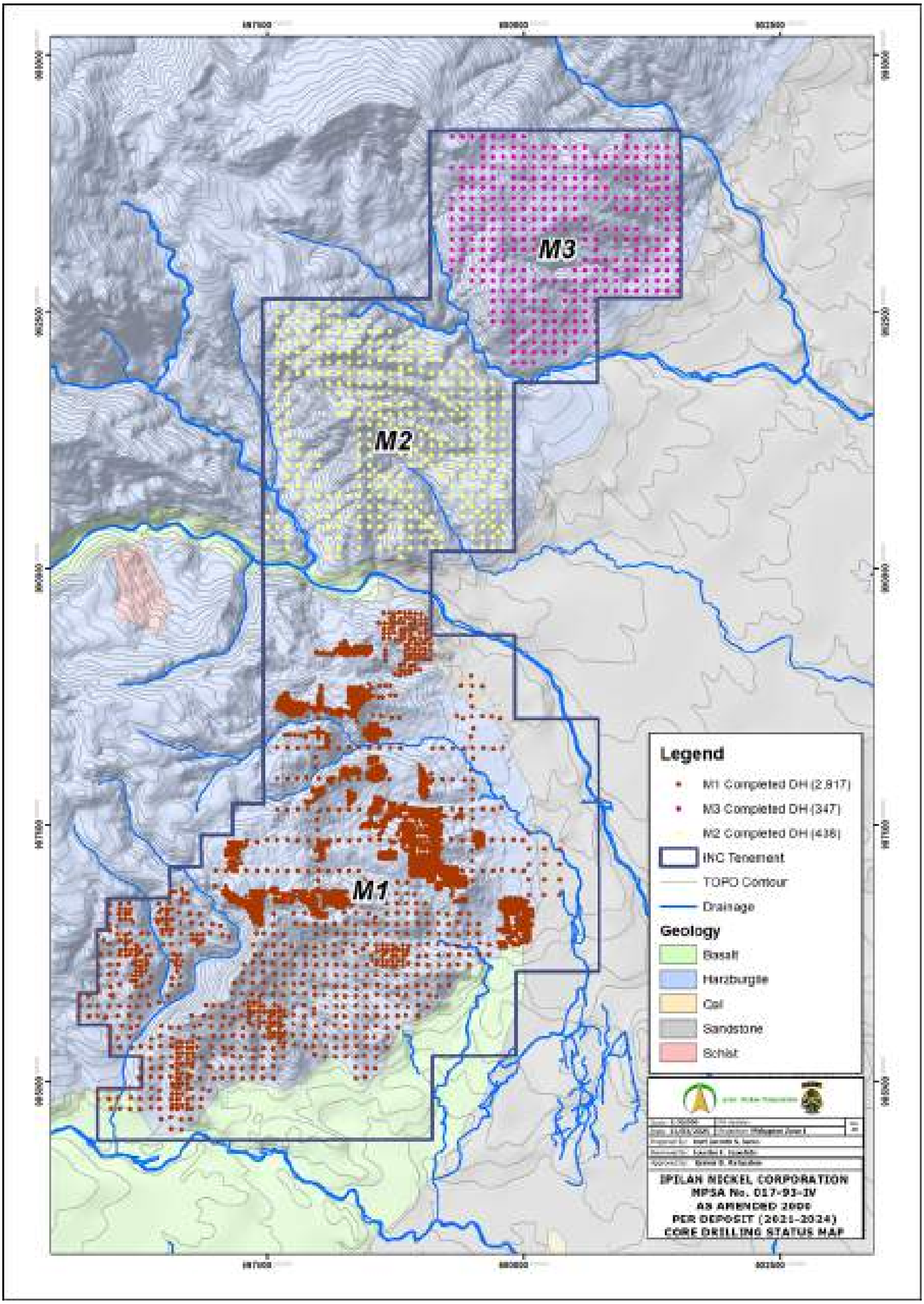
Nickel Resources

The Group has an extensive portfolio of exploration areas and programs including 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 mineral reserves; and greenfield exploration, which involves exploring and delineating additional nickel laterite deposits in its target areas. To support these activities, the Group operates sixteen (16) drill rigs designed for efficient and cost-effective drilling of near-surface lateritic deposits. Additionally, the Group has a team of experienced geologists and on-site laboratories at its mines for sample assaying and analysis.

The figure below illustrates the scope and scale of the Group's exploration program from 2015 to 2023, covering mineral deposit areas within the existing mine and planned expansion zones. It also highlights the drill holes completed in 2024 at CAGA-2, CAGA-3, CAGA-4, and CAGA-5.



The figure below showcases the comprehensive exploration program of the Group in Palawan from 2022 to 2024. It includes the new areas, expansion areas, and mineral deposit areas of the current mine.


M3
M2
M1
Legend
M1 Completed DH (2,817)
M3 Completed DH (347)
M2 Completed DH (436)
INC Tenement
TOPO Contour
Drainage
Geology
Basalt
Harzburgite
Cal
Sandstone
Schist
IPILAN NICKEL CORPORATION
MPSA No. 017-93-IV
AS AMENDED 2000
PER DEPOSIT (2021-2024)
CORE DRILLING STATUS MAP

Cagdianao - Deposit Areas

The Cagdianao Mine has a total area of 5,229.7128 hectares and the Company is currently operating the deposits in CAGA 1, 2, 3, and 4. The Company's rights to the property are governed by the MPSA and the ECC allows PGMC to produce 5.0 million DMT or 7.7 million WMT of ore each year. As of October 15, 2024, the Group's Cagdianao Mine had measured and indicated mineral resources of 64.474 million DMT with an average grade of 1.1% nickel and 30.5% iron (table below).

Material Type	Material	PMRC Classification	Volume	Quantity (Tonnes)	Ni	Fe	Co	Dry Bulk Density
Combined HG, MG, LG	Combined CAGA-1 to 7	Measured	30,697,597	35,986,000	1.1	29.4	0.1	1.2
		Indicated	24,141,609	28,488,000	1.0	31.9	0.1	1.2
Grand Total			54,839,206	64,474,000	1.1	30.5	0.1	1.2

Inferred mineral resources are estimated at 30.172 million DMT at an average grade of 1.1% nickel and 23.9% iron as estimated by the PMRC Accredited Competent Person (ACP) and these are programmed for infill drilling to upgrade to indicated or measured categories. The CAGA mine has an estimated remaining mine life of about ten (10) years which may be extended after completion of the proposed exploration program by 2025.

Current exploration plans through core drilling are focused on the upgrading of inferred resources up to measured resources, on the CAGAs 4 and 5 deposit areas.

Additional Exploration

For 2025, this drilling program will continue with the production drilling in CAGA-1, CAGA-2, CAGA-3, and CAGA-4 (recurring activity at active mining areas) and exploration drilling in CAGA-5 (unmined area).

The Proposed Drilling Programs and Exploration Costs are given below.

Deposit	PDH	Projected Meterage	Area (has)	Tonnage Potential 70%	Target Remarks	Estimated Drilling Program Cost
CAGA-4	362	3,717.74	24.72	~1.3 Million DMT	Upgrade to Measured Classification	~₱10,892,978.20
CAGA-5	563	6,564.58	132.13	~5.0 Million DMT	Upgrade to Indicated-Measured	~₱19,234,219.40
Total	**925**	**10,282.32**	**156.85**	**~6.3 Million DMT**		**~₱30,127,197.60**

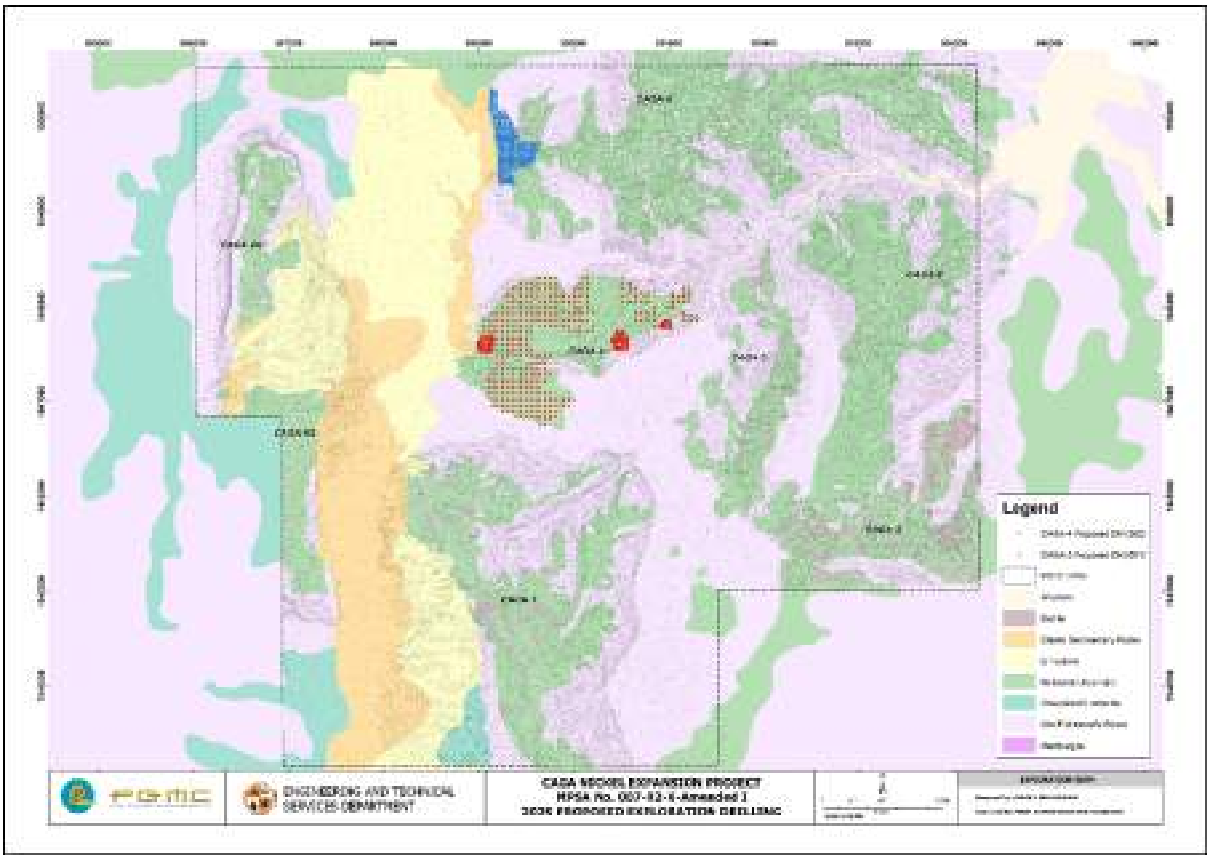
PGMC conducted extensive exploration drilling at its MPSA starting in 2015 covering CAGAs 1-4, 6-7, and extending further south into a new area (Higdon) which eventually was evaluated in June 2021 as the overall PGMC-CNEP. The various yearly drilling campaigns are used as the basis for updates on mineral resource estimates starting in 2016 and every year thereafter to date. The latest ACP Resource Update was conducted on 15 October 2024 with the completion of production drill holes from CAGA-1 to 4 and exploration drill holes from CAGA-6N. Although new data from the recent exploration drilling at CAGA-5, CAGA-6N, and CAGA-7 have been obtained, the mineral resource estimates from 15 October 2021 for CAGA-6 and CAGA-7 were used due to a lack of additional drill hole collar survey data. An update will be made once complete survey data is available.

The updated proposed exploration plan and budget for the CAGA Mine and expansion area consider priority drilling based on deposit/prospect potential as presented in the Proposed PGMC-CNEP Exploration/Drilling Program 2024-2025.

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: Target and delineate new mineralized areas as additional mineral resources.
- Scheme 3: Confirmatory/production drilling at mining blocks

The proposed drill holes are shown in the figure below.



As reviewed by the PMRC ACP, the Company's proposed exploration programs are sufficient to adequately increase the Mineral Resource and Ore Reserve inventories, upgrade confidence levels of resource classifications and eventually extend the mine life of PGMC-CNEP.

Palawan – Deposit Areas

The Ipilan Mine covers a total area of 2,924 hectares, and the Group is currently operating the M1 deposit. The Group's rights to the property are subject to the MPSA, and the ECC allows them to produce either 1.0 million DMT or 1.5 million WMT of ore annually. As of December 31, 2024, the Ipilan Mine had measured and indicated mineral resources of 50.306 million DMT, with an average grade of 1.2% nickel and 25.1% iron (table below).

Material Type	Deposit	PMRC Classification	Volume	Quantity (Tonnes)	Ni	Fe	Co	Dry Bulk Density
Combined HG, MG, LG	M1	Measured	16,164,989	21,612,000	1.2	32.7	0.1	1.3
		Indicated	20,883,339	28,694,000	1.2	19.3	0.1	1.4
Grand Total			37,048,328	50,306,000	1.2	25.1	0.1	1.4

The PMRC ACP has estimated that there are approximately 14.754 million DMT of inferred mineral resources at the Palawan Mine, with an average grade of 1.1% nickel and 17.2% iron. These resources are planned to undergo infill drilling in order to improve their category to be indicated or measured. The Palawan Mine is expected to have a life of mine of 10 years, which could be extended once the proposed exploration program is completed.

The current exploration strategy involves ore definition drilling to upgrade the inferred resources to measured resources in the M1 deposit area.

The Company launched an extensive exploration campaign at the M1 deposit within the Palawan mineral deposit areas to extend the mine's lifespan and boost its resource and reserve inventory last January 2022. This was done in line with recommendations contained in a technical report from 2014.

Additional Exploration

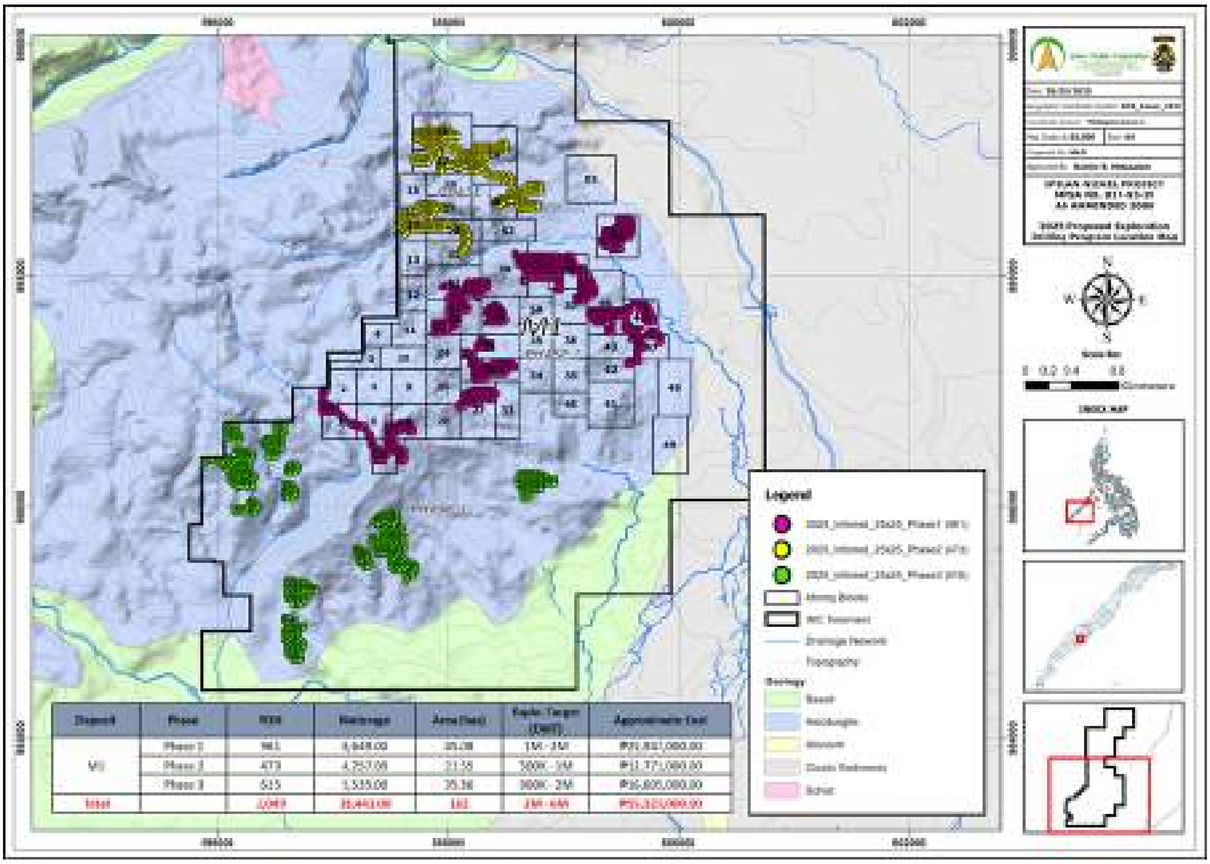
For the M1 deposit, a comprehensive in-fill drilling program is planned in three phases, targeting inferred mineral resource areas. The first phase focuses on the immediate three-year development and utilization work program area. The second phase targets the northern areas, where a newly discovered ore zone has been identified. The third phase will extend to the southern portions of M1 to further define the deposit's resource potential.

The Proposed Drilling Programs and Exploration Costs (2025) are given below.

Phase	PDH	Projected Meterage	Area (has)	Tonnage Potential 70%	Target Remarks	Estimated Drilling Program Cost
Phase 1	432	8,649.00	45.08	~1.0 - 2.0 Million DMT	Syrduap Area upgrade to Indicated-Measured	~₱25,947,000.00
Phase 2	213	4,257.00	21.55	~500k - 1.0 Million DMT	North Area upgrade to Indicated-Measured	~₱12,771,000.00
Phase 3	277	5,535.00	35.36	~900k - 1.0 Million DMT	South Area upgrade to Indicated-Measured	~₱16,605,000.00
Total	**922**	**10,282.32**	**156.85**	**~2 - 6 Million DMT**		**~₱55,323,000.00**

The PMRC ACP has reviewed the Company's proposed exploration programs and deemed them sufficient to effectively increase the Mineral Resource and Ore Reserve inventories, enhance the confidence levels of resource classifications, and ultimately extend the mine life of Ipilan Nickel Project.

The proposed drill holes are shown in the figure on the next page.



Exploration Updates

There were no new exploration results for the period ended March 31, 2025, beyond those previously disclosed in the Company's 2024 Annual Report (SEC Form 17-A).

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). The Programs, Projects, Activities (PPAs) undertaken under its annual EPEP include land resources management including the rehabilitation of mine disturbed, mine-out areas, reforestation, and active involvement in the government's National Greening Program (NGP). Water resources were being managed by the construction and/or maintenance of run-off impounding facilities. The other components of annual EPEP include solid and hazardous waste management, air quality management, noise abatement, conservation values, and training/meetings. In 2022, 2023, and 2024, the Group spent approximately ₱144.7 million, ₱200.8 million, and ₱280.7 million, respectively, on its annual EPEP.

The Group's compliance with ECC conditions and performance of its commitments under its annual EPEP are subject to monitoring and evaluation by the Multipartite Monitoring Team (MMT). The MMT is a multi-sector group headed by representatives from the MGB 13 and Environmental Management Bureau (EMB) 13 and representatives of local government units, other government agencies, non-government organizations, and the church sector as members. 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, 2024, total rehabilitation and monitoring trust funds amounted to ₱11.4 million. This amount complies with the minimum requirement under the law.

The operating mine at SIRC reflects the characteristics of mature surface mining operations, with disturbed areas progressively rehabilitated to gradually restore vegetation cover and mitigate the significant visual impact of the mining activities. The mine holds an approved EPEP and has secured the necessary permits for operating the siltation control facilities. In line with the EPEP, the Cagdianao mine has received several environmental accolades, including the Best Mining Forest Award and the Presidential Mineral Industry Environmental Awards.

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 on 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.

Compliance with the ECC and implementation of EPEP of all sites are audited quarterly by the MMT and every two years by an independent 3rd party auditor.

The DENR requires all operating mines to submit their Final Mine Rehabilitation and Decommissioning Plan (FMRDP) for evaluation and approval. The FMRDP outlines the Group's plan to restore its mining properties and includes activities such as dismantling and demolition of infrastructures, removal of residual materials, and remediation of disturbed areas. The Group periodically books 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, 2023 and 2024, the Group recognized a provision for mine rehabilitation and decommissioning of ₱296.8 million and ₱323.0 million, respectively. In addition, 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 depositary bank and shall be used solely for the implementation of the approved FMRDP. Annual cash provisions shall be made by the mining companies to an FMRDP fund based on the formula provided in DENR Administrative Order No. 2005-07. This system ensures sufficient environmental funds are available to cover full mine rehabilitation even in the event of a premature closure. As of December 31, 2024, the Company has trust fund deposits with Development Bank of the Philippines in the total amount of ₱591.4 million to comply with such requirements under the FMRDP. The Group is in compliance with such requirements in all material respects.

The DENR also requires all mining companies to secure ISO 14001 certification - EMS. Through the years, the Group has embedded ISO 14001 into the core system of its mining operations. The activities conducted in its operations must comply with the EMS procedures and the activity-specific work guidelines geared towards sound environmental management. The Group's adherence to the global environmental standards is evident by the sustained certification to the EMS standard by the ISO certifying company, Intertek.

Occupational Health and Safety

The Group is dedicated to ensuring safe and healthy working conditions to protect its employees from injuries and prevent damage to its properties and equipment. Health and safety are integral components of the Group's personnel policies, reinforced by a comprehensive safety program designed to minimize occupational risks and ensure compliance with applicable standards and regulations.

The Group mandates the use of protective equipment and safety devices for employees and visitors. First aid and emergency equipment are strategically placed across work areas, while regular in-house safety inspections help identify and mitigate hazards. Managers and supervisors conduct frequent safety briefings and meetings, and safety orientation training is provided for all new employees. Emergency preparedness training and drills are conducted periodically to enhance response capabilities.

A stringent accident and near-miss investigation system enables the Group to analyze causes and implement corrective measures effectively. The Group meticulously records and monitors lost time injuries, medically treated injuries, minor injuries, and non-injury incidents, including serious occurrences and property damage, along with their frequency rates.
The Cagdianao Mine operates under an ISO 45001:2018-certified Occupational Health & Safety (OH&S) Management System, ensuring a proactive approach to workplace safety. Employee well-being and the recognition that effective OH&S management remains a crucial aspect of both workforce welfare and environmental conservation. The Group likewise ensures that a culture of safety is actively promoted and observed by encouraging open communication regarding potential hazards and fostering a work environment where employees feel empowered to report risks without fear of reprisal. Safety is a shared responsibility, and the Group continuously engages its workforce in discussions on safety improvements, ensuring that best practices are consistently implemented across all levels of the organization.

The Group believes that the most effective way to handle emergencies is to prevent them. A proactive safety approach combines accident prevention strategies with a highly trained and fully equipped emergency response team. By implementing rigorous safety protocols, conducting regular inspections, and providing continuous training, the Group identifies and mitigates potential hazards before they escalate into accidents.

A strong emphasis on risk assessment, emergency planning, and safety education ensures that workplaces and surrounding communities remain secure. Employees receive ongoing education on hazard recognition, first aid procedures, and emergency response strategies to ensure they are well-prepared for any situation. Additionally, the Group collaborates with industry experts and regulatory bodies to stay informed on the latest advancements in occupational safety, further strengthening its commitment to protecting its workforce and operations.

In the event of an unforeseen emergency, the Group's highly trained response team is prepared to act swiftly. Equipped with cutting-edge rescue tools and life-saving equipment, the team operates with precision to minimize damage and protect lives. The Group is committed to providing top-tier emergency response services through a fully equipped rescue team. This team is trained to handle a variety of critical situations, including fire, flood rescues, industrial accidents, and medical emergencies.

Maintaining a strong focus on preparedness, the Group continuously invests in upgrading its equipment and enhancing the expertise of its response teams through rigorous training and real-world simulations. Regular emergency drills and scenario-based training exercises ensure that responders are well-versed in effective crisis management techniques, allowing them to act decisively under pressure. Whether facing large-scale disasters or localized emergencies, the Group remains a reliable partner in rescue and recovery operations.

The Group recognizes that safety is not just a priority but a responsibility. By fostering a culture of prevention, readiness, and rapid response, the group ensures the highest levels of protection for its employees, operations, and the communities where it conducts business. Through continuous improvement and unwavering dedication, the group upholds its mission to create a safe and secure working environment for all.

The company prioritizes disaster preparedness, particularly for typhoons and flooding, by maintaining a well-trained Emergency Response Team (ERT) and continuously updating disaster management plans based on past and present emergencies. Key initiatives include early warning systems, community cooperation, and preventive engineering measures. Ensuring secure operations, the company implements robust infrastructure such as engineered facilities, haul roads, dams, siltation ponds, stockyards, and reinforced waterways to mitigate damage and safeguard lives and property.

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

General

We believe that we have a CSR 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 SDMPs. 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 (DAO) 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, as defined in the DAO, 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.

Furthermore, the Group already aligned its SDMP to the 17 Sustainable Development Goals (SDGs) of the United Nations (UN). This practice was in place even before the directive of the DENR to mining companies to consider the UN SDGs in the planning of the SDMP. Guided by the statutory responsibilities of the mining industry stipulated in DAO 2010-21, the SDMP shall respond to the community's dire needs, particularly the marginalized and the poorest sectors of society. Since its implementation, the Group's Cagdianao Mine has already spent ₱457.1 million for the development of its host and neighboring communities. The Group's community change agents underwent consultations to ensure that about 200 programs being implemented annually are aligned with the UN's roadmap towards eradicating environmental challenges and social ills. INC has a total of ₱20.9 million spending budget used to assist in the development and needs of the community. Continuous and strengthened Information, Education, and Communication (IEC) campaigns, promotions and initiatives are being implemented to debunk misinformations and propagate facts about mining.

Community development relations 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 national-lined agencies and local government units and communities. The Representative of Host and Neighboring Communities (RHNC), which is composed of representatives from local government units, government agencies, non-governmental organizations, people's organizations, religious sectors (Catholic and Non-Catholic), and us, regularly monitors our performance in implementing our SDMP.

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, learning materials, and uniforms. Education projects also involve the improvement of school facilities, provision of educational materials to schools, teachers' training programs, and payment of school guards and teachers' honoraria. At our Cagdianao Mine, we have constructed fourteen (14) classroom school buildings for Hayanggabon Elementary School. The school provides free education and school materials to about 549 students from Barangay Hayanggabon. In addition, a two-story, four-classroom building is currently under construction at Cagdianao National High School. Furthermore, we provided Barangay Cagdianao with a brand new school bus to fetch and ferry students from residence to school. We also provide salaries for eight (8) teachers, two (2) from our neighboring barangay and six (6) from our host barangay, who work with public schools in the communities where our Cagdianao Mine is located. About 513 deserving youth availed in the College Scholarship Program coming from the 14 barangays in the town of Claver. We have also initiated a school-to-school campaign promoting knowledge in mining and sponsorship for inter-school educational competitions and supporting the Department of Education's annual Brigada Eskwela. In 2023, we constructed a dental trough and other peripherals (Canopy, Comfort Room, Ceiling, Drainage canal) in Hayanggabon Elementary School.

The local government of Claver also benefited from their state university extension, Surigao del Norte State University - Claver Extension, when it collaborated with PGMC to fund a total ₱8,000,000 worth of funding for embankment and construction of a perimeter fence from 2019 to 2023, that and the additional ₱120,000 worth of educational equipment and materials.

At our Ipilan Mine, through the distribution of allowances and educational support funds, we have aided the education of 82 college scholars and 16 junior- and senior-high school scholars who are among the less fortunate families from the Host and Neighboring Communities (HNC) - Bgrys. Calasaguen, Maasin, Mambalot and Ipilan. Additionally, 1,632 students from Indigenous Peoples communities receive educational assistance funded through their IP royalty share. The Ipilan Mine also extends additional incentives to our PARA teachers, as well as daycare workers and religious teachers. In 2024, INC was able to distribute over ₱1.4 million in subsidies to 29 PARA teachers, 10 daycare workers, and 7 religious teachers.

Health

Affordable and quality health care is provided to local community members, in addition to our employees and their dependents. We conduct medical missions with weekly consultations, pre- and post-natal, geriatric programs, and distribute lifestyle medicines. This program is 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 healthcare projects involve the provision of sanitation latrines for households, and provision of an honorarium to local health workers, ambulance drivers, nurses, and community doctors, garbage truck drivers, and garbage collectors. Outpatients are being treated by the medical team and medicine and multivitamins are provided for free. In 2022, a brand new service ambulance was provided in barangay Hayanggabon where constituents can avail freely during emergency situations. At our Cagdianao Mine, we support maternity clinics, where pregnant women as well as other members of the immediate community are being served with free medicines and services.

Medical missions in mining areas are vital for addressing healthcare needs in communities where access to healthcare services may be limited. In 2023, in partnership with UP College of Medicine Class '98 typically involved healthcare professionals volunteering their time and expertise to provide eye surgery for cataracts and pterygium, pap smear, transvaginal sonography (TVS), and other medical care not only to its host and neighboring community but also twelve (12) non-impact barangay of Claver and nearby municipality.

Medical, optical, and dental missions were also conducted to serve the health concerns of the community. Also, INC and the community value the efforts of our Community Volunteer Health Workers (CVHW), thus additional incentives for them have been handed in. Our host and neighboring communities are enjoying the benefit of the free medical consultation being served by our Community Doctor, free medicines are also given to the patients. To assist in the malnutrition issues in our HNC, we conducted feeding programs. Our community ambulance is serving the emergency call of the community.

The conduct of free medical, optical, and dental consultations and services is the key element in the Group's social commitment that aims to improve the health condition of the communities and raise awareness on healthy living and prevention from diseases.

Livelihood and Training

We organize cooperatives and people's organization (PO) from our impact and non-impact communities and provide them with social enterprise projects such as scented candle making, seedling production and nursery, agri-farming, handicraft/weaving production, moringa "malunggay" powder/tea production and t-shirt 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.

For the year 2023, the Group, through its Cagdianao mine, allocated funds to establish handicraft facilities that can be beneficial for the trained weavers. These facilities can be an alternate source of income for residents. Moreover, the establishment and operation of these facilities can help preserve cultural heritage and tradition within the community while also diversifying the local economy and reducing dependency on the mining sector.

The partnership with the Department of Trade and Industry (DTI) for the collaboration in their national program, OTOP PH (One Town, One Product) is still ongoing, thereby addressing the marketing aspect for all processed output of SDMP, which this year has added livelihood beneficiaries from the youth sector through candle-making and the soon-to-be realized mushroom production

Valuing the partnership with the Technical Education and Skills Development Authority ("TESDA") in providing technical education and skills development to residents of neighboring communities, Barangay Hayanggabon, for an NC-II in driving. This would mean bigger opportunities for them in terms of proficiency and safety as they serve the riding public.

What was initially started to address food security and sustainability during the time of the COVID-19 health pandemic continues to be one of the sources of income for several families, not only in Claver but in nearby cities and municipalities. In fact, three (3) more egg machine projects were added for the host barangay, Cagdianao under SDMP; and additional poultry inputs in non-impact barangay under CSR.

In the pursuit of sustainability and resilient growth of the community, our Ipilan Mine provided livelihood programs to farmers and fisherfolk in promoting food security and agri-farm products. We responded to the needs of the people's organization by providing farming equipment such as rice harvester, tractor, and fishing boat, and even for food processing. Non-food livelihood-related programs were handicraft production, tailoring, and dress-making, as a demand for the basic necessities. Additionally, INC allocated ₱2.0 million worth of investments in livelihood projects through its "Hapag Katutubo Project" with 170 fruit-bearing seedlings, as well as the employment of over 200 indigenous individuals, exceeding regulatory requirements.

We believe that motivating our people's organization or individual workforce in society and giving them the tools and training that they need to sharpen their skills will prepare them for the next challenges, not just in the realm, but to improve their own lives and their families.

Infrastructure Assistance

We undertake infrastructure projects in local communities, including production and display areas of social enterprise products, water system projects, construction of a new school building, and improvement of buildings (such as daycare centers, churches, and schools), road improvements, and electrification projects as part of our SDMP. 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. Notably, Phase I of the electrification project started for 71 residential household beneficiaries. In 2024, Phase II of the project started with the installation of 12 poles in Purok 7, as well as sub-meters and electrical wiring within Puroks 6 and 7, one of the farthest areas in Cagdianao. Within the same year, we installed 5 distribution lines (steel poles) and 2.50 KVA transformers within Brgy. Hayanggabon. To support the religious sector, we constructed a perimeter fence for the security and privacy of Catholic church-goers in the same barangay.

As we aim to be the partner for community development, INC supplemented some of the infrastructural needs of our HNC, such as solar lights, road gravelling, construction of public comfort rooms, and repair of Solar dyer. In 2024, INC also spearheaded significant infrastructure projects, notably a ₱4.0 million Tribal Hall and investing ₱3.0 million for processing the Certificate of Ancestral Domain Title (CADT).

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. Another Knowledge Center Building was also established for the community's access to learning and promoting mining operations.

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.

Working Beyond Compliance

It has always been the Group's core belief that success lies in the continuous improvement of all the aspects of its operations. On top of its SDMP, the Group has been very active in extending the much-needed support to all people and communities affected by calamities such as tropical storms and typhoons. This aligns with the Group's recognition that its business is not only a contributor to economic recovery but also a vital partner to the government in the delivery of essential social services. During tropical storm Kristine, the Group donated over ₱500,000 worth of cash assistance to help in the government's relief and recovery efforts.

Another noteworthy project of the Group is the Food Security Project with an allocated budget of over ₱9 million, a major program occurring during the height of Covid-19 pandemic that aims to provide its beneficiaries food on the table and extra income. This program has been running successfully and recorded notable outcomes for taking a holistic approach in supporting communities, including giving them tools and the know-how in starting egg machines, aquaculture, and communal gardening enterprises.

Moreover, the Group was recognized at the 70th Annual Mine Safety and Environmental Conference. PGMC received the PMIEA Platinum Achievement Award - Surface Mining Operation Category and was named 1st Runner-Up in the Best Mining Forest Contest - Metallic Category. These awards recognize mining companies for their exemplary efforts in environmental and social responsibility. The recognition the Group received served as a testament to its commitment to maintaining the highest standards of environmental protection, social inclusivity, and workplace safety. The Group strictly adheres to industry best practices and regulatory requirements.

In 2024, INC actively invested in environmental sustainability and community development by signing a Memorandum of Agreement with the Provincial Environment and Natural Resource Office (PENRO), selected barangays in Brooke's Point, Española, and Bataraza, and 136 family beneficiaries for a large-scale reforestation project. Aligned with the National Greening Program (NGP) of the DENR, the initiative will see 1,450,319 seedlings planted across 879.04 hectares to restore forested areas and enhance biodiversity. This effort exceeds standard environmental compliance by ensuring that tree planting is not just a requirement but a long-term investment in ecosystem restoration.

The MOA also emphasizes community involvement, with 136 families directly engaged in reforestation, creating economic opportunities while fostering a sense of environmental responsibility. By integrating local communities into its sustainability initiatives, INC demonstrates that responsible mining can balance economic growth with ecological conservation and social progress.

Employees

As of December 31, 2024, the Group has 471 employees. Out of which, 80 are employed at the Group's head office, while the remaining 168 are employed in its mining operations in its existing mine in Cagdianao, 203 are employed in its existing mine in Ipilan Palawan, and 20 in its port operations in Bataan. Of these, 81 are involved in mining operations, engineering, and mine planning, 49 are employed in grade and quality control, 15 are handling port operations, 66 are taking care of the environment, community relations, health, and safety concerns of the Group, and 260 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 eight (8) technical personnel who are members of the Group's senior and junior management.

As of December 31, 2024, the Group's service contractors had deployed an aggregate workforce of 485 employees at its Cagdianao site and 457 at the Ipilan Palawan site. In addition, the Group has chartered sixteen (16) LCTs utilized for shipside loading operations in Surigao and eight (8) LCTs utilized for shipside loading operations in Palawan and has about 387 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, 2024, the following is the breakdown of the Group's employees:

POSITION LEVEL	HEAD OFFICE *(PGMC H.O, FNI H.O, Ipilan H.O, PCSSC H.O and MHC H.O)*			TOTAL FOR HEAD OFFICE	IPILAN MINE SITE *(Ipilan Palawan)*				TOTAL FOR PALAWAN MINE SITE	CAGDIANAO MINE SITE *(PGMC Surigao and PCSSC Surigao)*			TOTAL FOR CAGDIANAO	BATAAN SITE *(MHC Bataan)*			TOTAL FOR BATAAN	GRAND TOTAL
	R	P	S		R	P	S	PB		R	P	S		R	P	S		
Executives	6	0	0	**6**	0	0	0	0	**0**	1	0	0	**1**	0	0	0	**0**	**7**
Managerial	17	0	0	**17**	9	1	0	0	**10**	11	0	0	**11**	1	0	0	**1**	**39**
Supervisory	25	2	0	**27**	46	2	0	0	**48**	76	1	0	**77**	6	0	0	**6**	**158**
Technical	2	0	0	**2**	9	2	64	6	**81**	49	2	13	**64**	0	0	0	**0**	**147**
Rank and File	25	3	0	**28**	2	0	37	25	**64**	5	0	10	**15**	10	3	0	**13**	**120**
TOTAL	**75**	**5**	**0**	**80**	**66**	**5**	**101**	**31**	**203**	**142**	**3**	**23**	**168**	**17**	**3**	**0**	**20**	**471**

Figure was based on manpower complement of PGMC Head Office, FNI Head Office, PCSSC Head Office, Ipilan Head Office, MHC Head Office, Ipilan Palawan, PCSSC Palawan, PGMC Surigao and PCSSC Surigao

Legend:
R - Regular
P - Probationary
S - Seasonal
PB - Project-Based

For the mining season ending in 2024, the Group had an average of 2,324 employees, and its service contractors had deployed an average aggregate workforce of 1,391 employees at its Cagdianao site and 457 employees at its Ipilan Palawan site. The Group does not currently anticipate any significant increase or decrease in the number or allocation of its employees at its operating mines for the 2025 mining season.

Transactions with Related Parties

Please refer to Note 30 of the audited consolidated financial statements as of December 31, 2024.

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 US$; 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 mines 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.

At our Palawan Mine, mining operations are conducted year-round. However, from July to August, the region experiences the highest number of rainy days, which typically results in lower mine production. Furthermore, starting in December 2024, the onset of the La Niña event and the effects of climate change are expected to further impact operations, leading to a reduction in mine production.

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.

From 2017 to 2024, Surigao del Norte faced recurring seismic and meteorological hazards, with earthquakes and typhoons frequently disrupting communities. According to the Philippine Institute of Volcanology and Seismology (PHIVOLCS), the province recorded over 1,200 detectable earthquakes (magnitude ≥1.5), including 1 major quake (February 2017, magnitude 6.7) and 19 moderate tremors (M5.0–5.9). The 2017 event triggered 500+ aftershocks, while subsequent years averaged 80–110 felt quakes annually (M≥3.0), peaking in 2022 with 104 recorded incidents.

Typhoons compounded these challenges, with 12 tropical cyclones directly impacting the province during this period. The most destructive was Typhoon Odette (Rai, 2021), a Category 5 storm with 195 km/h winds, followed by Typhoon Tisoy (Kammuri, 2019) and Typhoon Agaton (Megi, 2022), which caused severe flooding and landslides. The Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) noted that 3–4 typhoons affected Surigao del Norte yearly, typically between July and December.

These dual disasters prompted enhanced preparedness, including monthly earthquake drills and typhoon early warning systems. The convergence of seismic and climatic risks underscores Surigao del Norte's vulnerability, demanding ongoing adaptation to safeguard its communities. After a thorough inspection, the CAGA Mine was not significantly affected by these natural catastrophes. All safety systems and protocols were observed. There were no reported injuries among employees and the mining facilities of the Group and infrastructure surrounding the area sustained no major 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.
In addition, our Palawan Mine experienced many events of extreme rainfall brought by the northeast monsoon which caused flooding in most low-lying areas of Southern Palawan by the middle and second half of December 2024, including the areas where the secondary stockyards are located. Owing to the established flood control measures of the Group, the mine and mining facilities were not significantly affected by this flooding. A total of ten (10) box culverts and sixteen (16) pipe culverts were installed along the main haul road numbers 1 and 2.

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 Operating Mines.

In order to mitigate the risks to the peace and order of our Cagdianao and Palawan Mines, we engage a third-party contractor to provide security services at our mine site. In addition, all of the service contractors also engage their own security force. All armory and equipment are provided for by the contractor itself, and comprehensive training is also provided to the security guards stationed at our mines by the security services contractor. Also, starting May 2019 up to now, we have engaged Renjamel Security Agency to provide security services at our mine sites. 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 mining 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 operations. 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 mines 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 operating mines 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, changes 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 Philippine 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.

For the years ended December 31, 2022, 2023, and 2024, most of our revenues were derived from sales of nickel ore to China.

In 2024, the closure and reduction of high-grade nickel pig iron factories in China led to a sharp decline in imports of medium-grade nickel ore from the Philippines, shifting the composition of imported ore. More information on this can be found on Recent Trends and Outlook.

Since 2009, China has become the single largest market of nickel in the world. In 2020, the country accounted for 59% of the global primary nickel usage according to the International Nickel Study Group (INSG). By end-use, the stainless steel (STS) industry remained the most important nickel first-use market, accounting for more than 70% of nickel consumption. However, due to the impact of the COVID-19 pandemic, the proportion of demand accounted for by this industry has decreased since 2020.

According to the INSG, China's demand, primarily driven by stainless steel production and the growing influence of the battery sector, is expected to rise by 4.9% in 2025. Indonesia, the second-largest nickel user since 2020, is set to recover from past declines, with consumption reaching 390 kt in 2024 and growing by 9% in 2025. Indonesia is also expanding its battery and EV industries, with major investments in battery cell manufacturing and material production.

The STS sector remains the largest consumer of nickel, though its share is declining due to increasing demand from the EV industry. Global stainless steel production grew 6.3% year-on-year in the first half of 2024, with overall consumption expected to increase by 3.0% in 2025. Nickel usage in EV batteries has grown more slowly than expected due to reduced subsidies, competition from lithium iron phosphate (LFP) batteries, and a rising preference for plug-in hybrid EVs (PHEVs) over battery EVs (BEVs). Despite these challenges, demand is still increasing.

From January to September 2024, global passenger EV sales rose by 23.5% year-on-year to 11.62 million vehicles. PHEV sales surged by 50%, while BEV sales grew only 12.4%. China dominated the market, accounting for 62% of global EV sales, up from 56% the previous year. Meanwhile, Europe's share fell from 24% to 20%, and the US share declined slightly from 11% to 10%. The Chinese battery market remains largely reliant on LFP chemistry, which makes up over 60% of EV batteries. PHEV sales in China saw a remarkable growth of 77% year-on-year, further limiting demand for nickel-rich batteries.

China's nickel ore consumption in 2022 was 49.04 million tons, a 2.06% decrease year over year. The consumption of medium- and high-grade nickel ore was 34.25 million tons, a 3.81% decrease year on year, while consumption of low-grade high-iron nickel ore increased by 2.24% year on year to 14.78 million tons (excluding general carbon steel mill use). In 2023, the country's year-on-year consumption increased by 7.46% or approximately 52.70 million tons. 69% of which represents medium- and high-grade nickel ores or 36.44 million tons, equivalent to a year-on-year increase of 6.39%. Low-grade high-iron nickel ore increased by 10.01% to 16.26 million tons which makes up 31% of China's total consumption for the year. While China's consumption in 2024 was initially forecasted to decline by 7.78%, the full-year actuals realized a steeper reduction of 21.39% with total consumption at about 41.43 million tons. Medium- and high-grade nickel ore accounted for 61% or 25.39 million tons of said total, equivalent to a 30.32% year-on-year decline. Low-grade high-iron nickel ore, on the other hand, went down to 16.04 million tons versus 2023 or a decline of 1.35%.

In 2025, domestic nickel ore consumption in China is anticipated to see minimal change, while the marginal output of high-grade nickel pig iron plants may experience a slight decline. In the future, the increasing electrification of automobiles is expected to increase the demand for nickel in order to generate the required number of lithium batteries, which will drive the industry's share of the market.

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 an 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.

For the Cagdianao Mine, on January 13, 1992, SIRC was granted an MPSA covering an area of 4,376 hectares located in the Municipality of Claver, Province of Surigao del Norte. 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, subject to the same terms and conditions under the MPSA and existing laws, rules, and regulations. The renewed MPSA is valid until February 14, 2042. On June 28, 2016, the contract area covered by the said MPSA was amended from the original 4,376 hectares to 5,219.5612 hectares by annexing a portion of the area covered by the application for Exploration Permit denominated as EXPA-000101-XIII. Consequently, MPSA No. 007-92-X-SMR is redenominated as MPSA No. 007-92-X-SMR (Amended I). On February 28, 2025, the MGB confirmed that the redenominated MPSA No. 007-92-X-SMR (Amended I) and the Operating Agreement between SIRC as "Claim Owner" and PGMC as "Operator" is valid and existing as of date.

For the Palawan Mine, the Philippine Government through the DENR has granted MPSA No. 017-93-IV to CNMEC on August 5, 1993, which was later approved by the President of the Republic of the Philippines on September 18, 1993, covering an area of 2,835.0600 hectares in the Municipality of Brooke's Point, Province of Palawan. The MPSA No. 017-93-IV was amended on April 10, 2000 to conform to the provisions of Republic Act No. 7942 and was redominated as MPSA No. 017-93-IV-as Amended-2000. The DENR, in an Order dated December 21, 2020, clarified that the effective date of MPSA No. 017-93-IV-as Amended-2000 shall be reckoned on April 10, 2020 and shall expire on April 10, 2025. INC is the Operator of CNMEC by virtue of the January 19, 2005 Operating Agreement that was approved by the MGB through an Order dated April 20, 2015. Also, based on the evaluation on the boundary dispute between MPSA No. 017-93-IV-as Amended-2000 and MPSA No. 220-2005-IVB, the contract area of the former should be adjusted to 2,924.0200 hectares. On March 25, 2025, the MGB confirmed that MPSA No. 017-93-IV-as Amended-2000 is valid and subsisting 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.

Item 2. Properties

<u>Mineral Properties</u>

Cagdianao Mine

MPSA No. 007-92-X-SMR (Amended I) - 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 original area of 4,376 hectares and is currently operating deposits CAGA 1, 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.

Palawan Mine

MPSA No 017-93-IV-as Amended-2000 - On August 5, 1993, CNMEC was granted an MPSA covering an area of 2,835.0600 hectares. The MPSA was amended on April 10, 2000 and was redominated as MPSA No. 017-93-IV-as Amended-2000 and is valid until April 10, 2025. The MPSA is currently operating the M1 deposit.

The Palawan Mine is located in Barangays Maasin, Ipilan, Mambalot, and Calasaguen, Municipality of Brooke's Point in south-eastern Palawan. The southern part of the mine area where most laterite deposits can be found has gently-sloping, broad ridges and plateaus, while the northern part is steeply rugged. The site is between approximately 75 meters to 500 meters in elevation. Drainage in the area is through the Filantropia River and Mambalot River. The Palawan Mine is located ten (10) kilometers from the coast (the position of the pier and causeway) and is approximately 175 kilometers by national road from Puerto Princesa City. Daily commercial air flights service Puerto Princesa from Manila and other major cities. The Palawan Mine also has ancillary facilities such as mine office building, environmental building and nursery, geology and exploration core house, QAQC laboratories, safety and health office, warehouse, motor pool maintenance workshop, security building, hazardous waste facility, accommodation, and mess hall facilities to support the Group's mining operations.

<u>Mineral Resources and Reserves</u>

Cagdianao Mine

The current mineral resources and mineral reserves at the Cagdianao Mine as estimated by the PMRC-ACP are shown in the tables on the next page:

Statement of Mineral Resources for Total Nickel as of 15 October 2024 (Measured and Indicated)

Lithology	Material	Classification	Volume	DMT	WMT	Ni	Fe	Co	Sg
Limonite	High Grade	Measured	67,949	85,000	130,000	1.6	38.9	0.1	1.2
		Indicated	14,186	18,000	27,000	1.6	40.7	0.1	1.2
	Medium Grade	Measured	10,286,222	12,026,000	18,500,000	1.0	43.8	0.1	1.2
		Indicated	10,439,594	12,068,000	18,563,000	0.9	43.3	0.1	1.2
	Low Grade	Measured	4,820,388	5,711,000	8,801,000	0.9	49.5	0.1	1.2
		Indicated	3,892,006	4,570,000	7,033,000	0.9	49.5	0.1	1.2
	Combined	***Measured***	***15,174,559***	***17,832,000***	***27,431,000***	***1.0***	***45.6***	***0.1***	***1.2***
		Indicated	***14,345,786***	***16,656,000***	***25,623,000***	***0.9***	***45.0***	***0.1***	***1.2***
Saprolite	High Grade	Measured	3,218,819	3,810,000	5,864,000	1.7	13.9	0.1	1.2
		Indicated	964,458	1,188,000	1,828,000	1.7	13.5	0.0	1.2
	Medium Grade	Measured	12,304,219	14,344,000	22,066,000	1.2	13.3	0.0	1.2
		Indicated	8,831,365	10,644,000	16,375,000	1.1	13.4	0.0	1.2
	Combined	***Measured***	***15,523,038***	***18,154,000***	***27,930,000***	***1.3***	***13.4***	***0.0***	***1.2***
		Indicated	***9,795,823***	***11,832,000***	***18,203,000***	***1.2***	***13.4***	***0.0***	***1.2***
Sub Total		**Measured**	30,697,597	35,986,000	55,361,000	1.1	29.4	0.1	1.2
		Indicated	24,141,609	28,488,000	43,826,000	1.0	31.9	0.1	1.2
Grand Total			**54,839,206**	**64,474,000**	**99,187,000**	**1.1**	**30.5**	**0.1**	**1.2**

Notes:

1. *The PGMC 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 relevant to the style of mineralization and type of deposit under consideration and to the activity that he has undertaken to qualify as an Accredited Competent Person as defined in the PMRC and Joint Ore Reserve Committee (JORC) Codes.*
2. *All Mineral Resources figures reported in the table above represent estimates on 15 October 2024. 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 2020 Edition), which was adopted from the JORC.*
4. *The PGMC Statement of Mineral Resources includes all estimates for all explored deposits of the PGMC- CAGA Nickel Expansion Project, namely: CAGA-1 to CAGA-7.*
5. *The current CAGA-7 estimate covers the integrated former CAGA-7 (8 November 2020) and HIGDON (15 March 2021) estimates which are now part of the PGMC- CNEP (estimated on 05 June 2021).*
6. *Estimates for CAGA-5, CAGA-6N, CAGA-6S, and CAGA-7 deposits have been updated by adopting and recalculating the previous estimates using the current template/parameters in the mineral resource statement. The variances were minor to negligible and were primarily due to mathematical adjustments made using the modeling software.*

Statement of Ore Reserves as of October 15, 2024

Classification	Proved			Probable			Total		
Material	WMT	Nickel, Ni	Iron, Fe	WMT	Nickel, Ni	Iron, Fe	WMT	Nickel, Ni	Iron, Fe
	x 10^6	%	%	x 10^6	%	%	x 10^6	%	%
LGHF	10.10	0.83	48.83	7.90	0.80	48.52	18.00	0.82	48.69
LGMF	4.08	1.16	44.74	1.73	1.15	43.80	5.80	1.15	44.46
LGLF	9.57	1.22	12.89	5.59	1.20	12.98	15.16	1.21	12.92
MGMF	0.39	1.46	38.89	0.06	1.43	37.69	0.45	1.46	38.72
MGLF	6.78	1.49	13.61	2.29	1.47	13.43	9.07	1.49	13.56
HG	0.92	1.88	14.25	0.20	1.87	14.66	1.12	1.88	14.32
ORE	**31.84**	**1.17**	**28.88**	17.77	**1.06**	**31.94**	**49.60**	**1.13**	**29.98**

Palawan Mine

Mineral resources and mineral reserves at the Palawan Mine as reported by the PMRC ACP are shown in the tables below:

<u>Statement of Mineral Resources for Total Nickel as at 31 December 2024 (Measured and Indicated)</u>

Lithology	Material	Classification	Volume	DMT	WMT	Ni	Fe	Co	Sg
Limonite	High Grade	Measured	302,754	397,000	610,000	1.6	41.4	0.2	1.3
		Indicated	38,701	51,000	78,000	1.6	38.5	0.2	1.3
	Medium Grade	Measured	8,959,365	11,737,000	18,057,000	1.1	41.5	0.2	1.3
		Indicated	3,575,596	4,684,000	7,206,000	1.0	37.4	0.1	1.3
	Low Grade	Measured	1,900,137	2,489,000	3,830,000	1.1	49.6	0.1	1.3
		Indicated	379,103	497,000	764,000	1.1	49.9	0.1	1.1
	Combined	***Measured***	***11,162,256***	***14,623,000***	***22,497,000***	***1.1***	***42.9***	***0.1***	***1.3***
		Indicated	***3,995,399***	***5,232,000***	***8,048,000***	***1.1***	***38.8***	***0.1***	***1.3***
Saprolite	High Grade	Measured	4,584,697	6,373,000	9,804,000	1.7	14.6	0.1	1.4
		Indicated	401,953	559,000	860,000	1.7	14.8	0.0	1.4
	Medium Grade	Measured	14,674,980	20,398,000	31,382,000	1.2	14.3	0.0	1.4
		Indicated	3,040,605	4,226,000	6,502,000	1.1	15.7	0.0	1.4
	Combined	***Measured***	***19,259,677***	***26,771,000***	***41,186,000***	***1.3***	***14.4***	***0.0***	***1.4***
		Indicated	***3,442,558***	***4,785,000***	***7,362,000***	***1.1***	***15.6***	***0.0***	***1.4***
Sub Total		**Measured**	**30,421,933**	**41,394,000**	**63,683,000**	**1.2**	**24.4**	**0.1**	**1.4**
		Indicated	**7,435,957**	**10,017,000**	**15,410,000**	**1.1**	**27.6**	**0.1**	**1.3**
Grand Total			**37,857,890**	**51,411,000**	**79,093,000**	**1.2**	**25.1**	**0.1**	**1.4**

Notes:

1. *The INC 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 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 on 31 December 2024. 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 2020 Edition), which was adopted from the JORC.*
4. *The INC Statement of Mineral Resources includes estimates for M1 deposit only of the Ipilan Nickel Project.*

<u>Statement of Ore Reserves as of December 31, 2024</u>

Classification	Proven			Probable			Total		
Material	**WMT**	**%Ni**	**%Fe**	**WMT**	**%Ni**	**%Fe**	**WMT**	**%Ni**	**%Fe**
HG	3,088,854	1.82	14.80	164,449	1.77	14.47	3,253,303	1.81	14.78
LGHF	1,563,950	0.95	49.26	38,870	1.11	43.88	1,602,820	0.95	49.13
LGMF	6,491,802	1.20	43.46	332,781	1.15	41.02	6,824,583	1.19	43.34
LGLF	11,341,522	1.21	14.33	1,280,403	1.20	14.91	12,621,925	1.21	14.39
MGMF	1,052,633	1.45	41.98	323,390	1.48	42.64	1,376,023	1.46	42.13
MGLF	7,172,101	1.49	14.53	654,423	1.48	15.49	7,826,523	1.48	14.61
ORE	**30,710,862**	**1.33**	**23.31**	**2,794,316**	**1.32**	**21.74**	**33,505,178**	**1.33**	**23.18**

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. 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.

The appointment of the signing partner of SGV is subject to the compliance of SRC Rule 68 (3) (b) (iv) of the Securities Regulation Code and applicable rules. Ms. Eleonore A. Layug is nominated as partner-in-charge for the ensuing year.

The independent auditors for the Company were changed from Navarro, Amper & Co. to SGV effective 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 and Services

In accordance with the Company's Manual on Corporate Governance as of September 1, 2020, the Audit, Risk and Related Party Transaction Committee is tasked to select and evaluate the External Auditor of the Company which is thereafter endorsed to the Board of Directors and presented to the stockholders for approval. The Committee deliberates and evaluates the performance of the accounting firm for the past years, the quality of their audit work, the size of their firm and their fees considering also the firm's reputation.

SGV

The consolidated financial statements of the Company and Subsidiaries as of December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022 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 (2) years for professional services rendered by SGV.

	For the years ended December 31,	
	2024	2023
	(₱ thousands)	
Audit and Audit-Related Fees[(1)]	12,373	7,718
Non-Audit Services [(2)]	2,590	873
Total	14,963	8,591

(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 10.0% 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.

Audit Committee Approval Policy and Procedure

It is explicit in the Audit Committee Charter, that the Committee shall appoint, compensate, and oversee the work of the independent external auditor, resolve any disagreements between management and the auditor regarding financial reporting, and pre-approve all audit and non-audit services.

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 27, 2024 is at **₱1.04 per share**.

The high and low sale prices of the shares of stock of the Company for each quarter within the period January 1, 2024 to December 31, 2024, and the last two (2) years are as follows:

The PSE is the principal market for the Company's shares. The closing price of the shares as of December 27, 2024 is at **₱1.04 per share**.

The high and low sale prices of the shares of stock of the Company for each quarter within the period January 1, 2024 to December 31, 2024, and the last two (2) years are as follows:

Holders

The Company has approximately 1,722 shareholders as of December 31, 2024. Based on the record, the following are the top twenty (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	2,340,336,24	45.66
PCD Nominee Corp - Non-Filipino	Foreign	1,591,767,697	31.06
Regulus Best Nickel Holdings, Inc.	Filipino	523,154,668	10.21
Blue Eagle Elite Venture, Inc.	Filipino	348,769,779	06.81
Sohoton Synergy, Inc.	Filipino	233,156,767	04.55
Red Lion Fortune Group, Inc.	Filipino	57,588,866	01.12
Joseph C. Sy	Filipino	5,000,000	00.10
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
Marilou C. Celzo	Filipino	678,479	00.01
George L. Go	Filipino	539,176	00.01
Kuok Philippines Properties Inc.	Filipino	463,953	00.01
Richard C. Gimenez	Filipino	430,738	00.01
Tong Gabriel	Filipino	417,805	00.01
Oca Gregorio	Filipino	415,193	00.01

Dividends

Below is the history of the recent dividend declarations made by the Company and its Subsidiaries for the three (3) most recent fiscal years.

	For the Years Ended December 31		
	2024	2023	2022
	(₱ in millions)		
The Company (cash dividend)	₱-	₱524	₱1,040
Subsidiaries			
PGMC (cash dividend)	298	1,338	323
INC (cash dividend)	333	-	-
PIL (cash dividend)	-	849	-
MHC (cash dividend)	-	-	350
Total	₱631	₱2,711	₱1,713

On December 2, 2024, PGMC declared cash dividends of ₱11.50 per share to stockholders of record as of December 15, 2024 or for a total of ₱297,849,989.00 and paid its stockholders on or before January 15, 2025.

On December 2, 2024, INC declared cash dividends of ₱0.53 per share to stockholders of record as of December 15, 2024 or for a total of ₱333,194,114.00 and paid its stockholders on or before January 15, 2025.

On December 29, 2023, PGMC declared cash dividends of ₱30.00 per share to stockholders of record as of January 15, 2024 or for a total of ₱776,999,970.00 and paid its stockholders on or before February 15, 2024.

On December 18, 2023, PIL declared cash dividends in the amount of US$5.2 million to stockholders of record as of December 29, 2023 or a peso equivalent of ₱289,614,000.00 and paid its stockholders on or before January

31, 2024.

On June 9, 2023, PGMC declared cash dividends of ₱21.65 per share to stockholders of record as of June 15, 2023 or for a total of ₱560,734,978.35 and paid its stockholders on or before July 15, 2023.

On May 16, 2023, the Parent Company declared cash dividends of ₱0.10 per share to stockholders of record as of June 1, 2023 or for a total of ₱524,168,560.00 and paid its stockholders not later than June 28, 2023.

On May 16, 2023, PIL declared cash dividends in the amount of US$10.0 million to stockholders of record as of May 31, 2023 or a peso equivalent of ₱559,710,000.00 and paid its stockholders on or before June 19, 2023.

On December 31, 2022, PGMC declared cash dividends of ₱12.50 per share to stockholders of record as of December 31, 2022 or for a total of ₱323,749,987.50 and paid its stockholders on or before March 31, 2023.

On July 28, 2022, MHC declared cash dividends of ₱83.93 per share to stockholders of record as of July 15, 2022 or for a total of ₱350,000,000.00 and paid its stockholders on August 4, 2022.

On April 4, 2022, the Parent Company declared cash dividends of ₱0.20 per share to stockholders of record as of April 20, 2022 or for a total of ₱1,039,974,948.60 and paid its stockholders not later than May 16, 2022.

Other than as set forth above, none of our other subsidiaries declared any dividends for the years ended December 31, 2024, 2023, and 2022. Declarations of dividends in previous years are not indicative of future dividend declarations.

Description of Registrant's Securities

As of December 31, 2024, the Company has a total issued capital stock of 6,072,357,151 common shares. 5,125,175,687 common shares of the Company are outstanding and 947,181,464 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 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 on October 10, 2014 when 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 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 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 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 nor sale of a significant amount of assets not in the ordinary course of business from 2019 to 2021, 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 PGMC. The Company will also explore other opportunities in the next twelve (12) months.

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 PGMC and INC, and port services rendered by MHC to its customers.

The manufacturing segment includes FSC which is intended to engage in the manufacturing of iron steel bars and FSLC which is engaged in holding the real properties of FSC.

Summary Financial Information

The following discussion and analysis are based on the audited consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023, and 2022 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, 2024 and 2023 and for the years ended December 31, 2024, 2023, and 2022 are hereto attached.

The following tables set forth the summary financial information as at and for the years ended December 31, 2024, 2023, and 2022.

Summary of Consolidated Statements of Income

	For the Years Ended December 31			Horizontal Analysis			
				Increase (Decrease)		Increase (Decrease)	
	2024	2023	2022	2024 vs. 2023	%	2023 vs. 2022	%
	In Thousand Pesos						
Revenues	7,610,929	8,785,462	6,731,378	(1,174,533)	-13%	2,054,084	31%
Cost of Sales	(4,069,534)	(3,592,231)	(2,355,067)	477,303	13%	1,237,164	53%
Operating Expenses	(2,588,296)	(2,395,608)	(2,404,029)	192,688	8%	(8,421)	0%
Finance Costs	(207,120)	(275,572)	(159,091)	(68,452)	-25%	116,481	73%
Finance Income	18,271	29,608	15,324	(11,337)	-38%	14,284	93%
Share in Net Income of Investment in Associates	296,569	158,917	219,475	137,652	87%	(60,558)	-28%
Other Income (Charges) - net	(31,887)	(83,203)	644,869	51,316	62%	(728,072)	-113%
Provision for Income Tax	(295,149)	(814,233)	(537,719)	(519,084)	-64%	276,514	51%
Net Income	733,783	1,813,140	2,155,140	(1,079,357)	-60%	(342,000)	-16%
Net Income (Loss) Attributable to:							
Equity Holders of the Parent	743,896	1,544,144	1,921,387	(800,248)	-52%	(377,243)	-20%
Non-controlling Interest	(10,113)	268,996	233,753	(279,109)	-104%	35,243	15%
	733,783	1,813,140	2,155,140	(1,079,357)	-60%	(342,000)	-16%

Summary of Consolidated Statements of Income

	For the Years Ended December 31			Vertical Analysis			
				Increase (Decrease)		Increase (Decrease)	
	2024	2023	2022	2024 vs. 2023	%	2023 vs. 2022	%
	In Thousand Pesos						
Revenues	7,610,929	8,785,462	6,731,378	(1,174,533)	-109%	2,054,084	601%
Cost of Sales	(4,069,534)	(3,592,231)	(2,355,067)	477,303	44%	1,237,164	362%
Operating Expenses	(2,588,296)	(2,395,608)	(2,404,029)	192,688	18%	(8,421)	-2%
Finance Costs	(207,120)	(275,572)	(159,091)	(68,452)	-6%	116,481	34%
Finance Income	18,271	29,608	15,324	(11,337)	-1%	14,284	4%
Share in Net Income of Investment in Associates	296,569	158,917	219,475	137,652	13%	(60,558)	-18%
Other Income (Charges) - net	(31,887)	(83,203)	644,869	51,316	5%	(728,072)	-213%
Provision for Income Tax	(295,149)	(814,233)	(537,719)	(519,084)	-48%	276,514	81%
Net Income	733,783	1,813,140	2,155,140	(1,079,357)	-100%	(342,000)	-100%
Net Income (Loss) Attributable to:							
Equity Holders of the Parent	743,896	1,544,144	1,921,387	(800,248)	-74%	(377,243)	-110%
Non-controlling Interest	(10,113)	268,996	233,753	(279,109)	-26%	35,243	10%
	733,783	1,813,140	2,155,140	(1,079,357)	-100%	(342,000)	-100%

Summary Consolidated Statements of Financial Position as at December 31,

	2024	2023	2022	Horizontal Analysis			
				Increase (Decrease)		Increase (Decrease)	
	In Thousand Pesos			2024 vs. 2023	%	2023 vs. 2022	%
Current Assets	2,969,839	3,938,933	5,986,937	(969,094)	-25%	(2,048,004)	-34%
Noncurrent Assets	14,122,394	13,475,808	11,985,824	646,586	5%	1,489,984	12%
Total Assets	17,092,233	17,414,741	17,972,761	(322,508)	-2%	(558,020)	-3%
Current Liabilities	1,647,396	2,288,173	3,006,299	(640,777)	-28%	(718,126)	-24%
Noncurrent Liabilities	2,377,782	2,846,217	3,570,820	(468,435)	-16%	(724,603)	-20%
Non-controlling Interest	143,531	153,695	544,899	(10,164)	-7%	(391,204)	-72%
Equity Attributable to Equity Holders of the Parent	12,923,524	12,126,656	10,850,743	796,868	7%	1,275,913	12%
Total Liabilities and Equity	17,092,233	17,414,741	17,972,761	(322,508)	-2%	(558,020)	-3%

Summary Consolidated Statements of Financial Position as at December 31,

	2024	2023	2022	Vertical Analysis			
				Increase (Decrease)		Increase (Decrease)	
	In Thousand Pesos			2024 vs. 2023	%	2023 vs. 2022	%
Current Assets	2,969,839	3,938,933	5,986,937	(969,094)	-300%	(2,048,004)	-367%
Noncurrent Assets	14,122,394	13,475,808	11,985,824	646,586	200%	1,489,984	267%
Total Assets	17,092,233	17,414,741	17,972,761	(322,508)	-100%	(558,020)	-100%
Current Liabilities	1,647,396	2,288,173	3,006,299	(640,777)	-199%	(718,126)	-129%
Noncurrent Liabilities	2,377,782	2,846,217	3,570,820	(468,435)	-145%	(724,603)	-130%
Non-controlling Interest	143,531	153,695	544,899	(10,164)	-3%	(391,204)	-70%
Equity Attributable to Equity Holders of the Parent	12,923,524	12,126,656	10,850,743	796,868	247%	1,275,913	229%
Total Liabilities and Equity	17,092,233	17,414,741	17,972,761	(322,508)	-100%	(558,020)	-100%

Summary Consolidated Statements of Cash Flows

	For the Years Ended December 31		
	2024	2023	2022
	In Thousand Pesos		
Net Cash Flows From (Used in):			
Operating Activities	1,009,562	3,502,895	1,449,826
Investing Activities	(992,609)	(2,532,522)	(1,356,550)
Financing Activities	(898,607)	(1,671,567)	(954,009)
Net Decrease in Cash and Cash Equivalents	(881,654)	(701,194)	(860,733)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	101,598	(36,493)	220,141
Cash and Cash Equivalents at Beginning of Year	2,442,898	3,180,585	3,821,177
Cash and Cash Equivalents at End of Year	1,662,842	2,442,898	3,180,585

RESULTS OF OPERATIONS

Year ended December 31, 2024 compared with year ended December 31, 2023

For the year ending December 31, 2024, the Group reported a consolidated net income of ₱733.8 million, reflecting a decrease compared to the consolidated net income of ₱1,813.1 million recorded in the previous year. After accounting for non-controlling interests, the net income attributable to equity holders of the Parent Company amounted to ₱743.9 million for the year ending December 31, 2024, down from ₱1,544.1 million in the previous year. The decline in performance over the past year was primarily due to a drop in nickel ore prices during the current year, which led to decreased revenues.

Revenues
During the year ended December 31, 2024, the Group's total revenues amounted to ₱7,610.9 million, which represents a decrease of ₱1,174.6 million or 13.4% compared to ₱8,785.5 million in the previous year. Approximately 99.8% of the Group's revenues were generated from its mining operations, with the remaining portion derived from services rendered to its customers.

Nickel Ore Export Revenues
For the year ended December 31, 2024, total export ore revenues amounted to ₱7,592.5 million, reflecting a decrease of ₱1,173.5 million or 13.4% compared to ₱8,766.0 million of the previous year. The decline in export revenues was driven by lower global nickel ore prices, outweighing the impact of higher sales volume, as increased global output and weak market demand pushed prices down.

Surigao mine
For the year ended December 31, 2024, the Group's Surigao mining operations generated total export revenues of ₱4,667.4 million, including incremental revenues from PIL, a subsidiary. This amount reflects a decrease of ₱150.7 million or 3.1% compared to ₱4,818.1 million in the previous year.

The net decrease can be attributed to two main factors:

- Lower Averaged Realized Nickel Ore Price: The overall average realized nickel ore price for the year ended December 31, 2024, decreased by United States dollar (US$)5.74 per WMT or 22.0%, amounting to US$20.34/WMT compared to US$26.08/WMT in the previous year. Specifically, the price for low-grade ore dropped by US$5.95/WMT or 23.3%, from US$25.53/WMT in 2023 to US$19.58/WMT. Similarly, medium-grade ore saw a decrease of US$4.45/WMT or 14.3%, declining from US$31.06/WMT in 2023 to US$26.61/WMT.
- Higher Volume Shipped: The sale of nickel ore from our Surigao Mine for the year ended December 31, 2024, reached 3.991 million wet metric ton (WMT), reflecting an increase of 0.694 million WMT, or 21.0%, compared to 3.297 million WMT in the previous year. This increase can be attributed to favorable weather conditions in the early part of the year, which facililated an early start to mining preparation activities at the Surigao site and with its contractors. Additionally, improved access to key production inputs, including chartered landing craft tanks for shipside ore loading and enhanced transportation and handling equipment for mine operations and safety, further supported the volume growth.

  During the year, the Group managed to ship 73 vessels of nickel ore, compared to 61 shipments in the previous year. The sales mix for 2024 comprised 89% low-grade ore and 11% medium-grade ore, whereas in 2023, the mix was 90% low-grade ore and 10% medium-grade ore.

  These shipments to ports in China and Indonesia included 3.557 million WMT of low-grade nickel ore and 0.434 million WMT of medium-grade nickel ore in 2024, compared to 2.967 million WMT of low-grade nickel ore and 0.330 WMT of medium-grade nickel ore in 2023.

Palawan mine
For the year ended December 31, 2024, the Group's Palawan mining operations generated total export revenues of ₱2,925.1 million. This amount represents a decrease of ₱1,022.8 million or 25.9% compared to ₱3,947.9 million in the previous year.

The decrease was primarily due to lower selling prices:

- Lower Averaged Realized Nickel Ore Price: The overall average realized nickel ore price for the year ended December 31, 2024, decreased by US$15.01 per WMT or 30.0%, amounting to US$34.99/WMT compared to US$50.00/WMT in the previous year. Specifically, the price for medium-grade ore declined by US$15.39/WMT or 30.5%, from US$50.38/WMT in 2023 to US$34.99/WMT in 2024. No low-grade ore was shipped in 2024, compared to 2023 when it was sold at US$38.78/WMT.
- Higher Volume Shipped: Nickel ore sales from our Palawan mine for the year ended December 31, 2024, totaled 1.457 million WMT, marking an increase of 0.037 million WMT or 2.6% compared to 1.420 million WMT in the previous year. This increase can be attributed to improved weather conditions in 2024 as compared to 2023, supported by recently expanded infrastructure, notably mine facilities and causeways, along with optimized processes in the areas of logistics and human resources.

During the year, the Group's Palawan mine shipped 27 vessels of nickel ore, compared to 26 shipments in the previous year. The sales mix for 2024 consisted entirely of medium-grade ore, whereas in the previous year, 3% was low-grade ore and 97% was medium-grade ore.

These shipments, exclusively to Chinese customers, included no low-grade nickel ore and 1.457 million WMT of medium-grade nickel ore for 2024, compared to 0.046 million WMT of low-grade nickel ore and 1.374 million WMT of medium-grade nickel ore in 2023.

Overall, the Group's total nickel ore export revenues were affected by several factors:

- Increased Shipments: The Group completed 100 shipments in the year ended December 31, 2024, compared to 87 shipments in the previous year.
- Higher Volume Shipped: Total volume shipped was 5.448 million WMT, which is an increase of 15.5% from 4.717 million WMT in 2023.
- Changes in Sales Mix: The sales mix for 2024 comprised 65% low-grade ore and 35% medium-grade ore, whereas the previous year's mix was 64% low-grade ore and 36% medium-grade ore.
- Lower Average Realized Nickel Ore prices: The total average realized nickel ore price for the year ended December 31, 2024, was US$24.26/WMT, down from US$33.28/WMT in 2023. Specifically, in 2024, low-grade ore sold for an average of US$19.58/WMT, a decrease from US$25.73/WMT in the previous year. Medium-grade was priced at an average of US$33.06/WMT in 2024, down from US$46.64/WMT in the previous year.
- Exchange Rate Impact: The average realized Peso over US$ exchange rate was ₱57.45, compared to ₱55.84 in the previous year.

Service Revenues

The Group's service income for the years ended December 31, 2024 and 2023, amounted to ₱18.4 million and ₱19.5 million, respectively. This income is derived from port services provided by Mariveles Harbor Corporation (MHC), a subsidiary, to its customers. The decrease in earnings can be attributed to a reduction in service volume. Nevertheless, the management is proactively engaged in formulating strategic initiatives for MHC, which encompass the expansion of services to include warehousing and container terminal operations.

Also, the Group earned service income for the LCTs chartered by the Surigao Mine and Palawan Mine from PGMC-CNEP Shipping Services Corp. (PCSSC), a subsidiary, amounted to ₱72.3 million for the year December 31, 2024 as compared to ₱87.7 million for the previous year. This service income is eliminated in full in the consolidated financial statements.

<u>Cost and Expenses</u>

Cost and expenses comprise the cost of sales, excise taxes and royalties, general and administrative expenses, and shipping and distribution expenses. During the year ended December 31, 2024, these costs and expenses amounted to ₱6,657.8 million, compared to ₱5,987.8 million for the year ended 2023, representing an increase of ₱670.0 million or 11.2%. The average cash operating cost per volume sold decreased to ₱1,094.77 per WMT for the year ending December 31, 2024, from ₱1,150.09 per WMT in the previous year, marking a decrease of ₱55.32 per WMT or 4.8%. For the year ending on December 31, 2024, the total aggregate cash costs and total sales volume amounted to ₱5,964.3 million and 5.448 million WMT, respectively. In comparison, for the year ending on December 31, 2023, the total aggregate cash costs and total sales volume were ₱5,425.0 million and 4.717 million WMT, respectively.

Cost of Sales

For the year ended December 31, 2024, the cost of sales totaled ₱4,069.5 million, up from ₱3,592.2 million in the previous year. This represents an increase of ₱477.3 million, or 13.3%. The rise in cost of sales is primarily due to the following factors:

- Contract Hire Expense: This expense increased by ₱247.9 million, or 11.1%. The higher costs are attributed to increased production and shipping volumes, as well as a rise in effective contract hire rates due to the change in sales mix and higher rates from different sources of nickel ore deposits, where the location affects the hauling distance and ultimately the mining cost, compared to the prior year.
- Personnel Costs: Personnel expenses grew by ₱63.6 million, or 15.8%. This increase is due to early vessel arrivals, which required earlier manpower deployment, as well as new opened areas and blocks that needed additional staff. Additionally, there were mandatory increases in minimum wages, salary adjustments, management-approved salary increase, and higher social insurance costs.

- Depreciation, depletion, and amortization: This expense increased by ₱53.2 million, or 13.0%. The higher costs are attributed to acquisitions made during the year and increase in depletion expenses, driven by a higher volume of shipments compared to the previous year.
- Environmental Protection Costs: These costs increased by ₱40.9 million, or 90.0%, mainly due to the completion of sedimentation ponds at our Palawan Mine.
- Operations Overhead: These costs rose by ₱36.9 million, or 56.0%, primarily due to the confirmatory drilling services at the current Palawan operating mine.
- Community Relations: These costs increased by ₱19.1 million, or 20.4%, primarily due to a higher SDMP allocated budget compared to the previous year, including an additional ₱10.0 million CSR budget for the indigenous peoples at our Palawan Mine.
- Assaying and Laboratory Costs: These costs rose by ₱10.3 million, or 36.4%, driven by a higher volume of shipments compared to the previous year.

Excise Taxes and Royalties
For the years ended December 31, 2024 and 2023, excise taxes and royalties amounted to ₱791.9 million and ₱851.2 million, respectively. These expenses are calculated and paid based on a percentage of revenues. Therefore, the decrease in revenues from our operating mines led to lower excise taxes and royalties during the year.

General and Administrative Expenses
For the year ended December 31, 2024, general and administrative expenses totaled ₱1,412.0 million, an increase of ₱265.0 million, or 23.1%, compared to ₱1,147.0 million in 2023. This rise is primarily due to the following factors:

- Legal Costs: On November 9, 2016, CNMEC, INC, and Baiyin International Investment, Ltd. (BIIL) executed a Royalty Agreement as a condition precedent to the loan agreement between INC and BIIL. CNMEC and INC entered into this Royalty Agreement in favor of BIIL whereby INC agreed to pay a royalty to BIIL for mineral products derived and sold from the mineral properties according to the MPSA rights held by the CNMEC, and subject to the terms and conditions provided in the Royalty Agreement. On November 17, 2021, INC had fully settled its loan to BIIL including all related obligations. In 2024, INC recognized legal cost related to the settlement agreement with BIIL in the amount of ₱147.8 million or US$2,555,408, with a remaining balance of US$1,000,000.00 payable in two equal installments due on June 15, 2025 and December 15, 2025.
- Provision for Impairment Losses on Input VAT: The Group recognized a provision for impairment losses on input VAT of ₱77.2 million for the current year, reflecting management's prudent approach to financial oversight. However, management is also taking steps to ensure the proper utilization and recovery of its input VAT.
- Outside Services: Costs for outside services increased by ₱26.0 million, or 14.0%. This rise is primarily due to higher minimum wages for security personnel, expanded headcount and increase in the service hours rendered to support operations. Additionally, training expenses and costs related to uniforms and clothing, were incurred this year, which were not present in the previous year.
- Personnel Costs: Personnel expenses grew by ₱23.5 million, or 8.1%. For details on this increase, please refer to the explanation in the Cost of Sales section.
- Consultancy Fees: This expense rose by ₱13.5 million, or 25.5%. The increase is primarily due to billings from legal counsels for our Palawan Mine, as well as rise in other consultancy fees.
- Taxes and Licenses: This expense increased by ₱13.0 million, or 5.7%. The rise is attributed to higher business taxes and permit fees paid to the Municipal Government of Brooke's Point for our Palawan Mine. The increase in taxes is primarily due to the 2024 business tax based on a full-year 2023 operation, compared to the previous year's tax base, which reflected only four months of operation at the Palawan Mine.
- Conversely, reductions were observed in: 1) Marketing and Entertainment: Decreased by ₱25.4 million, and 2) Travel and Transportation: Reduced by ₱9.4 million.

Shipping and Distribution
For the year ended December 31, 2024, shipping and loading costs amounted to ₱384.4 million, a decrease of ₱13.0 million, or 3.3%, compared to ₱397.4 million in the previous year. This reduction is primarily attributed to decrease in stevedoring charges and shipping expenses. However, barging charges increased due to a higher volume of shipments.

Finance Costs
Finance costs totaled ₱207.1 million for the year ended December 31, 2024, compared to ₱275.6 million in 2023, reflecting a decrease of ₱68.5 million, or 24.8%. This reduction is primarily due to lower interest expenses, resulting from principal payments made on loans and non-interest-bearing liability.

Share in Net Income of Investment in Associates
In accordance with Philippine Accounting Standards (PAS) 28, "*Investment in Associates and Joint Ventures*," the Group applies the equity method of accounting to recognize its share of the net earnings or losses from associates. For the year ended December 31, 2024, the Group's share in the net income from its investment in associates amounted to ₱296.6 million, compared to ₱158.9 million in the previous year, reflecting an increase of ₱137.7 million, or 86.6%. The increase is primarily due to a 35.0% rise in sales volume, from 151,979 kilotons to 205,203 kilotons, driven by increased production capacity during the year compared to the prior year. However, this growth was partially offset by a decline in the average unit price of ferronickel sales.

Finance Income and Other Charges - net
For the year ended December 31, 2024, finance income totaled ₱18.3 million, down from ₱29.6 million in the previous year. This decline of ₱11.3 million, or 38.2%, is primarily attributable to lower interest income earned during the year.

For the year ended December 31, 2024, net other charges amounted to ₱31.9 million, a decrease from ₱83.2 million recorded in 2023. This decline of ₱51.3 million, or 61.7%, is primarily due to the impact of foreign exchange transactions and a total recognized gain of ₱51.8 million on the disposals of property and equipment. This reduction was partially offset by the net demurrage incurred in 2024, compared to net despatch earned in 2023.

Provision for Income Tax - net
For the year ended December 31, 2024, the net provision for income tax amounted to ₱295.1 million, a decrease from ₱814.2 million recorded in the previous year. This change is primarily due to a lower taxable income earned in the current year compared to the previous year.

Total Comprehensive Income - net of tax

Net Income
Due to the factors mentioned above, the consolidated net income for the year period ended December 31, 2024, totaled ₱733.8 million, which is a decrease from the ₱1,813.1 million recorded in the previous year. This represents a decrease of ₱1,079.3 million or 59.5%. After accounting for non-controlling interests, the net income attributable to equity holders of the Parent Company amounted to ₱743.9 million for the year ended December 31, 2024, in comparison to ₱1,544.1 million in the preceding year.

Cumulative Translation Adjustment
The Group has recognized cumulative translation adjustments, net of tax, amounting to ₱55.9 million and (₱1.1 million) for the years ending on December 31, 2024 and 2023, respectively. These adjustments relate to the exchange differences that arise from translating a subsidiary's functional currency into the presentation currency of the Parent Company.

Year ended December 31, 2023 compared with year ended December 31, 2022

For the year ending on December 31, 2023, the Group achieved a consolidated net income of ₱1,813.1 million, reflecting a decrease when compared to the consolidated net income of ₱2,155.1 million recorded in the previous year. After accounting for non-controlling interests, the net income attributable to equity holders of the Parent Company amounted to ₱1,544.1 million for the year ending on December 31, 2023, as compared to ₱1,921.4 million in the previous year. The results were primarily driven by the strong performance of the Group's mining operations in Palawan, in addition to the regular contributions from the Group's Surigao mine.

Revenues
For the year ended December 31, 2023, the Group's total revenues amounted to ₱8,785.5 million, showing an increase of ₱2,054.1 million or 30.5% when compared to ₱6,731.4 million for the year ended December 31, 2022. The majority of the Group's revenues, approximately 99.8% of the total, were generated from its mining operations, with the remaining portion of revenues originating from services rendered to its customers.

Nickel Ore Export Revenues
For the year ending on December 31, 2023, total export revenues amounted to ₱8,766.0 million. This figure represents an increase of ₱2,191.0 million or 33.3% compared to ₱6,575.0 million of the prior year. The notable increase in export revenues for the year was primarily driven by the contribution from the Group's Palawan mine, which provides year-round operations and has a positive impact on revenue growth.

Surigao Mine
For the year ended December 31, 2023, the Surigao mining operations of the Group, including incremental contributions from its wholly-owned subsidiary, PIL, yielded total export revenues of ₱4,818.1 million. This represents a decrease of ₱1,599.5 million or a 24.9% decline compared to the ₱6,417.6 million achieved in the previous year.

The decline is attributable to two main factors:

- Lower Averaged Realized Nickel Ore Price: The overall average realized nickel ore price for the year ended December 31, 2023 was lower by US$5.60 per WMT or 17.7%, US$26.08/WMT compared to US$31.68/WMT in the prior year. Low-grade ore was US$25.53/WMT or 10.3% lower than the US$28.45/WMT price in 2022. On the other hand, medium-grade ore was US$31.06/WMT or 25.7% lower than the US$41.79/WMT price in 2022. Nickel ore prices were down compared to a year ago, particularly for low-grade, amid expanded output from mines in Indonesia.
- Lower Volume Shipped: The sale of nickel ore from our Surigao mine for the year ended December 31, 2023 was 3.297 million WMT, lower by 0.393 million WMT or 10.7%, compared to 3.690 million WMT in the previous year. This decline can be attributed to adverse weather conditions, particularly heavy rainfall, which led to mining preparation and stockpiling delays. Consequently, the Group managed 61 shipments of nickel ore in the present period, in contrast to the 68 shipments in the preceding period. The resulting sales mix was 90% low-grade ore and 10% medium-grade ore in 2023 versus the previous period's mix of 77% low-grade ore and 23% medium-grade ore. These shipments sold solely to Chinese customers consisted of 2.967 million WMT low-grade nickel ore and 0.330 million WMT medium-grade nickel ore compared to 2.830 million WMT low-grade nickel ore and 0.860 WMT medium-grade nickel ore in 2022.

Palawan Mine
For the year ended December 31, 2023, the Palawan mining operations of the Group, including incremental contributions from PIL, generated total export revenues of ₱3,947.9 million compared to ₱157.4 million in the previous year as the Group started to consolidate revenues from Palawan following its acquisition on December 22, 2022.

The sale of nickel ore from our Palawan mine for the year ended December 31, 2023 was 1.420 million WMT comprising a total of 26 shipments, higher by 1.375 million WMT compared to 0.045 million WMT in the previous year. The sales mix for this year consisted of 3% low-grade ore and 97% medium-grade ore. These shipments, exclusively sold to Chinese customers, comprised 0.046 million WMT low-grade nickel ore and 1.374 million WMT medium-grade nickel ore over the course of the twelve months of operations. The overall average realized nickel ore price for the year ended December 31, 2023 was US$50.00/WMT. Low-grade nickel ore price was US$38.78/WMT while US$50.38/WMT for the medium-grade nickel ore price.

Overall, the Group's total export revenues were affected by the following:

- Completed 87 shipments compared to 69 shipments in the previous year.
- Total volume shipped of 4.717 million WMT compared to 3.375 million WMT in 2022.
- Sales mix was 64% low-grade ore and 36% medium-grade ore in 2023 versus the previous year's mix of 76% low-grade ore and 24% medium-grade ore.
- Total average realized nickel ore price of US$33.28/WMT compared to US$31.68/WMT in 2022. Low-grade was US$25.73/WMT for the year ended December 31, 2023 compared to US$28.45/WMT in the same period of the previous year. Medium-grade was US$46.64/WMT in 2023 compared to US$41.79/WMT in the same period of the previous year.
- The average realized Peso over US$ exchange rate was ₱55.84 compared to ₱55.56 of the same period last year.

Service Revenues
The Group's service income for the years ended December 31, 2023 and 2022, amounted to ₱19.5 million and ₱156.4 million respectively. This income is derived from port services provided by MHC, a subsidiary, to its customers. The notable decrease in earnings can be attributed to a reduction in service volume. Nevertheless, the management is proactively engaged in formulating strategic initiatives for MHC, which encompass the expansion of services to include warehousing and container terminal operations.

Also, the Group earned service income for the LCTs chartered by the Surigao Mine and the Palawan Mine from PCSSC, a subsidiary, amounted to ₱87.7 million for the year ended December 31, 2023, compared to ₱50.9 million for the same period in the previous year. This service income is eliminated in full in the consolidated financial statements.

Cost and Expenses
Cost and expenses comprise the cost of sales, excise taxes and royalties, general and administrative expenses and shipping and distribution. During the twelve months ended December 31, 2023, these costs and expenses amounted to ₱5,987.8 million, compared to ₱4,759.1 million for the same period in 2022, representing an increase of ₱1,228.7 million or 25.8%. The significant rise in costs is primarily attributable to the Group's Palawan full-year mining operations after it became a subsidiary on December 22, 2022. The average cash operating cost per volume sold increased to ₱1,151.14 per WMT for the year ending December 31, 2023, from ₱1,139.88 per WMT in the previous year, marking an increase of ₱11.26 per WMT or 1.0%. For the year ending December 31, 2023, the total aggregate cash costs and total sales volume amounted to ₱5,429.9 million and 4.717 million WMT, respectively. In comparison, for the year ending December 31, 2022, the total aggregate cash costs and total sales volume were ₱4,257.4 million and 3.735 WMT, respectively.

Cost of Sales
In the year ended December 31, 2023, the cost of sales amounted to ₱3,592.2 million, showing a significant increase compared to ₱2,355.1 million in the previous year, representing a rise of ₱1,237.1 million or 52.5%. This substantial increase in the cost of sales for the year ended December 31, 2023, is primarily attributed to various factors within the Group's Palawan mining operations, which began its commercial operations in September of the preceding year.

The specific components contributing to this increase, along with their respective increments compared to year 2022, are as follows:

- Contract hire: An increase of ₱785.9 million or 54.0%.
- Personnel costs: An increase of ₱186.4 million or 86.1%.
- Depreciation and depletion: An increase of ₱91.7 million or 28.8%.
- Fuel, oil, and lubricants: An increase of ₱87.9 million or 100.0%.
- Operation overhead: An increase of ₱42.1 million or 177.7%.
- Community relations: An increase of ₱30.5 million or 48.3%.
- Repairs and maintenance: An increase of ₱30.4 million or 120.7%.
- Assaying and laboratory: An increase of ₱14.7 million or 107.6%.

These factors combined led to the significant rise in the cost of sales during the year, driven mainly by the ongoing operations and expansion of the Group's Palawan mining activities.

Excise Taxes and Royalties
Excise taxes and royalties amounted to ₱851.2 million and ₱842.9 million for the years ended December 31, 2023 and 2022, respectively. These expenses are calculated and paid based on the percentage of sales of nickel ore.

The specific factors contributing to the fluctuations in this account compared to the previous year are outlined below:

- Excise taxes: Increased to ₱337.1 million from ₱246.8 million, marking a rise of ₱90.3 million or 36.6%, attributed to the increased sale of nickel ore.
- Royalties to indigenous peoples: Rose to ₱100.2 million from ₱60.2 million, showing a ₱40.0 million or 66.5% increase, driven by the heightened sale of nickel ore, including accrual of royalties to indigenous communities from the Palawan mine since the commencement of its commercial operations in September 2022, up to the end of the calendar year on December 31, 2023.

- Royalties to the government: Declined to ₱223.9 million from ₱301.1 million, reflecting a decrease of ₱77.2 million or 25.6%. This reduction is due to the decreased sale of nickel ore from the Surigao Mine. Notably, only our Surigao Mine is subject to the 5% royalty to the government as it operates within the mineral reservation area.
- Royalties to claim-owners: Fell to ₱189.9 million from ₱234.8 million, indicating a decrease of ₱44.9 million or 19.1%. This decrease is attributable to the reduced sale of nickel ore from the Surigao Mine. It's important to highlight that the Group pays royalties to claim-owners exclusively in its Surigao mining operations and not in its Palawan Mine.

General and Administrative
In the year ended December 31, 2023, the general and administrative expenses amounted to ₱1,146.9 million, which showed an increase compared to ₱946.2 million in 2022, higher by ₱200.7 million or 21.2%. This was mainly due to the increase in taxes and licenses, outside services, marketing and entertainment, and personnel costs amounted to ₱100.6 million, ₱98.2 million, ₱36.8 million, and ₱15.4 million, respectively. The rise in this expense account is mainly attributable to the Group's Palawan mining operations.

Shipping and Distribution
For the year ending December 31, 2023, shipping and loading costs totaled ₱397.4 million, representing a decrease compared to ₱614.9 million in the previous year ending December 31, 2022, marking a decrease of ₱217.5 million or 35.4%. This reduction is attributed to the decreased volume of shipments from the Surigao mining operations and fewer cost and freight shipment arrangements during the year compared to the previous year.

Finance Costs
Finance costs amounted to ₱275.6 million for the year ending December 31, 2023, compared to ₱159.1 million for the year ending December 31, 2022, representing a substantial increase of ₱116.5 million or 73.2%. This significant rise is primarily attributed to the recognition of an accretion interest expense amounting to ₱142.3 million. This expense is associated with the noninterest-bearing liability resulting from the acquisition of an associate company the previous year.

Share in Net Income (Loss) of Investment in Associates
In accordance with Philippine Accounting Standards (PAS) 28, "*Investment in Associates and Joint Ventures*," the Group applies the equity method of accounting to recognize its share of the net earnings or losses from associates. For the year ending December 31, 2023 and 2022, the Group's share in the net income of its investment in an associate amounted to ₱158.9 million and ₱219.5 million, respectively. During the year ending December 31, 2023, this reflects the Group's recognition of net income from its investment in GHGC. Conversely, for the year December 31, 2022, the recognition pertains to the Group's absorption of net losses from its investment in SPNVI and subsidiaries, and recognition of net income from its investment in GHGC. Notably, as of December 22, 2022, SPNVI transitioned from an associate to a subsidiary of the Group, thus discontinuing its associate status.

Other Income (Charges) - net
For the year ending December 31, 2023, net other charges amounted to ₱83.2 million, which represents a decrease from the ₱644.9 million recorded net other income in the previous year, marking a decline of ₱728.1 million or 112.9%. This decrease is primarily attributed to the following other income recognized by the Group in the previous year:

- Final and full settlement received by MHC from its case against Holcim Philippines, Inc. (Holcim), net of reimbursements, amounting to ₱680.0 million.
- Day 1 gain recognized by the Group, amounting to ₱504.3 million, applicable to the present value of the non-interest-bearing liability in relation to the purchase of GHGC, an associate, discounted using the prevailing market interest rate.

Provision for Income Tax
For the year ending December 31, 2023, the net provision for income tax amounted to ₱814.2 million, showing a contrast to the ₱537.7 million recorded in the previous year. This represents an increase in the provision of ₱276.5 million or 51.4%. The rise in the provision is mainly due to the taxable income generated from the Group's Palawan mining operations.

Total Comprehensive Income - net of tax

Net Income
Due to the factors mentioned above, the consolidated net income for the year ending December 31, 2023, totaled ₱1,813.1 million, which is a decrease from the ₱2,155.1 million recorded in the previous year. This represents a decrease of ₱342.0 million or 15.9%. After accounting for non-controlling interests, the net income attributable to equity holders of the Parent Company amounted to ₱1,544.1 million for the year ending December 31, 2023, in comparison to ₱1,921.4 million in the preceding year.

Currency Translation Adjustment
The Group has recognized cumulative translation adjustments, net of tax, amounting to (₱1.1 million) and ₱114.8 million for the years ending December 31, 2023 and 2022, respectively. These adjustments relate to the exchange differences that arise from translating a subsidiary's functional currency into the presentation currency of the Parent Company.

Remeasurement Gain (Loss) on Retirement Obligation
Remeasurement gain on retirement obligation - net of tax recognized in 2023 amounted to ₱8.7 million, compared to the remeasurement loss on retirement obligation - net of tax recognized in 2022 amounted to ₱8.2 million.

Year ended December 31, 2022 compared with year ended December 31, 2021

Revenues
The Group's revenues for the year ended December 31, 2022 amounted to ₱6,731.4 million compared to ₱7,708.1 million for the year ended December 31, 2021, a decrease of ₱976.7 million or 12.7%. The bulk of the Group's 2022 revenues come from its mining operations accounting for about 97.7% of the total revenues, while the remaining 2.3% pertains to revenues for services rendered to its customers.

Nickel Ore Export Revenues
The Group's sale of nickel ore for the year ended December 31, 2022 generated total export revenues of ₱6,575.0 million compared to ₱7,708.1 million in the year ended December 31, 2021, a decrease of ₱1,133.1 million or 14.7%. The decrease was mainly due to the lower volume of nickel ore shipped this year compared to the prior year.

The sale of nickel ore for the year ended December 31, 2022 was 3.735 million WMT, lower by 1.152 million WMT or 23.6%, compared to 4.887 million WMT of nickel ore in the year ended December 31, 2021. The Group completed 69 shipments of nickel ore during the year ended December 31, 2022 as against 90 shipments of nickel ore during the same period last year mainly due to adverse weather conditions. The 69 shipments that the Group delivered to its customers in 2022 include one shipment from its Ipilan Mine covering the period December 23 to 31, 2022 after the Group acquired control over the Ipilan Mine on December 22, 2022. The two (2) operating mines of FNI will give it the ability to undertake year-round production to better support the growing demand from China.

The resulting product mix was 76% low-grade ore and 24% medium-grade ore in 2022 versus the previous year's mix of 77% low-grade ore and 23% medium-grade ore. These shipments sold solely to Chinese customers consisted of 2.830 million WMT low-grade nickel ore and 0.905 million WMT medium-grade nickel ore compared to 3.761 million WMT low-grade nickel ore and 1.126 million WMT medium-grade nickel ore of the same period in 2021.

The overall average realized nickel ore price for the year ended December 31, 2022 was slightly lower by US$0.10/WMT or 0.3%, US$31.68/WMT compared to US$31.78/WMT for the year ended December 31, 2021. Low-grade ore was US$1.62/WMT or 5.4% lower, US$28.45/WMT in 2022 compared to US$30.07/WMT in 2021. On the other hand, medium-grade ore was US$4.32/WMT or 11.5% higher, US$41.79/WMT in 2022 compared to US$37.47/WMT in 2021.

The average realized Peso over US$ exchange rate for the Group's nickel ore export revenues was ₱55.56 compared to ₱49.63 of the same period last year, higher by ₱5.93 or 11.9%.

Service Revenues
The service income earned by the Group amounting to ₱156.4 million for the year ended December 31, 2022 pertains to port services rendered by MHC, a subsidiary, to its customers amounting to ₱126.1 million, and barging services rendered by the Group to its associate amounting to ₱30.3 million. The service revenue for the year ended December 31, 2022 includes the accounts of MHC after it became a subsidiary in December 2021 compared to no consolidation take-up yet for the same period of last year.

Also, the Group earned service income for the LCTs chartered by PGMC and INC from PCSSC, amounted to ₱50.9 million for the year ended December 31, 2022 as compared to ₱81.3 million for the same period last year. This service income is eliminated in full in the consolidated financial statements.

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 ₱4,759.1 million for the year ended December 31, 2022 compared to ₱4,517.5 million for the year ended December 31, 2021, an increase of ₱241.6 million or 5.3%. The average cash operating cost per volume sold increased to ₱1,139.88 per WMT in 2022 from ₱849.30 per WMT, higher by ₱290.58 per WMT or 34.2%, attributable to lower volume shipped in 2022 compared to the same period last year mainly due to adverse weather conditions and increase in cost and expenses (see below for further analyses). Also, the cost and expenses for the full year in 2022 includes the accounts of MHC after it became a subsidiary in December 2021 compared to no consolidation take-up yet for the same period of last year.

Cost of Sales
The cost of sales went up from ₱2,287.0 million for the year ended December 31, 2021 to ₱2,355.1 million for the same period this year, an increase by ₱68.1 million, or 3.0%, broken down mainly as follows: (a) Decrease in contract hire by ₱83.0 million (from ₱1,538.8 million in 2021 to ₱1,455.8 million in 2022), or 5.4% mainly due to lower volume shipped this year compared to the prior year; (b) Increase in depreciation, depletion and amortization by ₱46.7 million (from ₱271.4 million), or 17.2% mainly due to PGMC's acquisition of transportation and handling equipment during the year used in its mining operations; (c) Increase in fuel, oil and lubricants by ₱35.1 million or 66.4% (from ₱52.8 million) mainly due to higher fuel prices. The Group's Surigao mine operations average fuel price was ₱62.60 per liter in 2022, 81.3% higher than the 2021 average fuel price of ₱34.52 per liter, while the consumption slightly decreased by 2.4%; and (d) Increase in environmental protection and community relations costs by ₱28.4 million or 50.8% and ₱10.3 million or 19.5%, respectively. Also, please note that the cost of sales for the year ended December 31, 2022 includes the accounts of MHC after it became a subsidiary in December 2021 compared to no consolidation take-up yet for the same period of last year.

Excise Taxes and Royalties
Excise taxes and royalties were ₱842.9 million and ₱1,043.4 million for the years ended December 31, 2022 and 2021, respectively. Since these expenses were computed and paid based on the percentage of revenues, the decrease in revenues consequently decreased the excise taxes and royalties taken up.

General and Administrative
General and administrative expenses were ₱946.2 million in 2022 compared to ₱734.2 million in 2021, an increase of ₱212.0 million, or 28.9%. The increase was mainly due to the increase in depreciation, personnel costs, outside services, consultancy fees, and travel and transportation, amounted to ₱62.6 million, ₱40.4 million, ₱22.7 million, ₱16.9 million, and ₱10.1 million, respectively. The increase in depreciation was attributable to the full year amortization of right-of-use assets in 2022 compared to nine (9) months amortization in 2021 starting April 1, 2021. In addition, during the year the Group recognized a provision for impairment loss on trade receivables amounted to ₱23.6 million. Also, the general and administrative expenses in 2022 includes the accounts of MHC after it became a subsidiary in December 2021 compared to no consolidation take-up yet for the same period of last year.

Shipping and Distribution
Shipping and loading costs were ₱614.9 million for the year ended December 31, 2022 compared to ₱452.8 million in the same period last year, higher by ₱162.1 million, or by 35.8%. The increase was mainly attributable to the freight cost incurred for the Group's cost and freight shipments and increase in fuel, oil and lubricants.

Finance Costs
Finance costs amounted to ₱159.1 million in 2022 compared to ₱65.2 million of the same period last year, an increase of ₱93.9 million, or 144.0%. The increase was mainly due to the increase in interest expense by ₱24.7 million attributable to the TCB loan (the Group increased its TCB loan availment to US$15 million on July 29, 2021); increase in interest expense on lease liabilities by ₱29.4 million; and increase in the amount of ₱40.6 million attributable to the recognized accretion of interest expense for the non-interest- bearing liability. Also, the finance costs in 2022 includes the accounts of MHC after it became a subsidiary in December 2021 compared to no consolidation take-up yet for the same period of last year.

Share in Net Income (Loss) of Investment in Associates
In accordance with Philippine Accounting Standards (PAS) 28, *Investment in Associates and Joint Ventures*, the Group recognizes its share in the net earnings or losses of its associate using the equity method of accounting. The share in net income of investment in associates amounted to ₱219.5 million for the year ended December 31, 2022 compared to the share in net loss of investment in associates amounted to ₱52.1 million for the year ended December 31, 2021, an increase to net income of ₱271.6, or 521.1%. For the period January 1, 2022 to December 21, 2022 (periods covered before SPNVI became a subsidiary), the share in net income represents net income take-up in relation to the Group's investment in SPNVI. MHC became a subsidiary of the Group as at December 31, 2021 as a result of the Group's additional 23.98% capital buy out of one (1) of the shareholders of MHC, bringing the investment interest to date to 64.03%, in accordance with PFRS 3, *Business Combinations*. For the year ended December 31, 2021, the share in net loss represents the net loss take-up in relation to the Group's investments in SPNVI and MHC. The increase in the amount of the Group's share in the net income was mainly due to the start of commercial operations of SPNVI's subsidiary, INC, as it completed its first shipment of nickel in the third quarter and recognized revenues in the last two (2) quarters of this year.

Bargain Purchase Gain and Loss on Remeasurement of Investment in an Associate
On December 29, 2021, the Group acquired an additional 23.98% interest in MHC and thereby gained control over MHC as at December 31, 2021. This transaction resulted in a provisional gain on a bargain purchase and loss on remeasurement of the previously held equity method investment amounting to ₱45.8 million and ₱41.4 million, respectively. The Group finalized its purchase price allocation for the acquisition of MHC during the year as allowed by the accounting standard resulting in a bargain purchase gain amounted to ₱176.9 million.

Other Income (Charges) - net
Net other income amounted to ₱644.9 million in 2022 compared to net other charges amounted to ₱519.8 million in 2021, an increase of ₱1,164.7 million, or 224.1%. The increase in other income was mainly due to the following: (a) Final and full settlement received by MHC from its case against Holcim Philippines, Inc. (Holcim), net of reimbursements, amounting to ₱680.0 million; (b) Day 1 gain recognized by the Group amounting to ₱504.3 million applicable to the present value of the non-interest- bearing liability in relation to the purchase of GHGC Holdings Ltd. (GHGC), an associate, discounted using the prevailing market interest rate; (c) Net demurrage incurred amounted to ₱15.3 million and ₱586.9 in 2022 and 2021, respectively. The Group encountered more rainy days this year compared to the same period last year, with this the Management made conscious efforts in scheduling the Surigao mine's production, employing prudent stockpiling activities, and scheduling vessel arrivals; and (d) The Group recognized a loss on derecognition of deposits for future acquisition amounting to ₱469.3 million resulting from the Termination of the Contract to Sell by the Parent Company and stockholders of SPNVI.

Provision for Income Tax
The net provision for income tax was ₱537.7 million for the year ended December 31, 2022 compared to ₱588.8 million in the same period last year, a decrease of ₱51.1 million or 8.7%. The Group's current provision for income tax represents regular corporate income tax (RCIT) and SCIT (5% tax on gross income) in 2022 and RCIT in 2021. It also represents amounts which are expected to be paid to different taxation authorities, the BIR in the Philippines and the Inland Revenue Department (IRD) in Hong Kong. The decrease was due to the lower taxable income earned during the year compared to the prior year.

Total Comprehensive Income - net of tax

Net Income
As a result of the foregoing, the consolidated net income was ₱2,155.1 million for the year ended December 31, 2022 compared to ₱2,106.8 million (as restated) in the same period last year, an increase of ₱48.3 million or

2.3%. Net of non-controlling interests, the net income attributable to equity holders of the Parent Company for the year ended December 31, 2022 amounted to ₱1,921.4 million compared to ₱2,106.4 million in the prior year.

Currency Translation Adjustment
The Group had recognized currency translation adjustment, net of tax amounted to ₱114.8 million and ₱64.1 million for the years ended December 31, 2022 and 2021, 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 loss on retirement obligation - net of tax recognized in 2022 amounted to ₱8.2 million, compared to the remeasurement gain on retirement obligation - net of tax recognized in 2021 amounted to ₱35.1 million.

FINANCIAL POSITION

Year as at December 31, 2024 and 2023

As of December 31, 2024, the Group's total assets amounted to ₱17,092.2 million, representing a decrease of ₱322.5 million or 1.9% compared to the total assets of ₱17,414.7 million as of December 31, 2023. The net increase is attributed to a reduction in current assets by ₱969.1 million or 24.6%, coupled with a rise in noncurrent assets by ₱646.6 million or 4.8%.

The net decrease in current assets primarily stems from the following factors:

- As of December 31, 2024, the Group's cash and cash equivalents declined by ₱780.1 million, representing a decrease of 31.9% from ₱2,442.9 million to ₱1,662.8 million. This reduction primarily resulted from lower net cash generated from operations due to decreased nickel ore prices during the year. Additionally, the decrease was influenced by the settlement of loans and liabilities during the year, including interest payments, amounting to ₱1,478.1 million.
- Trade and other receivables have increased by ₱184.8 million, representing a 40.7% rise from ₱453.8 million as of December 31, 2023, to ₱638.6 million. Most of the shipments' payment terms were "90 days from the date of Bill of Lading" during the current year, resulting in the increase in trade receivables. Additionally, there has been an increase in advances to contractors for future contract billings anticipated to be applied in the first quarter of the succeeding year.
- Advances to related parties decreased by ₱552.4 million, while inventories and prepayments and other current assets increased by ₱156.1 million and ₱22.6 million, respectively.

The net increase in noncurrent assets is primarily due to the following factors:

- Net increase in property and equipment amounted to ₱323.2 million, primarily due to acquisitions totaling ₱1,004.2 million, which included the reclassification of costs associated with the purchase of three landing craft tanks from the "Advances to suppliers" account under "Other noncurrent assets". This increase was partially offset by depreciation and depletion expenses amounting to ₱600.7 million.
- Share in net income of an associate, GHGC Holdings Ltd. (GHGC) and subsidiaries, amounted to ₱296.6 million.
- Additional mine exploration costs amounting to ₱26.5 million.
- Amortization of mining rights amounting to ₱8.3 million.
- Net contributions to the retirement plan totaling ₱6.0 million.
- Increase in net deferred tax assets amounting to ₱4.4 million.
- Decrease in other noncurrent assets amounted to ₱1.8 million, primarily attributable to: 1) an increase in input VAT during the year, net of an increase in the allowance for impairment losses on input VAT, amounting to ₱326.3 million; 2) an increase in the mine rehabilitation fund of ₱169.7 million; 3) a decrease in advances to suppliers of ₱408.2 million, mainly due to the reclassification of progress payments for the three landing craft tanks delivered during the year (as explained in the property and equipment section above); and 4) a decrease in restricted cash amounting to ₱83.8 million, related to the release of the Demand Deposit account to unrestricted cash in bank after the TCB loan was fully paid during the year.

As of December 31, 2024, the total liabilities of the Group amounted to ₱4,025.2 million. This figure reflects a decrease of ₱1,109.2 million or 21.6% compared to ₱5,134.4 million as at December 31, 2023. The net decrease in total liabilities is primarily attributed to the following factors:

- Payments made towards non-interest bearing liability, loans payable plus interest, other current liabilities, advances from related parties, and lease liabilities during the year, amounting to ₱564.0 million, ₱362.8 million, ₱276.1 million, ₱167.0 million and ₱108.2 million, respectively.
- Increase in trade and other payables amounting to ₱194.8 million and decrease in income tax payable amounting to ₱102.3 million.

Year as at December 31, 2023 and 2022

As of December 31, 2023, the Group's total assets amounted to ₱17,414.8 million, representing a decrease of ₱558.0 million or 3.1% compared to the total assets of ₱17,972.8 million as of December 31, 2022. The net decrease is attributed to a reduction in current assets by ₱2,048.0 million or 34.2%, coupled with a rise in noncurrent assets by ₱1,490.0 million or 12.4%.

The net decrease in current assets primarily stems from the following factors:

- A 23.2% (₱737.7 million) reduction in cash and cash equivalents - As of December 31, 2023, the Group's cash and cash equivalents decreased from ₱3,180.6 million to ₱2,442.9 million. This decline is attributed to the following factors:
  - Net cash generated from operations amounted to ₱4,845.3 million.
  - During the period, the Group settled its outstanding loans and liabilities, including interest payments, totalling ₱1,604.3 million, resulting in a substantial outflow of cash from the Group's reserves.
  - Additionally, the Group paid dividends to shareholders amounting to ₱519.7 million and fulfilled its income tax obligations amounting to ₱832.7 million, further impacting the Group's cash position.
  - Moreover, the Group invested in acquiring a non-controlling interest in its subsidiary, MHC amounting to ₱192.0 million.
  - Buyback of FNI shares amounting to ₱295.4 million.
  - Deposits made for the purchase of five (5) additional landing craft tanks (LCT) and advances to suppliers.
- As of the current year, trade and other receivables have decreased by ₱1,790.6 million or 79.8%, from ₱2,244.4 million as of December 31, 2022, to ₱453.8 million. This decline resulted from the reduction in trade receivables due to collections from customers during the year.
- Inventories increased to ₱453.2 million, up from ₱292.3 million, representing an increase of 55.1%. This increase is primarily attributed to the increase in ore stockpile produced from our Palawan Mine, contributing ₱137.3 million to the rise in inventories.
- Increase in advances to related parties amounted to ₱346.6 million and decrease in prepayments and other current assets amounted to ₱27.3 million.

The net increase in noncurrent assets is attributable to the following:

- Increase in other noncurrent assets by ₱923.9 million or 70.2%, mainly attributed to the following:
  - Increase in advances to suppliers amounted to ₱422.5 million, reflecting a substantial surge of 110.9%. This notable growth is primarily attributed to the progress payments/deposits made during the year for the purchase of five (5) additional LCTs totaled at ₱397.2 million.
  - Increase in input VAT, including deferred input VAT, amounted to ₱474.6 million during the year.
  - Additional deposit to the mine rehabilitation fund amounted to ₱54.8 million.
- Net increase in property and equipment amounting to ₱334.8 million, which represents an increase of 5.7%. This increase is primarily attributed to the new acquisitions of property and equipment, amounting to ₱869.0 million. However, this decrease was partially offset by depreciation and depletion charges, which amounted to ₱548.7 million during the year.
- Share in net income of an associate, GHGC and subsidiaries, amounted to ₱158.9 million during the year.
- Additional exploration expenditures incurred during the year amounted to ₱58.8 million.As of December 31, 2023, the total liabilities of the Group amounted to ₱5,134.4 million. This figure reflects a decrease of ₱1,442.7 million or 21.9% compared to ₱6,577.1 million as at December 31, 2022. The net decrease in total liabilities is primarily be attributed to the following factors:

- Payments made towards non-interest bearing liability, loans payable, other current liabilities, and lease liabilities during the year, amounting to ₱558.9 million, ₱491.2 million, ₱312.9 million and ₱63.0 million, respectively.
- A decrease in trade and other payables, and income tax payable amounting to ₱191.0 million and ₱126.6 million, respectively.

CASH FLOWS

Years Ended December 31, 2024, 2023 and 2022

Cash Flows from Operating Activities
The net cash flows from operating activities totaled ₱1,009.6 million for the year ended December 31, 2024, marking a significant decrease from ₱3,502.9 million recorded in 2023. The decrease is primarily attributed to lower cash generated from the Group's mining operations.

The net cash flows from operating activities was ₱1,449.8 million for the year ended December 31, 2022, primarily comprising operating income before changes in working capital of ₱3,173.6 million adjusted for net changes in working capital of (₱1,037.1 million), income taxes paid of ₱515.2 million, interest paid of ₱154.4 million, retirement plan contributions of ₱22.9 million, and interest received of ₱5.8 million.

Cash Flows from Investing Activities
The net cash flows used in investing activities for the years ended December 31, 2024, 2023 and 2022 amounted to ₱992.6, ₱2,532.5 million, and ₱1,356.5 million, respectively.

The net cash outflows in 2024 were primarily driven by payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱564.0 million, acquisition of property and equipment totaling ₱1,004.8 million, proceeds from disposal of property and equipment amounted to ₱143.5 million, additional mine exploration costs totaling ₱26.5 million, decrease in advances to related parties amounted to ₱552.4 million, and increase in other noncurrent assets by ₱93.2 million.

The net cash outflows in 2023 arise mainly from the net acquisitions of property and equipment amounted to ₱869.0 million, increase in advances to related parties amounting to ₱331.9 million, additional mine exploration costs amounting to ₱58.8 million, increase in other noncurrent assets amounting to ₱471.7 million, payment of noninterest bearing liability amounting to ₱558.9 million, acquisition of non-controlling interest amounting to ₱245.6 million, and proceeds from sale of property and equipment amounting to ₱3.4 million.

The net cash outflows in 2022 arise mainly from the net acquisitions of property and equipment amounted to ₱611.3 million, increase in advances to related parties amounting to ₱647.8 million, additional mine exploration costs amounting to ₱31.7 million, cash acquired for the acquisition of net assets of a subsidiary amounted to ₱82.1 million, and increase in other noncurrent assets amounting to ₱147.8 million.

Cash Flows from Financing Activities
For the years ended December 31, 2024, 2023 and 2022, the net cash flows used in financing activities amounted to ₱898.6 million, ₱1,671.6 million, and ₱954.0 million, respectively.

The net cash outflows in 2024 arise mainly from the payment of bank loans and lease liabilities amounting to ₱347.3 million and ₱108.2 million, respectively, decrease in advances from related parties amounting to ₱167.0 million and payment of other current liabilities amounting to ₱276.1 million.

The net cash outflows in 2023 arise mainly from the payment of cash dividends, bank loans and lease liabilities amounting to ₱519.9 million, ₱491.2 million, and ₱63.0 million, respectively, decrease in advances from related parties amounting to ₱118.8 million, payment of other current liabilities amounting to ₱312.9 million, repurchase of treasury shares amounting to ₱295.5 million, and sale of treasury shares amounting to ₱129.7 million.

The net cash outflows in 2022 arise mainly from the payment of cash dividends, bank loans and lease liabilities amounting to ₱472.9 million, ₱137.6 million, and ₱111.7 million, respectively, decrease in advances from related parties amounting to ₱90.9 million, decrease in other noncurrent liabilities amounting to ₱85.5 million, and repurchase of treasury shares amounting to ₱55.4 million.

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, 2024, dividends payable amounted to ₱20.2 million.

On December 1, 2014, the BOD approved the adoption of a dividend policy. The Company's current dividend policy provides that at least twenty percent (20%) of the unrestricted retained earnings of FNI for the preceding fiscal year will be declared as dividends. The Company intends to maintain a consistent dividend pay out policy based on its consolidated net income for the preceding fiscal year, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends.

Capital Stock

The capital structure of the Parent Company as at December 31, 2024 and 2023 is as follows:

	2024	2023
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 (1) 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 947,181,464 shares amounting to ₱2,129.8 million in treasury shares as at December 31, 2024 and 2023.

In 2024 and 2023, the Parent Company purchased a total of nil common shares and 116,508,000 common shares amounting to ₱295.4 million, respectively. As at December 31, 2024, the Company purchased a total of 1,126,663,414 common shares amounting to ₱2,766.5 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 (3) years at market price. Additionally, on December 12, 2024, the BOD approved acquiring up to 2% of the outstanding common shares at market price and over the three years. As at December 31, 2024 and 2023, the Parent company repurchased about 19% of its outstanding shares.

Employee Stock Option Plan (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.

Key Performance Indicators (KPIs)

The Group identified the following KPIs:

KPI	*Formula*	*2024*	*2023*	*2022*
Profitability 1. Return on Equity	Profit for the Year / Average Total Equity	5.8%	15.3%	19.6%
2. Return on Assets	Profit for the Year / Average Total Assets	4.3%	10.2%	13.6%
3. Earnings Per Share	Profit for the Year / Adjusted Weighted Average Number of Common Shares Outstanding	0.15	0.30	0.37
Leverage 4. Debt-to-Equity Ratio	Total Liabilities / Total Equity	0.31:1	0.42:1	0.57:1
Liquidity 5. Current Ratio	Current Assets / Current Liabilities	1.80:1	1.72:1	1.99:1

Trends, Events or Uncertainties

Recent Trends and Outlook

In 2025, China's high-grade nickel pig iron (NPI) industry is poised to remain stable with no new expected production capacity as a result of low prices and market pressure, allowing producers to optimize current production capability and adapt to market conditions. In Indonesia, about 250 million WMT of nickel ore quotas have been approved, ensuring sufficient supply for new high-grade NPI capacity. Despite government discussions on restricting NPI production, no concrete measures have been implemented. Indonesia's high-grade NPI production is expected to grow by 12% year-on-year, reaching 1.73 million metal tons in 2025.

Indonesia's nickel surge and policy shifts

Between 2014 and 2023, nickel production in Indonesia rose from 177,000 metric tons to an estimated 1,800,000 metric tons, as a result of aggressive government measures that drove downstream processing. This backdrop highlights the country's emergence as a global powerhouse that reshaped supply dynamics and impacted global prices.

In 2024, Indonesia faced a tight domestic nickel ore supply due to limited quota approvals and rainy weather, prompting smelters to increase imports from the Philippines, and causing significant shifts in market supply and demand. According to Indonesian data, the number of quotas approved will gradually decline from 2024 to 2026. The number of approved quotas reached 271,887,412 tons in 2024. It dropped to 246,662,158 tons in 2025, and in 2026, the number of approved quotas reached only 198,539,388 tons.

The investment and development of Indonesian nickel projects are expected to slow down in 2025. Demand for nickel ore, however, is expected to continue growing. With the Indonesian government signaling efforts to regulate nickel ore production capacity, market attention remains focused on the country's supply. Meanwhile, the Philippines' nickel ore exports to Indonesia are expected to remain strong.

China's nickel ore imports

In 2024, China's cumulative import of nickel ore totaled 38.10 million WMT or a 14.51% decline from 2023. Out of the reported nickel ore imports in China, 91% came from the Philippines.

Low grade, high iron nickel ore market

The price of NI ≤ 0.6% fluctuated within a limited range, reaching a high of 33-34 US$/WMT CIF China due to strong demand but later declining as supply increased after the rainy season in the Philippines. On the supply side, Philippine nickel ore exports rose significantly, with ultra-low-grade nickel ore exports increasing by 35%

year-on-year, particularly from the Homonhon area. Other key export regions included Dinagat, Tubay, Tawi-Tawi, and Surigao.

China's imports of ultra-low-grade nickel ore were concentrated in Shandong and Hebei ports, with Lanshan, Lanqiao, Rizhao, Caofeidian, and Jingtang handling the majority. With resumed production at some mines and new projects coming online, the Philippine nickel ore supply is expected to grow further in 2025. However, sustained demand will depend on the iron ore market, with projected imports estimated at around 11 million WMT.

For NI 0.9% grade nickel ores, supply was sufficient, but demand in China remained weak, keeping prices low. A brief price increase occurred when Chinese factories replenished inventories before the rainy season in the Philippines. On the supply side, the Philippines maintained ample low-grade nickel ore production, with low-aluminum ore dominating the market while demand for high-aluminum ore declined. Shipments from Surigao and Dinagat increased by 3.6% and 29.5% year-on-year, respectively. On the demand side, imports to southern Chinese ports were lower than expected due to stagnant 200-series stainless steel production and the continued shutdown of key steel mills. Some mills opted for ultra-low-grade nickel ore, further reducing demand for mainstream low-grade ore. However, with furnace renovations at a southern steel mill, self-use of low-grade nickel ore is expected to rise in 2025, while nickel pig iron purchases may decline.

Overall, China's market demand for nickel ore in 2025 is expected to remain relatively stable, with only slight fluctuations and a marginal decline in output.

Medium and high-grade nickel ore market

In the first half of 2024, Chinese NPI factories remained unprofitable, with low operating rates and reduced demand for nickel ore. Large factories opted for alternative raw materials, while Philippine nickel mines were reluctant to sell, keeping nickel ore prices low. Indonesia faced tight domestic nickel ore supply due to slow quota issuance and weather-related shipment delays. As a result, Indonesian NPI factories began purchasing more Philippine nickel ore, leading to price increases. By mid-2024, more medium-grade nickel ore was flowing to Indonesia than to China.

The Philippines exported 26.98 million WMT of medium- and high-grade nickel ore, with Surigao, Dinagat, and Palawan being the largest suppliers. Meanwhile, China's imports dropped significantly by 29% to 16.31 million WMT, while Indonesia's imports surged by 4,833% to 10.36 million WMT.

Looking ahead, Chinese NPI production is unlikely to recover in 2025, keeping demand stable. Indonesia's approved nickel ore quota of 246 million tons falls short of its estimated 290 million ton demand, with potential policy restrictions and weather uncertainties. As a result, Indonesia's reliance on Philippine nickel ore is expected to remain above 10 million tons in 2025.

China's domestic nickel ore consumption

In 2024, nickel ore consumption reached approximately 41.43 million tons, representing a significant decline of 21.39% from the 52.70 million tons consumed in the previous year. Consumption of medium- and high-grade nickel ore fell to 25.39 million tons, down 11.05 million tons from 36.44 million tons in 2023, representing a 30.32% decline. Meanwhile, the consumption of low-grade high-iron nickel ore (excluding use by ordinary carbon steel mills) reached 16.04 million tons, a slight drop of 220,000 tons from the previous year's 16.26 million tons, reflecting a 1.35% year-on-year decrease.

In 2025, the overall change in domestic nickel ore consumption is expected to be minimal. However, there may be a slight reduction in the marginal output of high-grade nickel pig iron plants, indicating potential adjustments in the production landscape.

The Company's financial results reflect how well FNI has demonstrated resilience despite challenges brought about by various factors such as demand fluctuations in China and Indonesia, stainless steel and low-grade nickel pig iron production, supply chain disruptions from maintenance shutdowns of some steel mills, and the supply growth in Indonesia outweighing production costs and mine closures in the rest of the world. This, along with its recent operational achievements in key strategic areas, points to an optimistic momentum going forward.

On the demand side, the outlook for the nickel industry remains compelling, driven by fundamental drivers such as population and income growth, urbanization, and energy transition.

China has played a dominant role in the global base metals market, driven by decades of rapid economic growth, industrialization, and infrastructure development. As the world's largest consumer of base metals like nickel, China's demand has shaped global production and trade flows. The country's economic rise has been fueled by urbanization, massive infrastructure projects, and manufacturing.

By 2023, China accounted for over 50% of global base metals consumption, but its traditional growth model that's centered on investment and exports is facing challenges. A slowing real estate sector, an aging population, and rising debt in property markets threaten future demand for construction materials like steel and aluminum. The government has responded with policies to stabilize the real estate market, promote urbanization, and shift towards a more consumption-driven economy.

Despite these headwinds, China's transition to green industries, including renewable energy and electric vehicles, is expected to sustain strong demand for critical metals. The country dominates global EV battery production, requiring significant amounts of lithium, cobalt, and nickel. Its leadership in solar and wind energy further reinforces the need for base metals.

Geopolitical tensions, trade disputes, and efforts to reduce reliance on foreign technology also influence China's metals market. While real estate demand may slow, investments in renewables and EV production will continue to drive metal consumption. As China adapts to structural economic shifts, its role in the global metals industry will remain significant, albeit with evolving demand patterns.

The INSG's initial projections for 2025 suggest a surplus of 135kt, with production expected to increase to 3.65 million tons, while consumption is anticipated to reach 3.51 million tons.

In terms of price outlook, research provider Fitch Group lowered its nickel price forecast for 2025 to US$17,000 per tonne from US$17,500 per tonne, primarily due to Indonesia's continued surge in nickel production.

In the long term, nickel demand is projected to grow further due to its wide range of applications in EV batteries and related infrastructure such as charging stations. New research from the World Bank finds that electric mobility has not only become key to decarbonization for several major economies but also increasingly relevant for low- and middle-income countries (LMICs). The research suggests that global policy targets such as having 30% new passenger vehicles to be electric by 2030, will make economic sense for many LMICs.

On the supply side, Indonesia and the Philippines will predominantly be the top nickel-producing countries, as has been the case since 2010. According to statistics from China Customs, the Philippines further grew its share as China's largest source of nickel ore accounting for 91% of its total imports in 2024, up from an 86% share in 2023. Over the medium to long term, the Fitch Group is of view that global nickel mine production is set to grow by an average of 5% annually from 2022 to 2026, with strong nickel ore output from Indonesia and the Philippines this year.

Inevitably, with such huge potential also comes complexity. As a major nickel miner, the Company recognizes that there are external headwinds that may have a negative impact on its performance and in the industry including fuel price spikes, natural disasters, conflicts, increased mining taxation, and other factors over which it has no control. Despite these uncertainties, the Company draws strength from the resilience that the organization has already shown over the years, underpinned by its highly experienced leadership team has operated in most market conditions, and a clear strategy to continue to deliver for all stakeholders.

Uncertainties

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

Capital Expenditures

As at December 31, 2024, the Group's capital expenditures totaled ₱1,004.2 million. These funds were allocated to the acquisition of three new LCTs to enhance operational reliability and efficiency, as well as additional investments in the Mining segment, including machinery and equipment and causeway and land improvements.

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.

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: April 08, 2025 09:50:22 AM

Company Information

SEC Registration No.: AS94003992
Company Name: Global Ferronickel Holdings, Inc.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST10408202583151974
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Consolidated, Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

A	S	0	9	4	0	3	9	9	2

SEC Registration Number

GLOBAL FERRONICKEL HOLDINGS INC

formerly:

SOUTHEAST ASIA CEMENT HOLDINGS INC

(Company's Full Name)

PENTHOUSE PLATINUM TOWER ASEAN AVENUE COR FUENTES ST ASEANA PARAÑAQUE CITY

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

Atty. Noel Lazaro
(Contact Person)

(632) 85118229
(Company Telephone Number)

Month Day
(Fiscal Year)

17-Q
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended - **MARCH 31, 2025**

2. Commission Identification Number - **ASO94-003992**

3. BIR Tax Identification Number - **003-871-592**

4. Exact name of issuer as specified in its charter
   GLOBAL FERRONICKEL HOLDINGS, INC.

5. Province, country or other jurisdiction of incorporation or organization
   Metro Manila, Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office — Postal Code
   Penthouse, Platinum Tower, Asean Avenue corner Fuentes St.,
   Aseana, Parañaque City, Metro Manila, Philippines — 1701

8. Issuer's telephone number, including area code
   (632) 8519-7888

9. Former name, former address and former fiscal year, if changed since last report
   Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Common Shares	6,072,357,151
Amount of Debt Outstanding	Not applicable

11. Are any or all of the securities listed on a Philippine Stock Exchange?

    Yes [X] 6,072,357,151 Common Shares No [ ]

12. Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [X] No [ ]

13. Has been subject to such filing requirements for the past ninety (90) days.

    Yes [X] No [ ]

May 14 2025

Atty. Johanne Daniel M. Negre
Disclosure Department
The Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Mr. Oliver O. Leonardo
Markets and Securities Regulation Department
Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village,
Bel-Air, Makati City

Re: SEC Form 17-Q 2025 1st Quarter Report

Dear Gentlemen:

We submit to you herewith a copy of our Company's SEC Form 17-Q Quarterly Report for the period ended March 31, 2025.

We trust everything is in order.

Very truly yours,

MARY BELLE D. BITUIN
SVP - Chief Finance Officer

Global Ferronickel Holdings, Inc.

17-Q QUARTERLY REPORT
MARCH 31, 2025

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PART I – FINANCIAL INFORMATION

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

The Unaudited Interim Consolidated Financial Statements as at March 31, 2025 and for the three-month period ended March 31, 2025 and 2024 (with Comparative Audited Consolidated Statement of Financial Position as at December 31, 2024) are hereto attached.

The following tables set forth the summary financial information for the three-month period ended March 31, 2025 and 2024 and as at March 31, 2025 and December 31, 2024:

1.a. Summary Consolidated Statements of Financial Position

	March 31, 2025 (Unaudited)	**December 31, 2024** (Audited)	**Increase/ (Decrease)**	**Percent Inc. (Dec.)**
	(In Thousand Pesos)			
ASSETS				
Current Assets	2,668,539	2,969,839	(301,300)	-10.1%
Noncurrent Assets	13,927,357	14,122,394	(195,037)	-1.4%
TOTAL ASSETS	16,595,896	17,092,233	(496,337)	-2.9%
LIABILITIES AND EQUITY				
Current Liabilities	1,586,260	1,647,396	(61,136)	-3.7%
Noncurrent Liabilities	1,776,389	2,377,782	(601,393)	-25.3%
Total Liabilities	3,362,649	4,025,178	(662,529)	-16.5%
Equity				
Equity Attributable to the Parent Company	13,091,991	12,923,524	168,467	1.3%
Non-controlling Interests	141,256	143,531	(2,275)	-1.6%
Total Equity	13,233,247	13,067,055	166,192	1.3%
TOTAL LIABILITIES AND EQUITY	16,595,896	17,092,233	(496,337)	-2.9%

1.b. Summary Consolidated Statements of Comprehensive Income

	For the Quarter Ended March 31		Increase	Percent
	2025	2024	(Decrease)	Inc. (Dec.)
	(in Thousand Pesos)			
Revenues	1,209,789	589,875	619,914	105.1%
Cost and Expenses	(965,641)	(589,368)	376,273	63.8%
Finance Costs	(40,701)	(51,150)	(10,449)	-20.4%
Share in Net Income of Investment in Associates	42,869	22,353	20,516	-91.8%
Finance and Other Income - net	8,773	17,957	(9,184)	-51.1%
Income (Loss) Before Income Tax	255,089	(10,333)	265,422	-2568.7%
Provision for (Benefit from) Income Tax - net	80,034	(18,140)	98,174	-541.2%
Net Income	**175,055**	**7,807**	167,248	2142.3%
Other Comprehensive Income (Loss)	(8,863)	18,379	(27,242)	-148.2%
Total Comprehensive Income	**166,192**	**26,186**	140,006	534.7%
Basic and Diluted Income Per Share	0.0346	0.0021	0.0325	1568.2%
Net Income (Loss) Attributable To:				
Equity Holders of the Parent	177,330	10,630	166,700	1568.2%
Non-controlling Interests	(2,275)	(2,823)	548	19.4%
	175,055	**7,807**	167,248	2142.3%

1.c. Summary Consolidated Statements of Changes in Equity

	For the Period Ended March 31		For the Year Ended December 31
	2025	2024	2024
	(In Thousand Pesos)		
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	(7,104)	(6,198)	(6,872)
Remeasurement Gain on Retirement Obligation	42,364	44,169	41,996
Cumulative Translation Adjustment	179,728	151,287	188,727
Retained Earnings	8,391,819	7,481,223	8,214,489
Treasury Shares - at cost	(2,129,803)	(2,129,803)	(2,129,803)
Non-controlling Interests	141,256	150,872	143,531
Total Equity	**13,233,247**	**12,306,537**	**13,067,055**

1.d. Summary Consolidated Statements of Cash Flows

	For the Quarter Ended March 31	
	2025	2024
	(In Thousand Pesos)	
NET CASH FLOWS FROM (USED IN):		
Operating Activities	191,747	(314,681)
Investing Activities	(513,360)	(373,288)
Financing Activities	(22,141)	(288,192)
NET DECREASE IN CASH	(343,754)	(976,161)
Effect of Exchange Rate Changes on Cash	(4,120)	39,824
CASH AT BEGINNING OF PERIOD	1,662,842	2,442,898
CASH AT END OF PERIOD	**1,314,968**	**1,506,561**

Basis of Preparation of Interim Consolidated Financial Statements

The unaudited interim consolidated statements of financial position of Global Ferronickel Holdings, Inc. and Subsidiaries (the Group) as at March 31, 2025 and December 31, 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the periods ended March 31, 2025 and 2024 were prepared in accordance with generally accepted accounting principles in the Philippines. All significant inter-company balances and transactions have been eliminated in the consolidated financial statements.

The accounting principles followed in the preparation of the Group's most recent annual consolidated financial statements were similarly applied in the preparation of the unaudited interim consolidated financial statements. There were no significant changes in the Group's accounting policies, practices and methods of estimates from the Group's last annual consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Statement of Financial Condition

As of March 31, 2025, the Group's total assets stood at ₱16,595.9 million, reflecting a decrease of ₱496.3 million or 2.9% from ₱17,092.2 million as of December 31, 2024. This decline is primarily due to a reduction in current assets by ₱301.3 million (10.1%) and a decrease in noncurrent assets by ₱195.0 million (1.4%).

The net decrease in current assets as of March 31, 2025, was primarily driven by the following factors:
- Cash and cash equivalents declined by ₱347.9 million or 20.9%, from ₱1,662.8 million to ₱1,314.9 million. This reduction was mainly due to the settlement of non-interest-bearing liability amounting to ₱578.8 million, partially offset by cash generated from operations.
- Trade and other receivables increased by ₱20.0 million or 3.1%.
- Inventories rose by ₱27.2 million or 4.5%.

The net decrease in noncurrent assets as of March 31, 2025, is attributable to the following:
- Property and equipment posted a net decrease of ₱123.3 million. This was primarily due to depreciation and depletion expenses of ₱143.6 million, partially offset by acquisitions totaling ₱23.8 million during the period.
- Deferred tax assets increased by ₱36.7 million, mainly due to the recognition of net loss carryover during the period, which can be claimed as a tax deduction in the subsequent quarters.
- Share in net income of an associate, GHGC Holdings Ltd. (GHGC) and its subsidiaries, amounted to ₱42.9 million.
- Other noncurrent assets decreased by ₱149.7 million or 6.7%, primarily due to input value-added tax (VAT) claimed by the Group during the period.

As of March 31, 2025, the Group's total liabilities stood at ₱3,362.7 million, representing a decrease of ₱662.5 million or 16.5% from ₱4,025.2 million as of December 31, 2024. This net decrease is primarily attributable to the following:

- Settlement of a non-interest-bearing liability amounting to ₱578.8 million.
- Trade and other payables declined by ₱209.1 million or 21.9%, mainly due to payments made during the period.
- Income tax payable increased by ₱120.8 million, primarily as a result of taxable income earned during the period.

Results of Operations

For the quarter ended March 31, 2025, the Group reported a consolidated net income of ₱175.1 million, a significant increase from the ₱7.8 million recorded in the same period of the previous year. After accounting for non-controlling interests, net income attributable to equity holders of the Parent Company amounted to ₱177.3 million, up from ₱10.6 million in the first quarter of the prior year. This substantial improvement in the first-quarter performance was primarily driven by higher revenues, resulting from increased nickel ore prices and higher sales volume during the current period.

Revenues

During the three months ended March 31, 2025, the Group's total revenues amounted to ₱1,209.8 million, reflecting an increase of ₱619.9 million or 105.1% compared to ₱589.9 million in the same period of the previous year. The majority of the Group's revenues, approximately 99.6%, were derived from its mining operations, with the remainder generated from services rendered to customers.

Nickel Ore Export Revenues

During the first quarter of 2025, the Group's mining operations generated total nickel ore export revenues of ₱1,205.1 million, reflecting a significant increase of ₱619.0 million or 105.6% compared to ₱586.2 million in the same period of the previous year. This notable growth was primarily driven by higher nickel ore prices and an increase in sales volume during the current period. Nickel ore prices rose compared to the prior period, due to constrained supply brought about by weather disruptions and export limitations, firm downstream demand from Chinese and Indonesian producers, and a generally positive trading sentiment.

The Group's nickel ore exports consisted exclusively of material produced from its Palawan mine. No nickel ore sales were reported from the Group's Surigao mine during this period, as shipment typically occurs during the dry season, specifically from April to October.

During the quarter ended March 31, 2025, nickel ore exports from our Palawan mine reached 0.505 million wet metric tons (WMT), an increase of 0.124 million WMT or 32.5% from the 0.381 million WMT recorded in the previous quarter. The Group completed nine nickel ore shipments during the current quarter, up from seven in the preceding quarter. All shipments for both periods consisted entirely of medium-grade nickel ore and were sold exclusively to customers in China.

For the quarter ended March 31, 2025, the overall average realized price of medium-grade nickel ore was US$41.13 per WMT, representing a significant increase of US$13.71 per WMT or 50.0% compared to US$27.42 per WMT in the same period of the previous year.

The average realized exchange rate for the quarter ended March 31, 2025, was ₱57.97 to US$1, compared to ₱56.11 to US$1 in the same period of the previous year.

Service Revenues

For the quarter ended March 31, 2025, the Group's service income totaled ₱4.7 million, up from ₱3.7 million in the same period of 2024. This income was generated from port services provided by MHC, a subsidiary, to its customers.

In addition, the Group recognized service income of ₱31.4 million from the chartering of landing craft tanks (LCTs) by the Palawan mine from PGMC-CNEP Shipping Services Corp. (PCSSC), also a subsidiary. This represents a significant increase from ₱12.0 million in the same period last year. However, this intercompany income is fully eliminated in the consolidated financial statements.

Cost and Expenses

For the three months ended March 31, 2025, total costs and expenses—including cost of sales, excise taxes and royalties, general and administrative expenses, and shipping and distribution expenses—amounted to ₱965.7 million. This represents an increase of ₱376.3 million or 63.8% compared to ₱589.4 million during the same period in 2024.

The average cash operating cost per wet metric ton (WMT) sold rose to ₱1,615.45 for the quarter, up from ₱1,315.60 per WMT in the prior year, reflecting an increase of ₱299.85 per WMT or 22.8%.

For the quarter ended March 31, 2025, total aggregate cash costs amounted to ₱815.8 million, with total sales volume of 0.505 million WMT. In comparison, the same quarter in 2024 saw aggregate cash costs of ₱501.2 million and a sales volume of 0.381 million WMT.

Cost of Sales
For the quarter ended March 31, 2025, cost of sales totaled ₱532.3 million, an increase of ₱222.6 million or 71.9% compared to ₱309.7 million in the previous period. This rise was primarily driven by higher contract hire expenses, resulting from increased production and shipment volumes during the quarter. Additionally, operations overhead and environmental protection costs rose by ₱37.7 million and ₱16.6 million, respectively.

General and Administrative
For the period ended March 31, 2025, general and administrative expenses amounted to ₱367.3 million, an increase of ₱123.1 million or 50.4% compared to ₱244.2 million in the same period in 2024. The increase was primarily driven by:

- A ₱40.3 million rise in taxes and licenses, mainly from the Palawan Mine, due to the timing of payment of business taxes. The payment of business was made in the second quarter of 2024.
- A ₱55.6 million increase in provision for impairment losses on input VAT, resulting from disallowed VAT claims.
- Higher consultancy fees totaling ₱9.2 million, which are expected to normalize by year-end.
- An increase in marketing and entertainment expenses amounting to ₱9.0 million.

Excise Taxes and Royalties
For the periods ended March 31, 2025, and 2024, excise taxes and royalties amounted to ₱57.7 million and ₱25.0 million, respectively. These expenses are computed as a percentage of revenues; thus, the increase in revenue from the Palawan Mine during the current period resulted in higher recognized excise taxes and royalties.

Shipping and Distribution
During the quarter ended March 31, 2025, shipping and loading costs amounted to ₱8.4 million, representing a decrease of ₱2.1 million or 20.0% compared to ₱10.5 million in the same period last year. The reduction was primarily due to lower barging charges, as the Palawan operations chartered vessels from PCSSC, a subsidiary. These intercompany charges were fully eliminated upon consolidation, unlike the prior year's charters, which were sourced from a third-party provider.

Finance Costs
Finance costs amounted to ₱40.7 million for the three months ended March 31, 2025, compared to ₱51.1 million in the same period last year—a decrease of ₱10.4 million or 20.4%. This decline was primarily due to lower interest expenses resulting from the settlement of a non-interest-bearing liability and the full repayment of the Taiwan Cooperative Bank Manila Offshore Banking Branch (TCB) loan in July 2024.

Share in Net Income of Investment in Associates
In accordance with Philippine Accounting Standards (PAS) 28, *Investment in Associates and Joint Ventures*, the Group accounts for its investment in associates using the equity method, recognizing its share of the associates' net earnings or losses. For the period ended March 31, 2025, the Group's share in the net income of its associates amounted to ₱42.9 million, an increase from ₱22.4 million in the same period last year.

Other Income - net
For the period ended March 31, 2025, net other income totaled ₱6.3 million, down from ₱13.6 million in the same period last year—a decrease of ₱7.3 million or 53.7%. The decline was primarily due to lower net foreign exchange gains, which decreased by ₱7.4 million compared to the prior period.

Provision for Income Tax - net
For the three months ended March 31, 2025, the net provision for income tax amounted to ₱80.0 million, in contrast to the ₱18.1 million net income tax benefit recorded in the same period last year. This change was primarily driven by higher taxable income in the current period compared to the prior year.

Total Comprehensive Income - net of tax

Net Income
As a result of the aforementioned factors, consolidated net income for the period ended March 31, 2025, amounted to ₱175.0 million, a significant increase from ₱7.8 million in the same period last year—an improvement of ₱167.2 million or 2,142.3%. After accounting for non-controlling interests, net income attributable to equity holders of the Parent Company totaled ₱177.3 million, compared to ₱10.6 million in the corresponding period of the previous year.

Cumulative Translation Adjustment
The Group has recognized cumulative translation adjustments, net of tax, amounting to (₱9.0 million) and ₱18.5 million for the periods ended March 31, 2025 and 2024, respectively. These adjustments relate to the exchange differences that arise from translating a subsidiary's functional currency into the presentation currency of the Parent Company.

Statement of Cash Flows

Cash Flows from Operating Activities
The net cash flows from (used in) operating activities amounted to ₱191.7 million and (₱314.7 million) for the periods ended March 31, 2025 and 2024, respectively. The shift is primarily attributed to higher cash generated from the Group's mining operations.

Cash Flows from Investing Activities
The net cash outflows utilized in investing activities for the three months ended March 31, 2024 and 2024 were ₱513.4 million and ₱373.3 million, respectively.

In 2025, the net cash outflows were primarily driven by: (1) Payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱578.8 million; (2) Acquisition of property and equipment, totaling ₱23.8 million; and (3) Decrease in other noncurrent assets by ₱89.3 million.

In 2024, the net cash outflows were primarily driven by: (1) Payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱564.0 million; (2) Acquisition of property and equipment, totaling ₱119.0 million; (3) Additional mine exploration costs, totaling ₱8.8 million; (4) Decrease in advances to related parties amounted to ₱421.5 million; and (5) Increase in other noncurrent assets by ₱103.0 million.

Cash Flows from Financing Activities
For the three-month periods ended March 31, 2025 and 2024, the net cash utilization in financing activities totaled ₱22.1 million and ₱288.2 million, respectively. The negative cash flows from financing activities in the current period primarily resulted from the settlement of lease obligations. In 2024, the net cash outflows were mainly driven by the payments made toward loan payable amounting to ₱104.1 million, payments of lease liabilities amounting to ₱21.8 million, and decrease in advances from related parties amounting to ₱162.3 million.

Material Off-balance Sheet Transactions

The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reported period other than those discussed in this report and in disclosures under Form 17-C.

Material Commitments for Capital Expenditures

The Group does not have any outstanding commitment for capital expenditures as at March 31, 2025.

Known Trends, Events and Uncertainties

There are no known significant trends, demands, commitments, or uncertainties that will result in or that are reasonably likely to result in the Group's principal risks increasing or decreasing in a material way. There were no other significant elements of income or loss that did not arise from the Group's continuing operations.

PART II - FINANCIAL SOUNDNESS INDICATORS

The Group considers the following as the significant Key Performance Indicators as at March 31, 2025 and 2024:

Indicators	Formula	2025	2024
Earnings Per Share	Profit for the Period/Weighted Average Number of Shares Outstanding	0.0346	0.0021
Debt-to-Equity Ratio	Total Liabilities/Total Equity	0.25:1	0.33:1
Asset-to-Equity Ratio	Total Assets/Total Equity	1.25:1	1.33:1
Current Ratio	Current Assets/Current Liabilities	1.68:1	1.51:1

PART III - OTHER INFORMATION

Exploration Updates

There were no new exploration results for the period ended March 31, 2025, beyond those previously disclosed in the Company's 2024 Annual Report (SEC Form 17-A).

Other Information

The disclosures made under Form 17-C are as follows:

Date	Description
January 6, 2025	Clarification of news article. FNI clarifies that the allegations made by Mr. Argel Joseph Cabatbat regarding the Philippine citizenship of Mr. Joseph C. Sy, Chairman of Global Ferronickel Holdings, Inc., are a repetition of claims that have already been thoroughly addressed and resolved by competent government agencies, including the Bureau of Immigration, in favor of Mr. Sy. As counsel in the previous cases against Mr. Sy, Mr. Cabatbat is aware of their dismissal and his failure to pursue any appeals or reconsideration over the years. Mr. Cabatbat has now revived these dismissed allegations on social media during an election year, where he is a congressional candidate, and has sought to associate Mr. Sy with unrelated issues involving controversial figures. Mr. Sy currently has no pending complaints or cases against him. The Company affirms that Mr. Cabatbat's recycled allegations are baseless and have no bearing on FNI's business or operations. FNI remains committed to upholding the highest standards of corporate governance and regulatory compliance.
January 23, 2025	Press Release: Ipilan Nickel Corporation commences first shipment of nickel ore in 2025
March 19, 2025	Press Release: FNI 2024 results: Sustained operational efficiency and strategic investments for future growth

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **GLOBAL FERRONICKEL HOLDINGS, INC.**

Signature and Title: **ATTY. DANTE R. BRAVO**
President

Date: May 14 2025

Signature and Title: **MARY BELLE D. BITUIN**
Chief Financial Officer

Date: May 14, 2025

Annex A

Aging of Trade and Other Receivables
As at March 31, 2025
(In Thousand Pesos)

	Neither Past Due Nor Impaired	Past Due But Not Impaired			Impaired	Total
		90 Days or Less	91-120 Days	More than 120 days		
Trade	436,406	-	-	-	243,992	680,398
Advances to Contractors	151,180	-	-	-	79,711	230,891
Advances to Officers, Employees and Others	44,604	-	-	-	-	44,604
Total	**658,567**	**-**	**-**	**-**	**323,703**	**982,270**
Less: Allowance for Expected Credit Losses						323,703
NET RECEIVABES						**658,567**

GLOBAL FERRONICKEL HOLDINGS, INC.
SEC FORM 17-Q
INDEX TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱1,314,968**	₱1,662,842
Trade and other receivables (Note 5)	**658,567**	638,599
Advances to related parties (Note 29)	**8,042**	8,036
Inventories (Note 6)	**636,580**	609,327
Prepayments and other current assets (Note 7)	**50,382**	51,035
Total Current Assets	**2,668,539**	2,969,839
Noncurrent Assets		
Property and equipment (Note 8)	**6,438,945**	6,562,276
Investment in associates (Note 9)	**4,806,895**	4,764,026
Mine exploration costs (Note 11)	**264,327**	264,319
Mining rights (Note 10)	**102,663**	102,663
Deferred tax assets - net (Note 30)	**177,551**	140,837
Retirement plan asset - net (Note 16)	**47,977**	49,546
Other noncurrent assets (Note 12)	**2,088,999**	2,238,727
Total Noncurrent Assets	**13,927,357**	14,122,394
TOTAL ASSETS	**₱16,595,896**	₱17,092,233
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱746,665**	₱955,742
Non-interest bearing liability (Note 17)	**506,119**	482,683
Current portion of loans payable (Note 14)	**–**	–
Advances from related parties (Note 29)	**4,569**	4,210
Current portion of lease liabilities (Note 18)	**89,052**	85,669
Income tax payable	**211,679**	90,916
Other current liabilities	**28,176**	28,176
Total Current Liabilities	**1,586,260**	1,647,396
Noncurrent Liabilities		
Non-interest bearing liability - net of current portion (Note 17)	**569,469**	1,148,299
Provision for mine rehabilitation and decommissioning (Note 15)	**328,020**	323,023
Lease liabilities - net of current portion (Note 18)	**664,902**	678,935
Deferred tax liabilities - net (Note 30)	**213,766**	227,293
Other noncurrent liabilities	**232**	232
Total Noncurrent Liabilities	**1,776,389**	2,377,782
Total Liabilities	**3,362,649**	4,025,178
Equity		
Capital stock (Note 19)	**6,375,975**	6,375,975
Additional paid-in capital	**239,012**	239,012
Remeasurement gain on retirement obligation	**42,364**	41,996
Cumulative translation adjustment	**179,728**	188,727
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	**(7,104)**	(6,872)
Retained earnings	**8,391,819**	8,214,489
Treasury shares (Note 19)	**(2,129,803)**	(2,129,803)
Equity attributable to the Parent Company	**13,091,991**	12,923,524
Non-controlling interests (NCI) (Note 19)	**141,256**	143,531
Total Equity	**13,233,247**	13,067,055
TOTAL LIABILITIES AND EQUITY	**₱16,595,896**	₱17,092,233

See accompanying Notes to Unaudited Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025 AND 2024
(Amounts in Thousands, Except Earnings per Share)

	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS	**₱1,209,789**	₱589,875
COST OF SALES (Note 21)	**532,328**	309,727
GROSS PROFIT	**677,461**	280,148
OPERATING EXPENSES		
Excise taxes and royalties (Note 22)	**57,670**	24,969
General and administrative (Note 23)	**367,295**	244,181
Shipping and distribution (Note 24)	**8,348**	10,491
	433,313	279,641
SHARE IN NET INCOME OF INVESTMENT IN ASSOCIATES (Note 9)	**42,869**	22,353
FINANCE COSTS (Note 27)	**(40,701)**	(51,150)
FINANCE INCOME	**2,451**	4,307
OTHER INCOME - net (Note 28)	**6,322**	13,650
INCOME (LOSS) BEFORE INCOME TAX	**255,089**	(10,333)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)		
Current	**121,170**	53,560
Deferred	**(41,136)**	(71,700)
	80,034	(18,140)
NET INCOME	**175,055**	7,807
Items that may be reclassified to profit or loss in subsequent periods:		
Currency translation adjustment	**(11,999)**	24,648
Income tax effect	**3,000**	(6,162)
	(8,999)	18,486
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on retirement obligation	**491**	(143)
Income tax effect	**(123)**	36
	368	(107)
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	**(232)**	–
	(8,863)	18,379
TOTAL COMPREHENSIVE INCOME	**₱166,192**	₱26,186
Net Income (Loss) Attributable To:		
Equity holders of the Parent Company	**₱177,330**	₱10,630
Non-controlling interests in consolidated subsidiaries	**(2,275)**	(2,823)
	₱177,055	₱7,807
Total Comprehensive Income (Loss) Attributable To:		
Equity holders of the Parent Company	**₱168,467**	₱29,009
Non-controlling interests in consolidated subsidiaries	**(2,275)**	(2,823)
	₱166,192	₱26,186
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 20)	**₱0.0346**	₱0.0021

See accompanying Notes to Unaudited Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025 AND 2024
(Amounts in Thousands)

	Capital Stock (Note 19)	Additional Paid-in	Treasury Shares (Note 19)	Fair Value Reserve of Financial Asset at Fair Value through Other Comprehensive (Note 12)	Remeasurement Gain on Retirement Obligation	Cumulative Translation Adjustment	Retained Earnings	Total	NCI	Total Equity
Balances at December 31, 2024 (Audited)	₱ 6,375,975	₱ 239,012	₱ (2,129,803)	₱ (6,872)	₱ 41,996	₱ 188,727	₱ 8,214,489	₱ 12,923,524	₱ 143,531	₱ 13,067,055
Net income for the period	-	-	-	-	-	-	177,330	177,330	(2,275)	175,055
Other comprehensive income (loss) - net of tax	-	-	-	(232)	368	(8,999)	-	(8,863)	-	(8,863)
Total comprehensive income (loss) - net of tax	-	-	-	(232)	368	(8,999)	177,330	168,467	(2,275)	166,192
Balances at March 31, 2025 (Unaudited)	₱ 6,375,975	₱ 239,012	₱ (2,129,803)	₱ (7,104)	₱ 42,364	₱ 179,728	₱ 8,391,819	₱ 13,091,991	₱ 141,256	₱ 13,233,247
Balances at December 31, 2023 (Audited)	₱ 6,375,975	₱ 239,012	₱ (2,129,803)	₱ (6,198)	₱ 44,276	₱ 132,801	₱ 7,470,593	₱ 12,126,656	₱ 153,695	₱ 12,280,351
Net income for the period	-	-	-	-	-	-	10,630	10,630	(2,823)	7,807
Other comprehensive income (loss) - net of tax	-	-	-	-	(107)	18,486	-	18,379	-	18,379
Total comprehensive income (loss) - net of tax	-	-	-	-	(107)	18,486	10,630	29,009	(2,823)	26,186
Balances at March 31, 2024 (Unaudited)	₱ 6,375,975	₱ 239,012	₱ (2,129,803)	₱ (6,198)	₱ 44,169	₱ 151,287	₱ 7,481,223	₱ 12,155,665	₱ 150,872	₱ 12,306,537

See accompanying Notes to Unaudited Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025 AND 2024
(Amounts in Thousands)

	2025	2024
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	**₱255,089**	(₱10,333)
Adjustments for:		
Depreciation, depletion and amortization (Note 26)	**94,261**	88,125
Provision for impairment losses on other noncurrent assets	**55,580**	–
Interest expense (Note 27)	**13,704**	15,751
Unrealized foreign exchange gains - net	**(7,379)**	(15,657)
Share in net income of investment in associates (Note 9)	**(42,869)**	(22,353)
Current service cost (Note 16)	**1,792**	1,185
Accretion interest expense on:		
Non-interest bearing liability	**23,436**	30,187
Provision for mine rehabilitation and decommissioning (Note 27)	**4,997**	4,981
Interest income	**(2,214)**	(4,070)
Accretion interest income on security deposit under "Other noncurrent assets" (Note 27)	**(237)**	(237)
Operating income before changes in working capital	**396,160**	87,579
Decrease (increase) in:		
Trade and other receivables	**(12,663)**	14,554
Inventories	**24,670**	(67,231)
Prepayments and other current assets	**719**	(15,778)
Decrease in trade and other payables	**(216,548)**	(328,139)
Net cash flows from operations	**192,338**	(309,015)
Interest paid	**(84)**	(3,113)
Contributions (Note 16)	**–**	(5,728)
Interest received	**(507)**	3,175
Net cash flows from operating activities	**191,747**	(314,681)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property and equipment	**(23,848)**	(118,955)
Mine exploration costs	**(8)**	(8,836)
Decrease (increase) in:		
Advances to related parties	**(6)**	421,550
Other noncurrent assets	**89,332**	(103,017)
Payment of non-interest bearing liability related to the acquisition of an associate	**(578,830)**	(564,030)
Net cash flows used in investing activities	**(513,360)**	(373,288)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Lease Liabilities	**(22,500)**	(21,765)
Loans	**–**	(104,132)
Increase (decrease) in advances from related parties	**359**	(162,295)
Net cash flows used in financing activities	**(22,141)**	(288,192)
NET DECREASE IN CASH	**(343,754)**	(976,161)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**(4,120)**	39,824
CASH AT BEGINNING OF PERIOD	**1,662,842**	2,442,898
CASH AT END OF PERIOD	**₱1,314,968**	₱1,506,561

See accompanying Notes to Unaudited Consolidated Financial Statements.

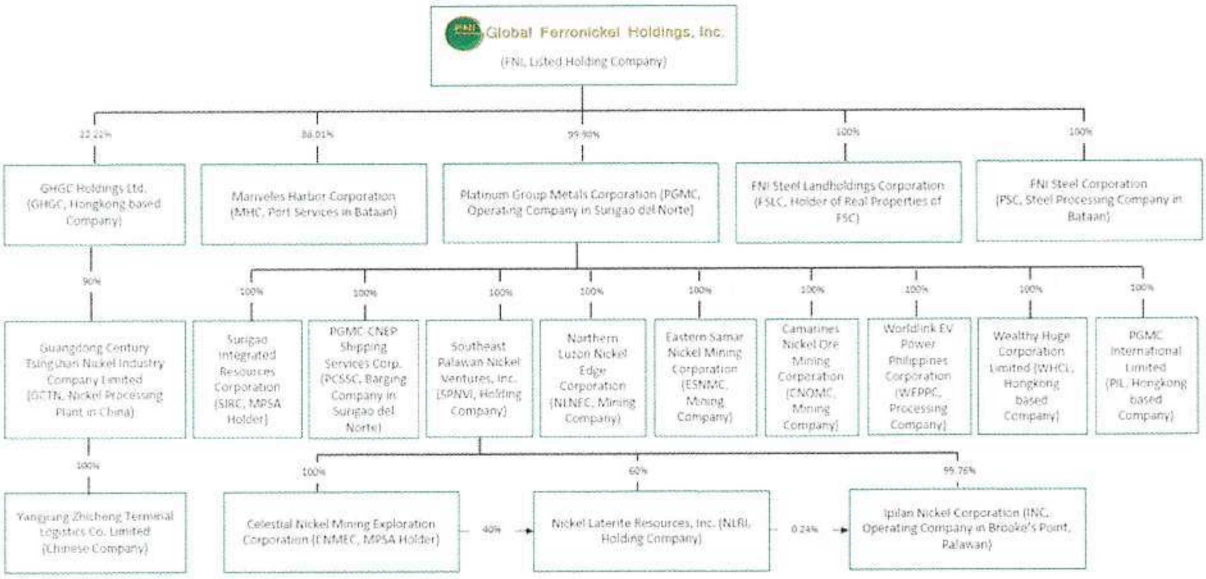
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Global Ferronickel Holdings, Inc. (FNI; Parent Company) is a corporation listed in the Philippine Stock Exchange (PSE). It was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 3, 1994. The principal activities of the Parent Company are to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, and other securities or obligations of any corporation.

The Parent Company's principal office address is at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City.

The following is the map of relationships of the Companies within the Group:



The Parent Company's principal stockholders as at March 31, 2025 are as follows:

List of Top 20 Stockholders

Name	Citizenship	Holdings	Percentage
PCD NOMINEE CORP. - FILIPINO	Filipino	2,378,614,656	46.41%
PCD NOMINEE CORP. - NON-FILIPINO	Foreign	1,553,491,423	30.31%
REGULUS BEST NICKEL HOLDINGS INC.	Filipino	523,154,668	10.21%
BLUE EAGLE ELITE VENTURE INC.	Filipino	348,769,779	06.81%
SOHOTON SYNERGY, INC.	Filipino	233,156,767	04.55%
RED LION FORTUNE GROUP INC.	Filipino	57,588,866	01.12%
JOSEPH C. SY	Filipino	5,000,000	00.10%
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%
CORSINO L. ODTOJAN	Filipino	785,860	00.01%
GEARY L. BARIAS	Filipino	785,860	00.01%
MARILOU C. CELZO	Filipino	678,479	00.01%
GO GEORGE L.	Filipino	539,153	00.01%
KUOK PHILIPPINES PROPERTIES INC.	Filipino	463,953	00.01%
RICHARD C. GIMENEZ	Filipino	430,738	00.01%
TONG GABRIEL	Filipino	417,805	00.01%
OCA GREGORIO S.	Filipino	415,193	00.01%
PAZ VENSON	Filipino	410,579	00.01%

The Subsidiaries

PGMC

PGMC is 99.98% owned by the Parent Company and was registered with the Philippine SEC on February 10, 1983. It is primarily engaged in the exploration, mining and exporting of nickel ore located in the municipality of Claver, Surigao del Norte. PGMC's principal office address is the same as that of the Parent Company.

PGMC has an Operating Agreement with SIRC for the exclusive right and privilege to undertake mining activities within the area covered by the Mineral Production Sharing Agreement (MPSA) No. 007-92-X.

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.

SIRC

PGMC wholly owns SIRC, a company 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's principal office address is the same as that of the Parent Company.

SIRC is the holder of MPSA No. 007-92-X, redenominated as MPSA No. 007-92-X-SMR (Amended 1), located in Cagdianao, Claver, Surigao del Norte. The said MPSA was last renewed on June 21, 2016 for another 25 years from its initial term ending in 2017, or until February 14, 2042.

PCSSC

PGMC wholly owns PCSSC, a company registered with the Philippine SEC on June 4, 2013. Its primary purpose is 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. PCSSC's principal office address is the same as that of the Parent Company.

PIL

PGMC wholly owns PIL, a company incorporated on July 22, 2015 as a limited company under the Companies Ordinance of Hong Kong. Its primary purpose is to trade mineral products. It was established to facilitate relations with Chinese customers, to promote marketing, to collect accounts, to avail of offshore banking services such as loans, credit/discounting lines and other financing arrangements, and to do other services for PGMC. PIL's principal office address is at Unit 4101-02, 41/F, Office Tower, Convention Plaza, 1 Harbour Road Wanchai, Hong Kong.

WHCL

PGMC wholly owns WHCL, a company incorporated on March 1, 2021 as a limited company under the Companies Ordinance of Hong Kong. Its primary purpose is to facilitate relations with offshore customers, collection of accounts, availment of offshore banking services, and such other services as will aid PGMC's strategic growth in the ASEAN region. WHCL's principal office address is at Room 804, 8/F, LAP FAI Building, 6-8 Pottinger Street, Central Hong Kong. WHCL has not started its operations as at March 31, 2024.

SPNVI

SPNVI is 99.98% owned by the Parent Company through PGMC and was registered with the SEC on July 11, 2014. It is primarily engaged to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for nickel, chromite, copper, manganese, magnesite, silver, gold, and other precious and non-precious metals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, and to market, sell at wholesale, exchange or otherwise deal in nickel, chromite, copper, manganese, magnesite, silver, gold and other mineral products. SPNVI's principal office address is the same as that of the Parent Company.

INC
SPNVI wholly owns INC, a company registered with the SEC on July 22, 2005, for the primary purpose to explore, develop, mine, operate, produce, utilize, process and dispose of all the minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed or found within the area of Sitio Ipilan, Mambalot, Municipality of Brooke's Point, Province of Palawan, consisting of 2,835 hectares and covered by MPSA No. 017-93-IV, Amended 2000, by the Government of the Republic of the Philippines through the Secretary of the Department of Environment and Natural Resources (DENR). INC's principal office address is the same as that of the Parent Company.

CNMEC
SPNVI wholly owns CNMEC, a company registered with the SEC on December 17, 1979, for the primary purpose is to search for, prospect, explore, develop ores and mineral, to locate mining claims within the Philippines and record the same according to mining laws, and to purchase, take on lease, exchange or otherwise acquire mines, workings, mineral lands, mining claims, mineral, water and timer rights, foreshore leases, licenses concessions and grants, and other effects whatsoever which the Company may from time to time deem proper to be acquired for any of its purposes. CNMEC's principal office address is the same as that of the Parent Company.

NLRI
SPNVI wholly owns NLRI, a company registered with SEC on July 22, 2005, for the primary purpose to subscribe for, purchase or otherwise acquire, obtain interests in, own, hold, pledge, hypothecate, assign, sell, exchange or otherwise dispose of and generally deal in and with personal properties and securities of every kind and description of any government, municipality or other political subdivision or agency, corporation, association or entity; to exercise any and all interest in respect of any such securities; and to promote, manage, participate in and act as agent for any purchasing or selling syndicate or group of investors and otherwise to take part in and assist, in any legal matter for the purchase and sale of any securities as may be allowed by law, without acting as or engaging in the business of an investment house, mutual fund or broker or dealer in securities. NLRI's principal office address is the same as that of the Parent Company.

NLNEC
PGMC wholly owns NLNEC, a company registered with the Philippine SEC on July 10, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. NLNEC's principal office address is the same as that of the Parent Company.

ESNMC
PGMC wholly owns ESNMC, a company registered with the Philippine SEC on July 18, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. ESNMC's principal office address is the same as that of the Parent Company.

CNOMC
PGMC wholly owns CNOMC, a company registered with the Philippine SEC on July 18, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. CNOMC's principal office address is the same as that of the Parent Company.

WEPPC
PGMC wholly owns WEPPC, a company registered with the Philippine SEC on February 5, 2024. Its primary purpose is to engage generally in the business of, and/or to invest in the development, manufacturing, production, sale, invention, export, processing, and use of battery-grade materials, technologies, software, hardware, systems, applications, processes, machines, parts, appurtenances, facilities, stations, products, devices, equipment which are needed to allow the corporation to venture into the construction, assembly, commission, marketing, installation, sale, operation, maintenance, rehabilitation, management, repair, commission, recycling and/or distribution of batteries, battery systems, battery energy storage systems, electric vehicle charging stations and docks, energy supply equipment, and other renewable energy components for residential, commercial, and industrial purposes. WEPPC's principal office address is the same as that of the Parent Company.

FSC

FSC is a wholly-owned subsidiary of the Parent Company and 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. FSC's principal office address is at Lot 9 3rd Floor AFAB Administration Building, Freeport Area of Bataan Alas-asin Mariveles, Bataan, Region III, Philippines. As at June 30, 2023, FSC has not yet started its commercial operations.

FSLC
FSLC is a wholly-owned subsidiary of the Parent Company and 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. FSLC's principal office address is the same as that of the Parent Company.

MHC
MHC is 88.01% owned by the Parent Company and was registered with the Philippine SEC on July 11, 2014 primarily to engage to carry on the business of providing and rendering general services incidental to and necessarily connected with the operation and management of port terminals in the Philippines, which will involve the handling of containers, bulk liquid and dry cargoes, bagging of fertilizers, refrigerated warehousing facilities, warehousing and stevedoring, lightering, towing, and/or storing of cargo handled by MHC to and from port terminals in the delivery from abroad and/or for shipment abroad as may be necessary or incidental thereto. MHC's principal office address is at Mariveles Multi-Purpose Terminal, Mariveles Diversion Road, Freeport Area of Bataan, Brgy. Sisiman, Mariveles, Bataan.

The Associates

GHGC
GHGC is 22.22% owned by the Parent Company and was incorporated in the British Virgin Islands (BVI) on April 14, 2011 whose principal activity is investment holding. The registered office of GHGC is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. It engages in trading nickel ore and other related mineral products.

GHGC owns 90% shareholding in Guangdong Century Tsingshan Nickel Industry Company Limited (GCTN). GCTN is a nickel alloy enterprise in China that is processing laterite nickel ore and is selling nickel pig iron. It operates a 33-hectare area and is one of the most competitive smelters with Rotary kiln-electric furnace (RKEF) technology. The rotary kiln can feed up to four (4) furnaces and is estimated to produce about 28,000 tons of pure nickel at its optimum. GCTN's wholly owned subsidiary is Yangjiang Zhicheng Terminal Logistics Co. Limited, located near Yangjiang Harbour, Hailing Cove area.

2. Basis of Preparation, Statement of Compliance, Basis of Consolidation and Changes in Accounting Policies and Disclosures

Basis of Preparation
The accompanying unaudited interim consolidated financial statements of the Group as at March 31, 2025 and for the three months period ended March 31, 2025 and 2024 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*, and on a historical cost basis, except for the financial asset at fair value through other comprehensive income (FVOCI), which are carried at fair value. The unaudited interim consolidated financial statements are presented in Philippine peso, which is the Group's presentation currency under the Philippine Financial Reporting Standards (PFRS). Based on the economic substance of the underlying circumstances relevant to the Group, the functional currencies of the Parent Company and subsidiaries is Philippine peso, except for PIL and WHCL whose functional currency is Hong Kong Dollar (HK$). All values are rounded to the nearest thousand (000), except number of shares, per share data and as indicated. Further, the unaudited interim consolidated financial statements do not include all the information and disclosure required in the annual consolidated financial statements, and should be read in conjunction with the audited Group's annual consolidated financial statements as at December 31, 2024.

Statement of Compliance
The accompanying unaudited interim consolidated financial statements of the Group have been prepared in compliance with PFRS.

Basis of Consolidation

The unaudited interim consolidated financial statements include the balances of the Parent Company and its subsidiaries and equity share in net income or losses of associates, after eliminating significant intercompany balances and transactions.

Subsidiaries	Principal Place of Business	Principal Activities	Effective Ownership March 31, 2025	Effective Ownership December 31, 2024
PGMC	Philippines	Mining	**99.98%**	99.98%
SIRC(1)	Philippines	Mining	**99.98%**	99.98%
PCSSC(1)	Philippines	Services	**99.98%**	99.98%
PIL(1)	Hong Kong	Marketing, Trading and Services	**99.98%**	99.98%
WHCL(1)	Hong Kong	Marketing, Trading and Services	**99.98%**	99.98%
FSLC	Philippines	Landholdings	**100.00%**	100.00%
FSC	Philippines	Manufacturing	**100.00%**	100.00%
MHC	Philippines	Port Operations	**88.01%**	88.01%
SPNVI(1)	Philippines	Holding/Mining	**99.98%**	99.98%
INC(1)	Philippines	Mining	**99.98%**	99.98%
CNMEC(1)	Philippines	Holding/Mining	**99.98%**	99.98%
NLRI(1)	Philippines	Holding/Mining	**99.98%**	99.98%
NLNEC(1)	Philippines	Mining	**99.98%**	99.98%
ESNMC(1)	Philippines	Mining	**99.98%**	99.98%
CNOMC(1)	Philippines	Mining	**99.98%**	99.98%
WEPPC(1)	Philippines	Processing	**99.98%**	99.98%
Associates				
GHGC	British Virgin Islands	Holding	**22.22%**	22.22%
GCTN(2)	China	Nickel Processing	**20.00%**	20.00%

(1) Indirect ownership through PGMC.
(2) Indirect ownership through GHGC.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform and consistent accounting policies. When necessary, adjustments are made to the stand-alone financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. PFRS 17 replaces PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  When applying the amendments, an entity cannot restate comparative information.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a "De Facto Agent"*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the consolidated financial statements of the Group in the year of adoption, if applicable.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRSs requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any changes in estimates are reflected in the unaudited interim consolidated financial statements as they become reasonably determinable.

Accounting judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Judgments
In the process of applying the Group's accounting policies, management has made judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the unaudited interim consolidated financial statements.

Estimates and Assumptions
The Group based its assumptions and estimates on parameters available when the unaudited interim consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4. Cash and Cash Equivalents

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	₱1,693	₱1,523
Cash in banks	1,289,416	1,637,460
Short-term cash investments	23,859	23,859
	₱1,314,968	₱1,662,842

5. Trade and Other Receivables

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade	₱680,398	₱579,651
Advances to:		
Contractors	230,891	285,769
Officers, employees and others	44,604	70,115
Income tax receivable	26,377	26,767
	982,270	962,302
Less allowance for expected credit losses (ECL)	323,703	323,703
	₱658,567	₱638,599

There was no provision for ECL on trade and other receivables for the periods ended March 31, 2025 and 2024.

6. Inventories

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beneficiated nickel ore	₱554,514	₱526,998
Materials and supplies	82,066	82,329
	₱636,580	₱609,327

No provision for inventory losses was recognized for the periods ended March 31, 2025 and 2024. The balance of the allowance for inventory losses on materials and supplies amounted to ₱10.8 million as at March 31, 2025 and December 31, 2024.

7. Prepayments and Other Current Assets

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Prepaid taxes and licenses	₱16,130	₱16,130
Prepaid insurance	13,130	13,482
Input VAT	12,860	11,966
Creditable withholding taxes (CWT)	12,442	11,749
Advances to suppliers	7,887	9,631
Prepaid rent	568	503
Others	3,015	3,224
	66,032	66,685
Less allowance for impairment losses	15,650	15,650
	₱50,382	₱51,035

No provision for impairment losses on other current assets was recognized in 2025 and 2024.

8. Property and Equipment

As at March 31, 2025 and December 31, 2024, property and equipment amounted to ₱6,438.9 million and ₱6,562.3 million, respectively. During the three-month period ended March 31, 2025 and 2024, the Group acquired assets with a cost of ₱23.8 million and ₱119.0 million, respectively, including construction in-progress.

Depreciation and depletion expenses for the three-month period ended March 31, 2025 and 2024 amounted to ₱143.6 million and ₱132.9 million, respectively. As at March 31, 2025 and December 31, 2024, total accumulated depreciation and depletion amounted to ₱4,373.3 million and ₱4,241.8 million, respectively.

The property and equipment includes right-of-use assets amounted to ₱612.5 million and ₱633.9 million as at March 31, 2025 and December 31, 2024, respectively. As at March 31, 2025 and December 31, 2024, accumulated depreciation of the right-of-use assets amounted to ₱372.3 million and ₱352.9 million, respectively. Depreciation expense of right-of-use assets for the three-month period ended March 31, 2025 and 2024 amounted to ₱21.2 million and ₱21.1 million, respectively.

No property and equipment were pledged as at March 31, 2025 and December 31, 2024.

9. Investment in Associates

As at March 31, 2025 and December 31, 2024, investment in associates amounted to ₱4,806.9 million and ₱4,764.0 million, respectively.

The Group recognized total share in net income of investment in associates amounted to ₱42.9 million for the three months ended March 31, 2025 and ₱22.4 million in the same period last year.

10. Mining Rights

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost	₱396,500	₱396,500
Accumulated amortization:		
Beginning balance	293,837	285,568
Amortization	–	8,269
Ending balance	293,837	293,837
Net book value	₱102,663	₱102,663

No provision for impairment losses on mining rights was recognized for the periods ended March 31, 2025 and 2024.

11. Mine Exploration Costs

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱264,319	₱237,857
Exploration expenditures incurred	8	26,462
Ending balance	₱264,327	₱264,319

12. Other Noncurrent Assets

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Input VAT	₱1,241,153	₱1,407,497
Mine rehabilitation fund (MRF)	603,474	602,602
Advances to suppliers	384,516	367,699
Miscellaneous deposit	56,445	56,445
Security deposits	26,124	25,887
Financial asset at FVOCI	1,750	1,982
Computer software	1,583	1,602
Others	48,046	49,105
	2,363,091	2,512,819
Less allowance for impairment losses	274,092	274,092
	₱2,088,999	₱2,238,727

During the first quarter of this year, the Group received a VAT refund from the Bureau of Internal Revenue (BIR) for the fourth quarter of 2022, amounting to ₱184.8 million out of the ₱240.3 million applied for in 2024. The denied portion of ₱55.6 million was recognized as a provision for impairment losses (see Note 23).

No dividend income was earned by the Group for the periods ended March 31, 2025 and 2024 from the financial asset at FVOCI.

13. Trade and Other Payables

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade	₱135,633	₱553,436
Contract liabilities	332,925	–
Accrued expenses and taxes	242,997	368,569
Dividends payable	24,847	24,893
Nontrade	10,263	8,844
	₱746,665	₱955,742

Details of the accrued expenses and taxes are summarized below:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued liabilities	₱194,612	₱178,429
Provision for Indigenous Cultural Communities (ICC)	19,710	89,227
Business and other taxes	16,381	22,620
Accrued payroll	3,453	16,763
Excise taxes and royalties payable	–	55,497
Others	8,841	6,033
	₱242,997	₱368,569

14. Loans Payable

As at March 31, 2025 and December 31, 2024, the carrying amount of the loan was nil.

Movements in the carrying value of loans payable are as follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱–	₱347,294
Payments	–	(347,294)
Ending balance	₱–	₱–

Long term loans

TCB

On July 29, 2021, the Group was granted by TCB through PGMC an Omnibus Line for Loan Facility in the aggregate principal amount not exceeding US$15.0 million for general corporate purposes. The Omnibus Line is comprised of Revolving loan amounting to US$5.0 million and Term loan amounting to US$15.0 million

On July 30, 2021, the Group made a drawdown amounting to US$15.0 million of the loan.

On July 8, 2024, PGMC settled in full its loan from TCB.

Interest expense related to the TCB loan amounted to nil and ₱3.1 million for the periods ended March 31, 2025 and 2024, respectively.

15. Provision for Mine Rehabilitation and Decommissioning

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and demolition of infrastructures, removal of residual materials and remediation of disturbed areas.

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱323,023	₱296,814
Accretion interest	4,997	19,071
Effect of change in estimate	–	7,138
Ending balance	₱328,020	₱323,023

16. Retirement Obligation

The FNI Group of Companies Multiemployer Retirement Plan (the Retirement Plan) is jointly established by PGMC, PCSSC, INC and the Parent Company, and other affiliate companies that may adopt the said plan. The Retirement Plan is a non-contributory defined benefit retirement plan covering all of the Group's regular employees effective January 1, 2018.

The funding of the Retirement Plan shall be determined by the actuarial advisor and payment of the benefits thereunder shall be provided through the medium of a fund held by the Trustee Bank under the Trust Agreement. There was no plan termination, curtailment or settlement as at March 31, 2025 and December 31, 2024.

The latest actuarial valuation report of the retirement plan is as at December 31, 2024.

As at March 31, 2025, the Group's contribution to the pension fund amounted to nil. The Group does not currently employ any asset-liability matching.

As at March 31, 2025 and December 31, 2024, the retirement plan asset, net of retirement obligation, amounted to ₱48.0 million and ₱49.5 million, respectively. The current service cost amounted to ₱3.1 million and ₱2.3 million for the three months period ended March 31, 2025 and 2024, respectively. The interest cost on retirement obligation amounted to ₱1.8 million and ₱1.5 million for the three months period ended March 31, 2025 and 2024, respectively. The interest income on plan assets amounted to ₱2.7 million and ₱2.4 million for the three months period ended March 31, 2025 and 2024, respectively.

17. Non-interest Bearing and Other Current Liabilities

Non-interest bearing liability

On September 30, 2022, as a result of the acquisition of GCTN, the Group recognized a non-interest bearing liability to the Seller amounting to US$51.8 million which will be settled through annual installment payment amounting to US$10.0 million starting 2023 until fully paid.

Details of the non-interest bearing liability to the Seller is as follows:

	2022
Balance at the date of acquisition, undiscounted	₱2,947,352
Discount on non-interest bearing liability:	
Day 1 gain	504,273
Accretion of interest	(35,099)
Ending balance	469,174
Net carrying value	₱2,478,178

Movements in the carrying value of the non-interest bearing liability are as follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱1,630,982	₱2,004,710
Payments	(578,830)	(564,030)
Accretion of interest	23,436	121,586
Effect of changes in foreign currency exchange rates	–	68,716
Ending balance	1,075,588	1,630,982
Less: Current portion	506,119	482,683
Non-interest bearing liability - net of current portion	₱569,469	₱1,148,299

18. Leases

The Group has lease contracts for various properties and equipment used in its operations and office spaces. Leases of office spaces generally have lease terms between three and 13 years while the equipment has a lease term of two years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets without approval of lessor.

The Group also has certain lease of office spaces and machineries and equipment with lease terms of twelve months or less. The Group applies the "short-term lease" recognition exemptions for these leases.

The lease liabilities as at March 31, 2025 and December 31, 2024, discounted using incremental borrowing rate are as follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Lease liabilities	₱753,954	₱764,604
Less current portion	89,052	85,669
Noncurrent portion	₱664,902	₱678,935

The rollforward analysis of lease liabilities follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱764,604	₱823,342
Interest expense	11,850	49,423
Payments	(22,500)	(108,161)
Ending balance	₱753,954	₱764,604

19. Equity

Capital Stock

The Parent Company has 11,957,161,906 authorized shares at ₱1.05 par value as at March 31, 2025 and December 31, 2024. Out of the total authorized shares of the Parent Company, 6,072,357,151 shares are issued amounting to ₱6,375,975 as at March 31, 2025 and December 31, 2024.

The Parent Company has only one (1) class of common shares which do not carry any right to fixed income.

NCI

March 31, 2025

	MHC	PGMC	SPNVI	Total
Percentage of ownership	MHC	PGMC	SPNVI	
Acquisition of SPNVI and MHC	429,936	-	6,503	436,439
Acquisition of NCI	(328,507)	-	(331,464)	(659,971)
Issuance of capital stock	-	446	-	446
Retained earnings, beginning	40,969	524	325,124	366,617
Total comprehensive income (loss) attributable to NCI	(2,360)	25	60	(2,275)
Total	140,038	995	223	141,256

December 31, 2024

	MHC	PGMC	SPNVI	Total
Percentage of ownership	11.99%	0.02%	0.02%	
Acquisition of SPNVI and MHC	429,936	-	6,503	436,439
Acquisition of NCI	(328,507)	-	(331,464)	(659,971)
Issuance of capital stock	-	446	-	446
Retained earnings, beginning	51,293	527	324,961	376,781
Total comprehensive income (loss) attributable to NCI	(10,324)	48	163	(10,113)
Cash dividend	-	(51)	-	(51)
Total	142,398	970	163	143,531

Material NCI
As at March 31, 2025 and December 31, 2024, the accumulated balance of material NCI amounted to ₱140.0 million and ₱142.4 million, respectively, which represents 11.99% equity interest in MHC. Net loss allocated to material NCI amounted to ₱2.4 million and ₱10.3 million for the periods ended March 31, 2025 and December 31, 2024, respectively.

Treasury Stock
The Parent Company has 947,181,464 shares amounting to ₱2,129.8 million in treasury as at March 31, 2025 and December 31, 2024.

20. Earnings Per Share

The following reflects the income and share data used in the earnings per share (EPS) computation for the three months period ended March 31:

	2025 (Unaudited)	2024
Net income attributable to common shareholders (amounts in thousands)	₱177,330	₱10,630
Weighted average number of common shares outstanding for basic EPS	5,125,175,687	5,125,175,687
Basic/diluted EPS	₱0.0346	₱0.0021

As at March 31, 2025 and 2024, there are no potentially dilutive common shares.

21. Cost of Sales

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Contract hire	₱313,695	₱173,894
Depreciation and depletion (see Note 26)	60,340	51,156
Personnel costs (see Note 25)	48,656	43,329
Operation overhead	44,736	7,071
Environmental protection costs	20,394	3,814
Fuel, oil and lubricants	17,010	11,260
Manning services	10,637	6,709
Community relations	5,395	5,546
Assaying and laboratory	3,536	2,227
Repairs and maintenance	2,071	1,316
Others	5,858	3,405
	₱532,328	₱309,727

22. Excise Taxes and Royalties

Excise taxes amounted to ₱57.7 million and ₱25.0 million for the periods ended March 31, 2025 and 2024, respectively.

23. General and Administrative

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Taxes and licenses	₱73,102	₱32,759
Personnel costs (see Note 25)	73,070	70,410
Provision for impairment losses on other noncurrent assets (see Note 12)	55,580	–
Outside services	55,426	48,620
Depreciation and amortization (see Note 26)	33,921	36,969
Consultancy fees	26,524	17,316
Marketing and entertainment	19,580	10,546
Travel and transportation	5,750	5,789
Repairs and maintenance	5,615	5,801
Membership and subscription	3,395	2,338
Fuel, oil and lubricants	2,306	2,366
Communication	1,589	1,414
Other charges	11,437	9,853
	₱367,295	₱244,181

24. Shipping and Distribution

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Stevedoring charges and shipping expenses	₱7,698	₱5,185
Barging charges	–	3,696
Fuel, oil and lubricants	87	818
Personnel costs (see Note 25)	262	356
Repairs and maintenance and others	101	247
Supplies	170	159
Government fees	30	30
	₱8,348	₱10,491

25. Personnel Costs

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Salaries and wages	₱112,273	₱105,054
Retirement benefits costs (see Note 16)	1,792	1,267
Other employee benefits	7,923	7,774
	₱121,988	₱114,095

Other employee benefits are composed of various benefits given to employees that are individually immaterial.

The personnel costs were distributed as follows:

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Cost of sales (see Note 21)	₱48,656	₱43,329
General and administrative (see Note 23)	73,070	70,410
Shipping and distribution (see Note 24)	262	356
	₱121,988	₱114,095

26. Depreciation, Depletion and Amortization

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Cost of sales (see Note 21)	₱60,340	₱51,156
General and administrative (see Note 23)	33,921	36,969
	₱94,261	₱88,125

27. Finance Costs

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Interest expense	₱11,934	₱15,751
Accretion interest on non-interest bearing liability	23,436	30,187
Accretion interest on provision for mine rehabilitation and decommissioning	4,997	4,981
Bank charges	334	231
	₱40,701	₱51,150

28. Other Income - net

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Foreign exchange gains - net	₱2,094	₱9,533
Despatch (demurrage) - net	4,200	4,108
Others	28	9
	₱6,322	₱13,650

Breakdown of net foreign exchange gains is as follows:

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Net realized foreign exchange losses	(₱5,285)	(₱6,124)
Unrealized foreign exchange gains (losses) on:		
Cash and cash equivalents	7,379	15,787
Trade and other receivables	–	1,147
Other noncurrent assets	–	174
Loans payable	–	(1,451)
	₱2,094	₱9,533

29. Related Party Disclosures

Set out below are the Group's transactions with related parties for the three-month periods ended March 31, 2025, including the corresponding assets and liabilities arising from the said transactions as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited):

Amount in thousands Category	Amount/Volume	Sale of Ore	Advances to related parties	Advances from related parties	Non-interest bearing liability*	Terms	Conditions
Stockholders							
March 31, 2025	₱5	₱–	₱438	₱–	₱1,075,588	On demand; noninterest-bearing; collectible in cash	Secured; with guarantee
December 31, 2024	₱–	–	₱433	₱–	₱1,630,982		

(Forward)

Amount in thousands Category	Amount/Volume	Sale of Ore	Advances to related parties	Advances from related parties	Non-interest bearing liability	Terms	Conditions
Affiliates with common officers, directors and stockholders							

March 31, 2025	360	–	7,604	4,569	–	On demand; noninterest-bearing; collectible or payable in cash	Secured; with guarantee
December 31, 2024	–	–	7,603	4,210	–		
Associate							
March 31, 2025	458,434	458,434	–	–	–	On demand; noninterest-bearing; collectible in cash	Secured; with guarantee
December 31, 2024	1,476,109	1,476,109	–	–	–		
Total	₱458,799	₱458,434	₱8,042	₱4,469	₱1,075,588		
Total	₱1,476,109	₱1,476,109	8,036	₱4,210	₱1,630,982		

* See Note 17 for the terms of the non-interest bearing liability.

The summary of significant transactions and account balances with related parties are as follows:

a. PIL, a subsidiary, entered into ore supply sales agreements with the Group for the purchase of nickel ore amounting to ₱260.4 million and nil million for the periods ended March 31, 2025 and 2024, respectively.

b. GCTN, an associate, entered into ore supply sales agreements with the Group for the purchase of nickel ore amounting to ₱458.4 million and ₱274.4 million for the periods ended March 31, 2025 and 2024, respectively.

c. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The compensation of the key management personnel of the Group for the three months period ended March 31, 2025 and 2024 amounted to ₱21.5 million.

30. Income Taxes

The Group recognized net provision for income tax amounted to ₱80.0 million for the period ended March 31, 2025 and net benefit from income tax amounted to ₱18.1 million for the period ended March 31, 2024, representing regular corporate income tax (RCIT) and special corporate income tax (5% tax on gross income). The Group has availed of the itemized deductions method in claiming its deductions for the three months ended March 31, 2025 and 2024.

As at March 31, 2025 and December 31, 2024, the Group's net deferred income tax assets amounted to ₱177.6 million and ₱140.8 million, respectively. As at March 31, 2025 and December 31, 2024, the Group's net deferred income tax liabilities amounted to ₱213.8 million and ₱227.3 million, respectively.

31. Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash and cash equivalents, Trade receivables, and Advances to contractors under "Trade and other receivables" and Trade and other payables

The carrying amounts of cash and cash equivalents, trade receivables, and advances to contractors under "Trade and other receivables" and trade and other payables approximate their fair values due to the short-term nature of these accounts.

Restricted cash under "Other noncurrent assets"
The carrying amounts approximate their fair values since these are restricted cash in banks which earn interest based on prevailing market rates repriced monthly.

Financial asset at FVOCI under "Other noncurrent assets"
The fair value of quoted equity instrument is determined by reference to the market closing quotes at the end of the reporting period.

Advances to and from related parties, and other current liabilities"
Advances to and from related parties, and other current liabilities do not have fixed repayment terms. As such, their carrying amounts approximate their fair values.

Loans Payable
The fair value of loans payable is estimated using the discounted cash flow methodology using the benchmark risk free rates for similar types of loans and borrowings, except for variable-rate borrowings which are repriced quarterly.

Lease Liabilities
The carrying amount of lease liabilities are carried at present value due to the long-term nature of the account. The fair value of lease liabilities was computed by discounting the expected cash flows within effective interest rate ranging from 2.5% to 7.3%. The computed fair value approximates its carrying amount.

Fair Value Hierarchy
As at March 31, 2025 and December 31, 2024, the Group's financial asset at FVOCI is classified under Level 1, its non-interest bearing liabilities and other current liabilities are classified under Level 2, and its lease liabilities are classified under Level 3.

There were no transfers between levels of fair value measurement as at March 31, 2025 and December 31, 2024.

32. Operating Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker (the BOD) to make decisions about how resources are to be allocated to the segment and assess their performances, and for which discrete financial information is available.

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 Group conducts the majority of its business activities in the following areas:

- The mining segment is engaged in the exploration, mining and exporting of nickel saprolite and limonite ore;
- The services segment is engaged in the chartering out of LCTs by PCSSC to PGMC and INC and port services rendered by MHC to its customers; and
- The manufacturing segment includes FSC which is engaged in the manufacturing of iron steel bars and FSLC which is engaged in holding the real properties of FSC.

The Group's core business is the sale of nickel ore to external customers which accounted for 99.6% and 99.4% of the Group's total revenue for the periods ended March 31, 2025 and 2024, respectively. Accordingly, the Group's mining segment operates in two (2) geographical locations within the Philippines: Surigao and Palawan. The Group's manufacturing segment is incorporated to build a rebar steel rolling plant in Bataan, Philippines (see Note 1 of the December 31, 2024 audited financial statements for the relevant updates on this project). Noncurrent assets of the Group comprising property and equipment, mine exploration costs, mining rights, and other noncurrent assets are located in the Philippines, Hong Kong and China.

The Group has revenues from external customers as follows:

Amount in thousands	For the three months period ended March 31 2025	2024
Country of Domicile	(Unaudited)	
China	₱1,205,137	₱586,171
Local	4,652	3,704
	₱1,209,789	₱589,875

The revenue information above is based on the location of the customers. The local customers include MHC's revenue from Philcement Corporation, which is an Authority of the Freeport Area of Bataan (AFAB)-registered entity.

Financial information on the operation of the various business segments are as follows:

	March 31, 2025 (Unaudited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
External customers	₱1,205,137	₱4,652	₱–	₱–	₱1,209,789
Intersegment revenues	260,367	31,359	–	(291,726)	–
Total revenues	1,465,504	36,011	–	(291,726)	1,209,789
Cost of sales	753,169	38,090	–	(258,931)	532,328
Excise taxes and royalties	57,670	–	–	–	57,670
Shipping and distribution	39,707	–	–	(31,359)	8,348
Segment operating earnings	614,958	(2,079)	–	(1,436)	611,443
General and administrative	355,980	11,077	238	–	367,295
Finance income	2,444	7	–	–	2,451
Finance costs	(34,318)	(6,383)	–	–	(40,701)
Share in net income of investment in associates	42,869	–	–	–	42,869
Other income - net	23,580	–	–	(17,258)	6,322
Provision for income tax - net	80,040	554	–	(560)	80,034
Net income (loss)	213,513	(20,086)	(238)	(18,134)	175,055
Net income (loss) attributable to NCI	85	(2,360)	–	–	(2,275)
Net income (loss) attributable to equity holders of FNI	₱213,428	(₱17,726)	(₱238)	(₱18,134)	₱177,330
Segment assets	₱30,425,368	₱2,133,124	₱1,008,246	(₱17,148,393)	₱16,418,345
Deferred tax assets - net	175,300	2,251	–	–	177,551
Total assets	₱30,600,668	₱2,135,375	₱1,008,246	(₱17,148,393)	₱16,515,896
Segment liabilities	₱5,399,464	₱503,246	₱459,111	(₱3,212,938)	₱3,148,883
Deferred tax liabilities - net	75,293	(6,068)	–	144,541	213,766
Total liabilities	₱5,474,757	₱497,178	₱459,111	(₱3,068,397)	₱3,362,649
Capital expenditures	₱23,559	₱289	₱–	₱–	₱23,848
Depreciation and depletion	₱115,366	₱29,553	₱–	₱–	₱144,919

	March 31, 2024 (Unaudited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
External customers	₱586,171	₱3,704	₱–	₱–	₱589,875
Intersegment revenues	–	12,000	1,200	(13,200)	–
Total revenues	586,171	15,704	1,200	(13,200)	589,875
Cost of sales	271,355	36,206	–	2,242	309,803
Excise taxes and royalties	24,969	–	–	–	24,969
Shipping and distribution	22,491	–	–	(12,000)	10,491
Segment operating earnings	267,356	(20,502)	1,200	(3,442)	244,612
General and administrative	229,284	12,953	1,868	–	244,105
Finance income	4,295	11	1	–	4,307
Finance costs	(44,768)	(6,382)	–	–	(51,150)
Share in net income of investment in associates	22,353	–	–	–	22,353
Other income - net	31,624	–	–	(17,974)	13,650
Benefit from income tax - net	(17,581)	(320)	300	(539)	(18,140)
Net income (loss)	69,157	(39,506)	(967)	(20,877)	7,807
Net income (loss) attributable to NCI	8	(2,831)	–	–	(2,823)
Net income (loss) attributable to equity holders of FNI	₱69,149	(₱36,675)	(₱967)	(₱20,877)	₱10,630
Segment assets	₱31,024,647	₱2,047,142	₱1,061,425	(₱17,971,388)	₱16,161,826
Deferred tax assets - net	195,182	2,298	–	–	197,480
Total assets	₱31,219,829	₱2,049,440	₱1,061,425	(₱17,971,388)	₱16,359,306
Segment liabilities	₱7,021,536	₱434,676	₱485,414	(₱4,119,474)	₱3,822,152
Deferred tax liabilities - net	92,886	(4,970)	5,398	137,303	230,617
Total liabilities	₱7,114,422	₱429,706	₱490,812	(3,982,171)	4,052,769
Capital expenditures	₱81,939	₱108	₱36,908	₱–	₱118,955
Depreciation and depletion	₱107,940	₱26,098	₱130	₱–	₱134,168

	December 31, 2024 (Audited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
Segment assets	₱29,927,604	₱2,140,885	₱1,008,284	(₱16,125,377)	₱16,951,396
Deferred tax assets - net	138,539	2,298	–	–	140,837
Total assets	₱30,066,143	₱2,143,183	₱1,008,284	(₱16,125,377)	₱17,092,233
Segment liabilities	₱5,029,587	₱594,773	₱458,911	(₱2,285,386)	₱3,797,885
Capital expenditures	₱423,855	₱543,473	₱36,908	₱–	₱1,004,236

The following document has been received:

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Company Information

SEC Registration No.: AS94003992
Company Name: Global Ferronickel Holdings, Inc.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST10515202583331649
Document Type: Quarterly Report
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A	S	0	9	4	0	3	9	9	2		

SEC Registration Number

GLOBAL FERRONICKEL HOLDINGS INC

formerly:

SOUTHEAST ASIA CEMENT HOLDINGS INC

(Company's Full Name)

PENTHOUSE PLATINUM TOWER ASEAN AVENUE COR FUENTES ST ASEANA PARAÑAQUE CITY

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

Atty. Noel Lazaro
(Contact Person)

(632) 85118229
(Company Telephone Number)

Month Day
(Fiscal Year)

17-Q
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended - **MARCH 31, 2025**

2. Commission Identification Number - **ASO94-003992**

3. BIR Tax Identification Number - **003-871-592**

4. Exact name of issuer as specified in its charter
   GLOBAL FERRONICKEL HOLDINGS, INC.

5. Province, country or other jurisdiction of incorporation or organization
   Metro Manila, Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office — Postal Code
   Penthouse, Platinum Tower, Asean Avenue corner Fuentes St.,
   Aseana, Parañaque City, Metro Manila, Philippines — 1701

8. Issuer's telephone number, including area code
   (632) 8519-7888

9. Former name, former address and former fiscal year, if changed since last report
   Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Common Shares	6,072,357,151
Amount of Debt Outstanding	Not applicable

11. Are any or all of the securities listed on a Philippine Stock Exchange?

    Yes [X] 6,072,357,151 Common Shares No [ ]

12. Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [X] No [ ]

13. Has been subject to such filing requirements for the past ninety (90) days.

    Yes [X] No [ ]

May 14 2025

Atty. Johanne Daniel M. Negre
Disclosure Department
The Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Mr. Oliver O. Leonardo
Markets and Securities Regulation Department
Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village,
Bel-Air, Makati City

Re: SEC Form 17-Q 2025 1st Quarter Report

Dear Gentlemen:

We submit to you herewith a copy of our Company's SEC Form 17-Q Quarterly Report for the period ended March 31, 2025.

We trust everything is in order.

Very truly yours,

MARY BELLE D. BITUIN
SVP - Chief Finance Officer

Global Ferronickel Holdings, Inc.

17-Q QUARTERLY REPORT
MARCH 31, 2025

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PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

The Unaudited Interim Consolidated Financial Statements as at March 31, 2025 and for the three-month period ended March 31, 2025 and 2024 (with Comparative Audited Consolidated Statement of Financial Position as at December 31, 2024) are hereto attached.

The following tables set forth the summary financial information for the three-month period ended March 31, 2025 and 2024 and as at March 31, 2025 and December 31, 2024:

1.a. Summary Consolidated Statements of Financial Position

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	Increase/ (Decrease)	Percent Inc. (Dec.)
	(In Thousand Pesos)			
ASSETS				
Current Assets	2,688,539	2,989,839	(301,300)	-10.1%
Noncurrent Assets	13,927,357	14,122,394	(195,037)	-1.4%
TOTAL ASSETS	16,595,896	17,092,233	(496,337)	-2.9%
LIABILITIES AND EQUITY				
Current Liabilities	1,586,260	1,647,396	(61,136)	-3.7%
Noncurrent Liabilities	1,776,389	2,377,782	(601,393)	-25.3%
Total Liabilities	3,362,649	4,025,178	(662,529)	-16.5%
Equity				
Equity Attributable to the Parent Company	13,091,991	12,923,524	168,467	1.3%
Non-controlling Interests	141,256	143,531	(2,275)	-1.6%
Total Equity	13,233,247	13,067,055	166,192	1.3%
TOTAL LIABILITIES AND EQUITY	16,595,896	17,092,233	(496,337)	-2.9%

1.b. Summary Consolidated Statements of Comprehensive Income

	For the Quarter Ended March 31		Increase	Percent
	2025	2024	(Decrease)	Inc. (Dec.)
	(in Thousand Pesos)			
Revenues	1,209,789	589,875	619,914	105.1%
Cost and Expenses	(965,641)	(589,368)	376,273	63.8%
Finance Costs	(40,701)	(51,150)	(10,449)	-20.4%
Share in Net Income of Investment in Associates	42,869	22,353	20,516	91.8%
Finance and Other Income - net	8,773	17,957	(9,184)	-51.1%
Income (Loss) Before Income Tax	255,089	(10,333)	265,422	-2568.7%
Provision for (Benefit from) Income Tax - net	80,034	(18,140)	98,174	-541.2%
Net Income	**175,055**	**7,807**	167,248	2142.3%
Other Comprehensive Income (Loss)	(8,863)	18,379	(27,242)	-148.2%
Total Comprehensive Income	**166,192**	**26,186**	140,006	534.7%
Basic and Diluted Income Per Share	0.0346	0.0021	0.0325	1568.2%
Net Income (Loss) Attributable To:				
Equity Holders of the Parent	177,330	10,630	166,700	1568.2%
Non-controlling Interests	(2,275)	(2,823)	548	19.4%
	175,055	**7,807**	167,248	2142.3%

1.c. Summary Consolidated Statements of Changes in Equity

	For the Period Ended March 31		For the Year Ended December 31
	2025	2024	2024
	(in Thousand Pesos)		
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	(7,104)	(6,198)	(6,872)
Remeasurement Gain on Retirement Obligation	42,384	44,169	41,998
Cumulative Translation Adjustment	179,728	151,287	188,727
Retained Earnings	8,391,819	7,481,223	8,214,489
Treasury Shares - at cost	(2,129,803)	(2,129,803)	(2,129,803)
Non-controlling Interests	141,256	150,872	143,531
Total Equity	**13,233,247**	**12,306,537**	**13,067,056**

1.d. Summary Consolidated Statements of Cash Flows

	For the Quarter Ended March 31	
	2025	2024
	(In Thousand Pesos)	
NET CASH FLOWS FROM (USED IN):		
Operating Activities	191,747	(314,681)
Investing Activities	(513,360)	(373,288)
Financing Activities	(22,141)	(288,192)
NET DECREASE IN CASH	(343,754)	(976,161)
Effect of Exchange Rate Changes on Cash	(4,120)	39,824
CASH AT BEGINNING OF PERIOD	1,662,842	2,442,898
CASH AT END OF PERIOD	**1,314,968**	**1,506,561**

Basis of Preparation of Interim Consolidated Financial Statements

The unaudited interim consolidated statements of financial position of Global Ferronickel Holdings, Inc. and Subsidiaries (the Group) as at March 31, 2025 and December 31, 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the periods ended March 31, 2025 and 2024 were prepared in accordance with generally accepted accounting principles in the Philippines. All significant inter-company balances and transactions have been eliminated in the consolidated financial statements.

The accounting principles followed in the preparation of the Group's most recent annual consolidated financial statements were similarly applied in the preparation of the unaudited interim consolidated financial statements. There were no significant changes in the Group's accounting policies, practices and methods of estimates from the Group's last annual consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Statement of Financial Condition

As of March 31, 2025, the Group's total assets stood at ₱16,595.9 million, reflecting a decrease of ₱496.3 million or 2.9% from ₱17,092.2 million as of December 31, 2024. This decline is primarily due to a reduction in current assets by ₱301.3 million (10.1%) and a decrease in noncurrent assets by ₱195.0 million (1.4%).

The net decrease in current assets as of March 31, 2025, was primarily driven by the following factors:

- Cash and cash equivalents declined by ₱347.9 million or 20.9%, from ₱1,662.8 million to ₱1,314.9 million. This reduction was mainly due to the settlement of non-interest-bearing liability amounting to ₱578.8 million, partially offset by cash generated from operations.
- Trade and other receivables increased by ₱20.0 million or 3.1%.
- Inventories rose by ₱27.2 million or 4.5%.

The net decrease in noncurrent assets as of March 31, 2025, is attributable to the following:

- Property and equipment posted a net decrease of ₱123.3 million. This was primarily due to depreciation and depletion expenses of ₱143.6 million, partially offset by acquisitions totaling ₱23.8 million during the period.
- Deferred tax assets increased by ₱36.7 million, mainly due to the recognition of net loss carryover during the period, which can be claimed as a tax deduction in the subsequent quarters.
- Share in net income of an associate, GHGC Holdings Ltd. (GHGC) and its subsidiaries, amounted to ₱42.9 million.
- Other noncurrent assets decreased by ₱149.7 million or 6.7%, primarily due to input value-added tax (VAT) claimed by the Group during the period.

As of March 31, 2025, the Group's total liabilities stood at ₱3,362.7 million, representing a decrease of ₱662.5 million or 16.5% from ₱4,025.2 million as of December 31, 2024. This net decrease is primarily attributable to the following:

- Settlement of a non-interest-bearing liability amounting to ₱578.8 million.
- Trade and other payables declined by ₱209.1 million or 21.9%, mainly due to payments made during the period.
- Income tax payable increased by ₱120.8 million, primarily as a result of taxable income earned during the period.

Results of Operations

For the quarter ended March 31, 2025, the Group reported a consolidated net income of ₱175.1 million, a significant increase from the ₱7.8 million recorded in the same period of the previous year. After accounting for non-controlling interests, net income attributable to equity holders of the Parent Company amounted to ₱177.3 million, up from ₱10.6 million in the first quarter of the prior year. This substantial improvement in the first-quarter performance was primarily driven by higher revenues, resulting from increased nickel ore prices and higher sales volume during the current period.

Revenues
During the three months ended March 31, 2025, the Group's total revenues amounted to ₱1,209.8 million, reflecting an increase of ₱619.9 million or 105.1% compared to ₱589.9 million in the same period of the previous year. The majority of the Group's revenues, approximately 99.6%, were derived from its mining operations, with the remainder generated from services rendered to customers.

Nickel Ore Export Revenues
During the first quarter of 2025, the Group's mining operations generated total nickel ore export revenues of ₱1,205.1 million, reflecting a significant increase of ₱619.0 million or 105.6% compared to ₱586.2 million in the same period of the previous year. This notable growth was primarily driven by higher nickel ore prices and an increase in sales volume during the current period. Nickel ore prices rose compared to the prior period, due to constrained supply brought about by weather disruptions and export limitations, firm downstream demand from Chinese and Indonesian producers, and a generally positive trading sentiment.

The Group's nickel ore exports consisted exclusively of material produced from its Palawan mine. No nickel ore sales were reported from the Group's Surigao mine during this period, as shipment typically occurs during the dry season, specifically from April to October.

During the quarter ended March 31, 2025, nickel ore exports from our Palawan mine reached 0.505 million wet metric tons (WMT), an increase of 0.124 million WMT or 32.5% from the 0.381 million WMT recorded in the previous quarter. The Group completed nine nickel ore shipments during the current quarter, up from seven in the preceding quarter. All shipments for both periods consisted entirely of medium-grade nickel ore and were sold exclusively to customers in China.

For the quarter ended March 31, 2025, the overall average realized price of medium-grade nickel ore was US$41.13 per WMT, representing a significant increase of US$13.71 per WMT or 50.0% compared to US$27.42 per WMT in the same period of the previous year.

The average realized exchange rate for the quarter ended March 31, 2025, was ₱57.97 to US$1, compared to ₱56.11 to US$1 in the same period of the previous year.

Service Revenues
For the quarter ended March 31, 2025, the Group's service income totaled ₱4.7 million, up from ₱3.7 million in the same period of 2024. This income was generated from port services provided by MHC, a subsidiary, to its customers.

In addition, the Group recognized service income of ₱31.4 million from the chartering of landing craft tanks (LCTs) by the Palawan mine from PGMC-CNEP Shipping Services Corp. (PCSSC), also a subsidiary. This represents a significant increase from ₱12.0 million in the same period last year. However, this intercompany income is fully eliminated in the consolidated financial statements.

Cost and Expenses
For the three months ended March 31, 2025, total costs and expenses—including cost of sales, excise taxes and royalties, general and administrative expenses, and shipping and distribution expenses—amounted to ₱965.7 million. This represents an increase of ₱376.3 million or 63.8% compared to ₱589.4 million during the same period in 2024.

The average cash operating cost per wet metric ton (WMT) sold rose to ₱1,615.45 for the quarter, up from ₱1,315.60 per WMT in the prior year, reflecting an increase of ₱299.85 per WMT or 22.8%.

For the quarter ended March 31, 2025, total aggregate cash costs amounted to ₱815.8 million, with total sales volume of 0.505 million WMT. In comparison, the same quarter in 2024 saw aggregate cash costs of ₱501.2 million and a sales volume of 0.381 million WMT.

Cost of Sales
For the quarter ended March 31, 2025, cost of sales totaled ₱532.3 million, an increase of ₱222.6 million or 71.9% compared to ₱309.7 million in the previous period. This rise was primarily driven by higher contract hire expenses, resulting from increased production and shipment volumes during the quarter. Additionally, operations overhead and environmental protection costs rose by ₱37.7 million and ₱16.6 million, respectively.

General and Administrative
For the period ended March 31, 2025, general and administrative expenses amounted to ₱367.3 million, an increase of ₱123.1 million or 50.4% compared to ₱244.2 million in the same period in 2024. The increase was primarily driven by:

- A ₱40.3 million rise in taxes and licenses, mainly from the Palawan Mine, due to the timing of payment of business taxes. The payment of business was made in the second quarter of 2024.
- A ₱55.6 million increase in provision for impairment losses on input VAT, resulting from disallowed VAT claims.
- Higher consultancy fees totaling ₱9.2 million, which are expected to normalize by year-end.
- An increase in marketing and entertainment expenses amounting to ₱9.0 million.

Excise Taxes and Royalties
For the periods ended March 31, 2025, and 2024, excise taxes and royalties amounted to ₱57.7 million and ₱25.0 million, respectively. These expenses are computed as a percentage of revenues; thus, the increase in revenue from the Palawan Mine during the current period resulted in higher recognized excise taxes and royalties.

Shipping and Distribution
During the quarter ended March 31, 2025, shipping and loading costs amounted to ₱8.4 million, representing a decrease of ₱2.1 million or 20.0% compared to ₱10.5 million in the same period last year. The reduction was primarily due to lower barging charges, as the Palawan operations chartered vessels from PCSSC, a subsidiary. These intercompany charges were fully eliminated upon consolidation, unlike the prior year's charters, which were sourced from a third-party provider.

Finance Costs
Finance costs amounted to ₱40.7 million for the three months ended March 31, 2025, compared to ₱51.1 million in the same period last year—a decrease of ₱10.4 million or 20.4%. This decline was primarily due to lower interest expenses resulting from the settlement of a non-interest-bearing liability and the full repayment of the Taiwan Cooperative Bank Manila Offshore Banking Branch (TCB) loan in July 2024.

Share in Net Income of Investment in Associates
In accordance with Philippine Accounting Standards (PAS) 28, *Investment in Associates and Joint Ventures*, the Group accounts for its investment in associates using the equity method, recognizing its share of the associates' net earnings or losses. For the period ended March 31, 2025, the Group's share in the net income of its associates amounted to ₱42.9 million, an increase from ₱22.4 million in the same period last year.

Other Income - net
For the period ended March 31, 2025, net other income totaled ₱6.3 million, down from ₱13.6 million in the same period last year—a decrease of ₱7.3 million or 53.7%. The decline was primarily due to lower net foreign exchange gains, which decreased by ₱7.4 million compared to the prior period.

Provision for Income Tax - net
For the three months ended March 31, 2025, the net provision for income tax amounted to ₱80.0 million, in contrast to the ₱18.1 million net income tax benefit recorded in the same period last year. This change was primarily driven by higher taxable income in the current period compared to the prior year.

Total Comprehensive Income - net of tax

Net Income
As a result of the aforementioned factors, consolidated net income for the period ended March 31, 2025, amounted to ₱175.0 million, a significant increase from ₱7.8 million in the same period last year—an improvement of ₱167.2 million or 2,142.3%. After accounting for non-controlling interests, net income attributable to equity holders of the Parent Company totaled ₱177.3 million, compared to ₱10.6 million in the corresponding period of the previous year.

Cumulative Translation Adjustment
The Group has recognized cumulative translation adjustments, net of tax, amounting to (₱9.0 million) and ₱18.5 million for the periods ended March 31, 2025 and 2024, respectively. These adjustments relate to the exchange differences that arise from translating a subsidiary's functional currency into the presentation currency of the Parent Company.

Statement of Cash Flows

Cash Flows from Operating Activities
The net cash flows from (used in) operating activities amounted to ₱191.7 million and (₱314.7 million) for the periods ended March 31, 2025 and 2024, respectively. The shift is primarily attributed to higher cash generated from the Group's mining operations.

Cash Flows from Investing Activities
The net cash outflows utilized in investing activities for the three months ended March 31, 2024 and 2024 were ₱513.4 million and ₱373.3 million, respectively.

In 2025, the net cash outflows were primarily driven by: (1) Payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱578.8 million; (2) Acquisition of property and equipment, totaling ₱23.8 million; and (3) Decrease in other noncurrent assets by ₱89.3 million.

In 2024, the net cash outflows were primarily driven by: (1) Payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱564.0 million; (2) Acquisition of property and equipment, totaling ₱119.0 million; (3) Additional mine exploration costs, totaling ₱8.8 million; (4) Decrease in advances to related parties amounted to ₱421.5 million; and (5) Increase in other noncurrent assets by ₱103.0 million.

Cash Flows from Financing Activities
For the three-month periods ended March 31, 2025 and 2024, the net cash utilization in financing activities totaled ₱22.1 million and ₱288.2 million, respectively. The negative cash flows from financing activities in the current period primarily resulted from the settlement of lease obligations. In 2024, the net cash outflows were mainly driven by the payments made toward loan payable amounting to ₱104.1 million, payments of lease liabilities amounting to ₱21.8 million, and decrease in advances from related parties amounting to ₱162.3 million.

Material Off-balance Sheet Transactions

The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reported period other than those discussed in this report and in disclosures under Form 17-C.

Material Commitments for Capital Expenditures

The Group does not have any outstanding commitment for capital expenditures as at March 31, 2025.

Known Trends, Events and Uncertainties

There are no known significant trends, demands, commitments, or uncertainties that will result in or that are reasonably likely to result in the Group's principal risks increasing or decreasing in a material way. There were no other significant elements of income or loss that did not arise from the Group's continuing operations.

PART II - FINANCIAL SOUNDNESS INDICATORS

The Group considers the following as the significant Key Performance Indicators as at March 31, 2025 and 2024:

Indicators	Formula	2025	2024
Earnings Per Share	Profit for the Period/Weighted Average Number of Shares Outstanding	0.0346	0.0021
Debt-to-Equity Ratio	Total Liabilities/Total Equity	0.25:1	0.33:1
Asset-to-Equity Ratio	Total Assets/Total Equity	1.25:1	1.33:1
Current Ratio	Current Assets/Current Liabilities	1.68:1	1.51:1

PART III - OTHER INFORMATION

Exploration Updates

There were no new exploration results for the period ended March 31, 2025, beyond those previously disclosed in the Company's 2024 Annual Report (SEC Form 17-A).

Other Information

The disclosures made under Form 17-C are as follows:

Date	Description
January 6, 2025	Clarification of news article. FNI clarifies that the allegations made by Mr. Argel Joseph Cabatbat regarding the Philippine citizenship of Mr. Joseph C. Sy, Chairman of Global Ferronickel Holdings, Inc., are a repetition of claims that have already been thoroughly addressed and resolved by competent government agencies, including the Bureau of Immigration, in favor of Mr. Sy. As counsel in the previous cases against Mr. Sy, Mr. Cabatbat is aware of their dismissal and his failure to pursue any appeals or reconsideration over the years. Mr. Cabatbat has now revived these dismissed allegations on social media during an election year, where he is a congressional candidate, and has sought to associate Mr. Sy with unrelated issues involving controversial figures. Mr. Sy currently has no pending complaints or cases against him. The Company affirms that Mr. Cabatbat's recycled allegations are baseless and have no bearing on FNI's business or operations. FNI remains committed to upholding the highest standards of corporate governance and regulatory compliance.
January 23, 2025	Press Release: Ipilan Nickel Corporation commences first shipment of nickel ore in 2025
March 19, 2025	Press Release: FNI 2024 results: Sustained operational efficiency and strategic investments for future growth

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **GLOBAL FERRONICKEL HOLDINGS, INC.**

Signature and Title: **ATTY. DANTE R. BRAVO**
President

Date: May 14 2025

Signature and Title: **MARY BELLE D. BITUIN**
Chief Financial Officer

Date: May 14 2025

Annex A

Aging of Trade and Other Receivables
As at March 31, 2025
(In Thousand Pesos)

	Neither Past Due Nor Impaired	Past Due But Not Impaired			Impaired	Total
		90 Days or Less	91-120 Days	More than 120 days		
Trade	436,406	-	-	-	243,992	680,398
Advances to Contractors	151,180	-	-	-	79,711	230,891
Advances to Officers, Employees and Others	44,604	-	-	-	-	44,604
Total	**658,567**	-	-	-	**323,703**	**982,270**
Less: Allowance for Expected Credit Losses						323,703
NET RECEIVABES						**658,567**

GLOBAL FERRONICKEL HOLDINGS, INC.
SEC FORM 17-Q
INDEX TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱1,314,968**	₱1,662,842
Trade and other receivables (Note 5)	**658,567**	638,599
Advances to related parties (Note 29)	**8,042**	8,036
Inventories (Note 6)	**636,580**	609,327
Prepayments and other current assets (Note 7)	**50,382**	51,035
Total Current Assets	**2,668,539**	2,969,839
Noncurrent Assets		
Property and equipment (Note 8)	**6,438,945**	6,562,276
Investment in associates (Note 9)	**4,806,895**	4,764,026
Mine exploration costs (Note 11)	**264,327**	264,319
Mining rights (Note 10)	**102,663**	102,663
Deferred tax assets - net (Note 30)	**177,551**	140,837
Retirement plan asset - net (Note 16)	**47,977**	49,546
Other noncurrent assets (Note 12)	**2,088,099**	2,238,727
Total Noncurrent Assets	13,927,357	14,122,394
TOTAL ASSETS	**₱16,595,896**	₱17,092,233
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱746,665**	₱955,742
Non-interest bearing liability (Note 17)	**506,119**	482,683
Current portion of loans payable (Note 14)	–	–
Advances from related parties (Note 29)	**4,569**	4,210
Current portion of lease liabilities (Note 18)	**89,052**	85,669
Income tax payable	**211,679**	90,916
Other current liabilities	**28,176**	28,176
Total Current Liabilities	**1,586,260**	1,647,396
Noncurrent Liabilities		
Non-interest bearing liability - net of current portion (Note 17)	**569,469**	1,148,299
Provision for mine rehabilitation and decommissioning (Note 15)	**328,020**	323,023
Lease liabilities - net of current portion (Note 18)	**664,902**	678,935
Deferred tax liabilities - net (Note 30)	**213,766**	227,293
Other noncurrent liabilities	**232**	232
Total Noncurrent Liabilities	1,776,389	2,377,782
Total Liabilities	3,362,649	4,025,178
Equity		
Capital stock (Note 19)	**6,375,975**	6,375,975
Additional paid-in capital	**239,012**	239,012
Remeasurement gain on retirement obligation	**42,364**	41,998
Cumulative translation adjustment	**179,728**	188,727
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	**(7,104)**	(6,872)
Retained earnings	**8,391,819**	8,214,489
Treasury shares (Note 19)	**(2,129,803)**	(2,129,803)
Equity attributable to the Parent Company	**13,091,991**	12,923,524
Non-controlling interests (NCI) (Note 19)	**141,256**	143,531
Total Equity	13,233,247	13,067,055
TOTAL LIABILITIES AND EQUITY	**₱16,595,896**	₱17,092,233

See accompanying Notes to Unaudited Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025 AND 2024
(Amounts in Thousands, Except Earnings per Share)

	2025	2024
REVENUE FROM CONTRACTS WITH CUSTOMERS	₱1,209,789	₱589,875
COST OF SALES (Note 21)	532,328	309,727
GROSS PROFIT	677,461	280,148
OPERATING EXPENSES		
Excise taxes and royalties (Note 22)	57,670	24,969
General and administrative (Note 23)	367,295	244,181
Shipping and distribution (Note 24)	8,348	10,491
	433,313	279,641
SHARE IN NET INCOME OF INVESTMENT IN ASSOCIATES (Note 9)	42,869	22,353
FINANCE COSTS (Note 27)	(40,701)	(51,150)
FINANCE INCOME	3,451	4,307
OTHER INCOME - net (Note 28)	6,322	13,650
INCOME (LOSS) BEFORE INCOME TAX	255,089	(10,333)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)		
Current	121,170	53,560
Deferred	(41,136)	(71,700)
	80,034	(18,140)
NET INCOME	175,055	7,807
Items that may be reclassified to profit or loss in subsequent periods:		
Currency translation adjustment	(11,999)	24,648
Income tax effect	3,000	(6,162)
	(8,999)	18,486
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on retirement obligation	491	(143)
Income tax effect	(123)	36
	368	(107)
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	(232)	–
	(8,863)	18,379
TOTAL COMPREHENSIVE INCOME	₱166,192	₱26,186
Net Income (Loss) Attributable To:		
Equity holders of the Parent Company	₱177,330	₱10,630
Non-controlling interests in consolidated subsidiaries	(2,275)	(2,823)
	₱177,055	₱7,807
Total Comprehensive Income (Loss) Attributable To:		
Equity holders of the Parent Company	₱168,467	₱29,009
Non-controlling interests in consolidated subsidiaries	(2,275)	(2,823)
	₱166,192	₱26,186
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 20)	₱0.0346	₱0.0021

See accompanying Notes to Unaudited Consolidated Financial Statements

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025 AND 2024
(Amounts in Thousands)

	Capital Stock (Note 15)	Additional Paid-in	Treasury Shares (Note 15)	Fair Value Reserve of Financial Assets at Fair Value through Other Comprehensive (Note 10)	Remeasurement Gain on Retirement Obligation	Cumulative Translation Adjustment	Retained Earnings	Total	NCI	Total Equity
Balances at December 31, 2024 (Audited)	₱ 6,375,975 ₱	239,012 ₱	(2,129,603) ₱	(6,875) ₱	31,996 ₱	186,327 ₱	8,212,894 ₱	12,903,520 ₱	141,531 ₱	13,047,065
Net income for the period	-	-	-	-	-	-	177,330	177,330	(2,275)	175,055
Other comprehensive income (loss) - net of tax	-	-	-	(232)	368	(9,066)	-	(8,930)	-	(8,885)
Total comprehensive income (loss) - net of tax	-	-	-	(232)	368	(9,066)	177,330	168,487	(2,275)	166,192
Balances at March 31, 2025 (Unaudited)	₱ 6,375,975 ₱	239,012 ₱	(2,129,603) ₱	(7,107) ₱	32,364 ₱	170,318 ₱	8,390,510 ₱	13,081,301 ₱	141,256 ₱	13,223,247
Balances at December 31, 2023 (Audited)	₱ 6,375,975 ₱	239,012 ₱	(2,129,603) ₱	(6,196) ₱	44,256 ₱	132,601 ₱	7,473,505 ₱	12,128,550 ₱	155,605 ₱	12,280,951
Net income for the period	-	-	-	-	-	-	13,620	13,620	(5,823)	7,807
Other comprehensive income (loss) - net of tax	-	-	-	-	(137)	19,406	-	19,270	-	19,270
Total comprehensive income (loss) - net of tax	-	-	-	-	(137)	19,406	13,620	33,089	(5,823)	26,196
Balances at March 31, 2024 (Unaudited)	₱ 6,375,975 ₱	239,012 ₱	(2,129,603) ₱	(6,196) ₱	44,119 ₱	151,207 ₱	7,491,225 ₱	12,175,540 ₱	150,872 ₱	12,309,037

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025 AND 2024
(Amounts in Thousands)

	2025 (Unaudited)	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱255,089	(₱10,333)
Adjustments for:		
Depreciation, depletion and amortization (Note 26)	94,261	88,125
Provision for impairment losses on other noncurrent assets	55,580	–
Interest expense (Note 27)	13,704	15,751
Unrealized foreign exchange gains - net	(7,379)	(15,657)
Share in net income of investment in associates (Note 9)	(42,869)	(22,353)
Current service cost (Note 16)	1,792	1,185
Accretion interest expense on:		
Non-interest bearing liability	23,436	30,187
Provision for mine rehabilitation and decommissioning (Note 27)	4,997	4,981
Interest income	(2,214)	(4,070)
Accretion interest income on security deposit under "Other noncurrent assets" (Note 27)	(237)	(237)
Operating income before changes in working capital	396,160	87,579
Decrease (increase) in:		
Trade and other receivables	(12,663)	14,554
Inventories	24,670	(67,231)
Prepayments and other current assets	719	(15,778)
Decrease in trade and other payables	(216,548)	(328,139)
Net cash flows from operations	192,338	(309,015)
Interest paid	(84)	(3,113)
Contributions (Note 16)	–	(5,728)
Interest received	(507)	3,175
Net cash flows from operating activities	191,747	(314,681)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property and equipment	(23,848)	(118,956)
Mine exploration costs	(8)	(8,836)
Decrease (increase) in:		
Advances to related parties	(6)	421,550
Other noncurrent assets	89,332	(103,017)
Payment of non-interest bearing liability related to the acquisition of an associate	(578,830)	(564,030)
Net cash flows used in investing activities	(513,360)	(373,288)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Lease Liabilities	(22,500)	(21,765)
Loans	–	(104,132)
Increase (decrease) in advances from related parties	359	(162,295)
Net cash flows used in financing activities	(22,141)	(288,192)
NET DECREASE IN CASH	(343,754)	(976,161)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(4,120)	39,824
CASH AT BEGINNING OF PERIOD	1,662,842	2,442,898
CASH AT END OF PERIOD	₱1,314,968	₱1,506,561

See accompanying Notes to Unaudited Consolidated Financial Statements.

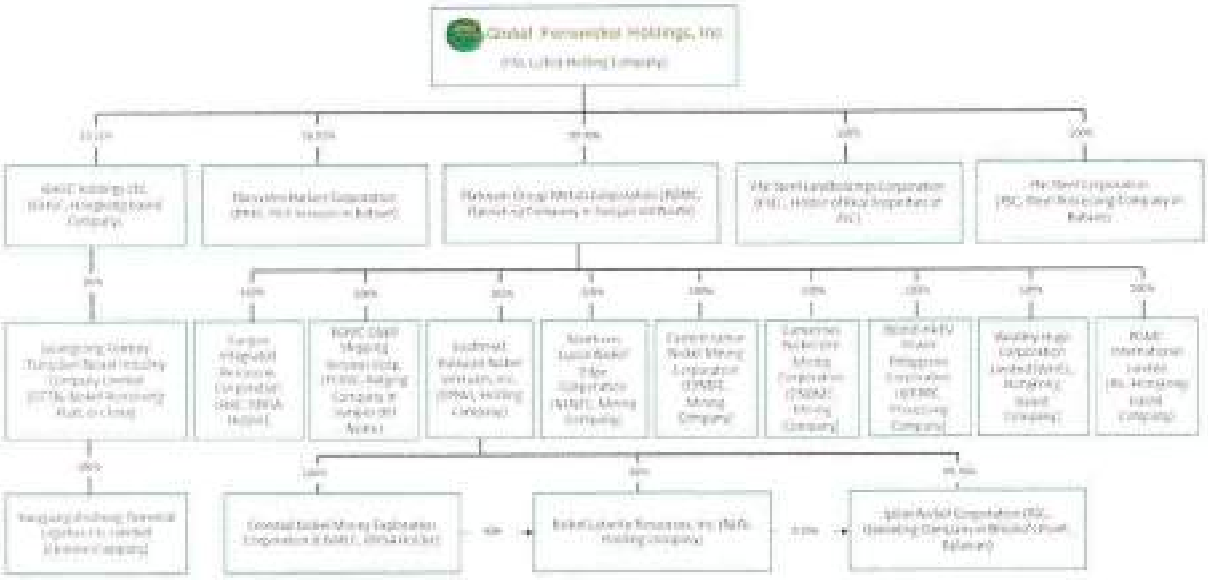
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Global Ferronickel Holdings, Inc. (FNI; Parent Company) is a corporation listed in the Philippine Stock Exchange (PSE). It was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 3, 1994. The principal activities of the Parent Company are to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, and other securities or obligations of any corporation.

The Parent Company's principal office address is at Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City.

The following is the map of relationships of the Companies within the Group:



The Parent Company's principal stockholders as at March 31, 2025 are as follows:

List of Top 20 Stockholders

Name	Citizenship	Holdings	Percentage
PCD NOMINEE CORP. - FILIPINO	Filipino	2,376,814,858	46.41%
PCD NOMINEE CORP. - NON-FILIPINO	Foreign	1,553,491,423	30.31%
REGULUS BEST NICKEL HOLDINGS INC.	Filipino	523,154,668	10.21%
BLUE EAGLE ELITE VENTURE INC.	Filipino	348,769,779	06.81%
SOHOTON SYNERGY, INC.	Filipino	233,156,767	04.56%
RED LION FORTUNE GROUP INC.	Filipino	57,588,666	01.12%
JOSEPH C. SY	Filipino	5,000,000	00.10%
DANTE R BRAVO	Filipino	3,281,053	00.06%
ORION-SQUIRE CAPITAL, INC. A/C-0499	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	897,338	00.02%
CORSINO L. DOTOJAN	Filipino	785,860	00.01%
GEARY L. BARIAS	Filipino	785,860	00.01%
MARILOU C. CELZO	Filipino	678,479	00.01%
GO GEORGE L.	Filipino	539,153	00.01%
KUOK PHILIPPINES PROPERTIES INC.	Filipino	463,953	00.01%
RICHARD C. GIMENEZ	Filipino	430,738	00.01%
TONG GABRIEL	Filipino	417,803	00.01%
OCA GREGORIO S.	Filipino	415,193	00.01%
PAZ VENSON	Filipino	410,579	00.01%

The Subsidiaries

PGMC

PGMC is 99.98% owned by the Parent Company and was registered with the Philippine SEC on February 10, 1983. It is primarily engaged in the exploration, mining and exporting of nickel ore located in the municipality of Claver, Surigao del Norte. PGMC's principal office address is the same as that of the Parent Company.

PGMC has an Operating Agreement with SIRC for the exclusive right and privilege to undertake mining activities within the area covered by the Mineral Production Sharing Agreement (MPSA) No. 007-92-X.

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.

SIRC

PGMC wholly owns SIRC, a company 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's principal office address is the same as that of the Parent Company.

SIRC is the holder of MPSA No. 007-92-X, redenominated as MPSA No. 007-92-X-SMR (Amended 1), located in Cagdianao, Claver, Surigao del Norte. The said MPSA was last renewed on June 21, 2016 for another 25 years from its initial term ending in 2017, or until February 14, 2042.

PCSSC

PGMC wholly owns PCSSC, a company registered with the Philippine SEC on June 4, 2013. Its primary purpose is 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. PCSSC's principal office address is the same as that of the Parent Company.

PIL

PGMC wholly owns PIL, a company incorporated on July 22, 2015 as a limited company under the Companies Ordinance of Hong Kong. Its primary purpose is to trade mineral products. It was established to facilitate relations with Chinese customers, to promote marketing, to collect accounts, to avail of offshore banking services such as loans, credit/discounting lines and other financing arrangements, and to do other services for PGMC. PIL's principal office address is at Unit 4101-02, 41/F, Office Tower, Convention Plaza, 1 Harbour Road Wanchai, Hong Kong.

WHCL

PGMC wholly owns WHCL, a company incorporated on March 1, 2021 as a limited company under the Companies Ordinance of Hong Kong. Its primary purpose is to facilitate relations with offshore customers, collection of accounts, availment of offshore banking services, and such other services as will aid PGMC's strategic growth in the ASEAN region. WHCL's principal office address is at Room 804, 8/F, LAP FAI Building, 6-8 Pottinger Street, Central Hong Kong. WHCL has not started its operations as at March 31, 2024.

SPNVI

SPNVI is 99.98% owned by the Parent Company through PGMC and was registered with the SEC on July 11, 2014. It is primarily engaged to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for nickel, chromite, copper, manganese, magnesite, silver, gold, and other precious and non-precious metals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, and to market, sell at wholesale, exchange or otherwise deal in nickel, chromite, copper, manganese, magnesite, silver, gold and other mineral products. SPNVI's principal office address is the same as that of the Parent Company.

INC
SPNVI wholly owns INC, a company registered with the SEC on July 22, 2005, for the primary purpose to explore, develop, mine, operate, produce, utilize, process and dispose of all the minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed or found within the area of Sitio Ipilan, Mambalot, Municipality of Brooke's Point, Province of Palawan, consisting of 2,835 hectares and covered by MPSA No. 017-93-IV, Amended 2000, by the Government of the Republic of the Philippines through the Secretary of the Department of Environment and Natural Resources (DENR). INC's principal office address is the same as that of the Parent Company.

CNMEC
SPNVI wholly owns CNMEC, a company registered with the SEC on December 17, 1979, for the primary purpose is to search for, prospect, explore, develop ores and mineral, to locate mining claims within the Philippines and record the same according to mining laws, and to purchase, take on lease, exchange or otherwise acquire mines, workings, mineral lands, mining claims, mineral, water and timer rights, foreshore leases, licenses concessions and grants, and other effects whatsoever which the Company may from time to time deem proper to be acquired for any of its purposes. CNMEC's principal office address is the same as that of the Parent Company.

NLRI
SPNVI wholly owns NLRI, a company registered with SEC on July 22, 2005, for the primary purpose to subscribe for, purchase or otherwise acquire, obtain interests in, own, hold, pledge, hypothecate, assign, sell, exchange or otherwise dispose of and generally deal in and with personal properties and securities of every kind and description of any government, municipality or other political subdivision or agency, corporation, association or entity; to exercise any and all interest in respect of any such securities; and to promote, manage, participate in and act as agent for any purchasing or selling syndicate or group of investors and otherwise to take part in and assist, in any legal matter for the purchase and sale of any securities as may be allowed by law, without acting as or engaging in the business of an investment house, mutual fund or broker or dealer in securities. NLRI's principal office address is the same as that of the Parent Company.

NLNEC
PGMC wholly owns NLNEC, a company registered with the Philippine SEC on July 10, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. NLNEC's principal office address is the same as that of the Parent Company.

ESNMC
PGMC wholly owns ESNMC, a company registered with the Philippine SEC on July 18, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. ESNMC's principal office address is the same as that of the Parent Company.

CNOMC
PGMC wholly owns CNOMC, a company registered with the Philippine SEC on July 18, 2023. Its primary purpose is to prospect, explore, locate, acquire, hold, work, develop, lease, operate and exploit mineral lands for chromite, copper, manganese, magnesite, silver, gold, nickel, and other precious and non-precious minerals; to acquire and dispose of mining claims and rights, and to conduct and carry on the business of preparing, milling, concentrating, smelting, treating or preparing for market, sell, exchange or otherwise deal in chromite, copper, manganese, silver, gold, nickel and other mineral products. CNOMC's principal office address is the same as that of the Parent Company.

WEPPC
PGMC wholly owns WEPPC, a company registered with the Philippine SEC on February 5, 2024. Its primary purpose is to engage generally in the business of, and/or to invest in the development, manufacturing, production, sale, invention, export, processing, and use of battery-grade materials, technologies, software, hardware, systems, applications, processes, machines, parts, appurtenances, facilities, stations, products, devices, equipment which are needed to allow the corporation to venture into the construction, assembly, commission, marketing, installation, sale, operation, maintenance, rehabilitation, management, repair, commission, recycling and/or distribution of batteries, battery systems, battery energy storage systems, electric vehicle charging stations and docks, energy supply equipment, and other renewable energy components for residential, commercial, and industrial purposes. WEPPC's principal office address is the same as that of the Parent Company.

FSC

FSC is a wholly-owned subsidiary of the Parent Company and 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. FSC's principal office address is at Lot 9 3rd Floor AFAB Administration Building, Freeport Area of Bataan Alas-asin Mariveles, Bataan, Region III, Philippines. As at June 30, 2023, FSC has not yet started its commercial operations.

FSLC
FSLC is a wholly-owned subsidiary of the Parent Company and 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. FSLC's principal office address is the same as that of the Parent Company.

MHC
MHC is 88.01% owned by the Parent Company and was registered with the Philippine SEC on July 11, 2014 primarily to engage to carry on the business of providing and rendering general services incidental to and necessarily connected with the operation and management of port terminals in the Philippines, which will involve the handling of containers, bulk liquid and dry cargoes, bagging of fertilizers, refrigerated warehousing facilities, warehousing and stevedoring, lightering, towing, and/or storing of cargo handled by MHC to and from port terminals in the delivery from abroad and/or for shipment abroad as may be necessary or incidental thereto. MHC's principal office address is at Mariveles Multi-Purpose Terminal, Mariveles Diversion Road, Freeport Area of Bataan, Brgy. Sisiman, Mariveles, Bataan.

The Associates

GHGC
GHGC is 22.22% owned by the Parent Company and was incorporated in the British Virgin Islands (BVI) on April 14, 2011 whose principal activity is investment holding. The registered office of GHGC is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. It engages in trading nickel ore and other related mineral products.

GHGC owns 90% shareholding in Guangdong Century Tsingshan Nickel Industry Company Limited (GCTN). GCTN is a nickel alloy enterprise in China that is processing laterite nickel ore and is selling nickel pig iron. It operates a 33-hectare area and is one of the most competitive smelters with Rotary kiln-electric furnace (RKEF) technology. The rotary kiln can feed up to four (4) furnaces and is estimated to produce about 28,000 tons of pure nickel at its optimum. GCTN's wholly owned subsidiary is Yangjiang Zhicheng Terminal Logistics Co. Limited, located near Yangjiang Harbour, Hailing Cove area.

2. Basis of Preparation, Statement of Compliance, Basis of Consolidation and Changes in Accounting Policies and Disclosures

Basis of Preparation
The accompanying unaudited interim consolidated financial statements of the Group as at March 31, 2025 and for the three months period ended March 31, 2025 and 2024 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*, and on a historical cost basis, except for the financial asset at fair value through other comprehensive income (FVOCI), which are carried at fair value. The unaudited interim consolidated financial statements are presented in Philippine peso, which is the Group's presentation currency under the Philippine Financial Reporting Standards (PFRS). Based on the economic substance of the underlying circumstances relevant to the Group, the functional currencies of the Parent Company and subsidiaries is Philippine peso, except for PIL and WHCL whose functional currency is Hong Kong Dollar (HK$). All values are rounded to the nearest thousand (000), except number of shares, per share data and as indicated. Further, the unaudited interim consolidated financial statements do not include all the information and disclosure required in the annual consolidated financial statements, and should be read in conjunction with the audited Group's annual consolidated financial statements as at December 31, 2024.

Statement of Compliance
The accompanying unaudited interim consolidated financial statements of the Group have been prepared in compliance with PFRS.

Basis of Consolidation

The unaudited interim consolidated financial statements include the balances of the Parent Company and its subsidiaries and equity share in net income or losses of associates, after eliminating significant intercompany balances and transactions.

Subsidiaries	Principal Place of Business	Principal Activities	Effective Ownership March 31, 2025	Effective Ownership December 31, 2024
PGMC	Philippines	Mining	99.98%	99.98%
SIRC(1)	Philippines	Mining	99.98%	99.98%
PCSSC(1)	Philippines	Services	99.98%	99.98%
PIL(1)	Hong Kong	Marketing, Trading and Services	99.98%	99.98%
WHCL(1)	Hong Kong	Marketing, Trading and Services	99.98%	99.98%
FSLC	Philippines	Landholdings	100.00%	100.00%
FSC	Philippines	Manufacturing	100.00%	100.00%
MHC	Philippines	Port Operations	88.01%	88.01%
SPNVI(1)	Philippines	Holding/Mining	99.98%	99.98%
INC(1)	Philippines	Mining	99.98%	99.98%
CNMEC(1)	Philippines	Holding/Mining	99.98%	99.98%
NLRI(1)	Philippines	Holding/Mining	99.98%	99.98%
NLNEC(1)	Philippines	Mining	99.98%	99.98%
ESNMC(1)	Philippines	Mining	99.98%	99.98%
CNOMC(1)	Philippines	Mining	99.98%	99.98%
WEPPC(1)	Philippines	Processing	99.98%	99.98%
Associates				
GHGC	British Virgin Islands	Holding	22.22%	22.22%
GCTN(2)	China	Nickel Processing	20.00%	20.00%

(1) Indirect ownership through PGMC.
(2) Indirect ownership through GHGC.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform and consistent accounting policies. When necessary, adjustments are made to the stand-alone financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. PFRS 17 replaces PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  When applying the amendments, an entity cannot restate comparative information.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a "De Facto Agent"*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the consolidated financial statements of the Group in the year of adoption, if applicable.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRSs requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any changes in estimates are reflected in the unaudited interim consolidated financial statements as they become reasonably determinable.

Accounting judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Judgments
In the process of applying the Group's accounting policies, management has made judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the unaudited interim consolidated financial statements.

Estimates and Assumptions
The Group based its assumptions and estimates on parameters available when the unaudited interim consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4. Cash and Cash Equivalents

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	₱1,693	₱1,523
Cash in banks	1,289,416	1,637,460
Short-term cash investments	23,859	23,859
	₱1,314,968	₱1,662,842

5. Trade and Other Receivables

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade	₱680,398	₱579,651
Advances to:		
Contractors	230,891	285,769
Officers, employees and others	44,604	70,115
Income tax receivable	26,377	26,767
	982,270	962,302
Less allowance for expected credit losses (ECL)	323,703	323,703
	₱658,567	₱638,599

There was no provision for ECL on trade and other receivables for the periods ended March 31, 2025 and 2024.

6. Inventories

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beneficiated nickel ore	₱554,514	₱526,998
Materials and supplies	82,066	82,329
	₱636,580	₱609,327

No provision for inventory losses was recognized for the periods ended March 31, 2025 and 2024. The balance of the allowance for inventory losses on materials and supplies amounted to ₱10.8 million as at March 31, 2025 and December 31, 2024.

7. Prepayments and Other Current Assets

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Prepaid taxes and licenses	₱16,130	₱16,130
Prepaid insurance	13,130	13,482
Input VAT	12,860	11,966
Creditable withholding taxes (CWT)	12,442	11,749
Advances to suppliers	7,887	9,631
Prepaid rent	568	503
Others	3,015	3,224
	66,032	66,685
Less allowance for impairment losses	15,650	15,650
	₱50,382	₱51,035

No provision for impairment losses on other current assets was recognized in 2025 and 2024.

8. Property and Equipment

As at March 31, 2025 and December 31, 2024, property and equipment amounted to ₱6,438.9 million and ₱6,562.3 million, respectively. During the three-month period ended March 31, 2025 and 2024, the Group acquired assets with a cost of ₱23.8 million and ₱119.0 million, respectively, including construction in-progress.

Depreciation and depletion expenses for the three-month period ended March 31, 2025 and 2024 amounted to ₱143.6 million and ₱132.9 million, respectively. As at March 31, 2025 and December 31, 2024, total accumulated depreciation and depletion amounted to ₱4,373.3 million and ₱4,241.8 million, respectively.

The property and equipment includes right-of-use assets amounted to ₱612.5 million and ₱633.9 million as at March 31, 2025 and December 31, 2024, respectively. As at March 31, 2025 and December 31, 2024, accumulated depreciation of the right-of-use assets amounted to ₱372.3 million and ₱352.9 million, respectively. Depreciation expense of right-of-use assets for the three-month period ended March 31, 2025 and 2024 amounted to ₱21.2 million and ₱21.1 million, respectively.

No property and equipment were pledged as at March 31, 2025 and December 31, 2024.

9. Investment in Associates

As at March 31, 2025 and December 31, 2024, investment in associates amounted to ₱4,806.9 million and ₱4,764.0 million, respectively.

The Group recognized total share in net income of investment in associates amounted to ₱42.9 million for the three months ended March 31, 2025 and ₱22.4 million in the same period last year.

10. Mining Rights

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost	₱396,500	₱396,500
Accumulated amortization:		
Beginning balance	293,837	285,568
Amortization	–	8,269
Ending balance	293,837	293,837
Net book value	₱102,663	₱102,663

No provision for impairment losses on mining rights was recognized for the periods ended March 31, 2025 and 2024.

11. Mine Exploration Costs

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱264,319	₱237,857
Exploration expenditures incurred	8	26,462
Ending balance	₱264,327	₱264,319

12. Other Noncurrent Assets

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Input VAT	₱1,241,153	₱1,407,497
Mine rehabilitation fund (MRF)	603,474	602,602
Advances to suppliers	384,516	367,699
Miscellaneous deposit	56,445	56,445
Security deposits	26,124	25,887
Financial asset at FVOCI	1,750	1,982
Computer software	1,583	1,602
Others	48,046	49,105
	2,363,091	2,512,819
Less allowance for impairment losses	274,092	274,092
	₱2,088,999	₱2,238,727

During the first quarter of this year, the Group received a VAT refund from the Bureau of Internal Revenue (BIR) for the fourth quarter of 2022, amounting to ₱184.8 million out of the ₱240.3 million applied for in 2024. The denied portion of ₱55.6 million was recognized as a provision for impairment losses (see Note 23).

No dividend income was earned by the Group for the periods ended March 31, 2025 and 2024 from the financial asset at FVOCI.

13. Trade and Other Payables

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade	₱135,633	₱553,436
Contract liabilities	332,925	–
Accrued expenses and taxes	242,997	368,569
Dividends payable	24,847	24,893
Nontrade	10,263	8,844
	₱746,665	₱955,742

Details of the accrued expenses and taxes are summarized below:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued liabilities	₱194,612	₱178,429
Provision for Indigenous Cultural Communities (ICC)	19,710	89,227
Business and other taxes	16,381	22,620
Accrued payroll	3,453	16,763
Excise taxes and royalties payable	–	55,497
Others	8,841	6,033
	₱242,997	₱368,569

14. Loans Payable

As at March 31, 2025 and December 31, 2024, the carrying amount of the loan was nil.

Movements in the carrying value of loans payable are as follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱–	₱347,294
Payments	–	(347,294)
Ending balance	₱–	₱–

Long term loans

TCB

On July 29, 2021, the Group was granted by TCB through PGMC an Omnibus Line for Loan Facility in the aggregate principal amount not exceeding US$15.0 million for general corporate purposes. The Omnibus Line is comprised of Revolving loan amounting to US$5.0 million and Term loan amounting to US$15.0 million

On July 30, 2021, the Group made a drawdown amounting to US$15.0 million of the loan.

On July 8, 2024, PGMC settled in full its loan from TCB.

Interest expense related to the TCB loan amounted to nil and ₱3.1 million for the periods ended March 31, 2025 and 2024, respectively.

15. Provision for Mine Rehabilitation and Decommissioning

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and demolition of infrastructures, removal of residual materials and remediation of disturbed areas.

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱323,023	₱296,814
Accretion interest	4,997	19,071
Effect of change in estimate	–	7,138
Ending balance	₱328,020	₱323,023

16. Retirement Obligation

The FNI Group of Companies Multiemployer Retirement Plan (the Retirement Plan) is jointly established by PGMC, PCSSC, INC and the Parent Company, and other affiliate companies that may adopt the said plan. The Retirement Plan is a non-contributory defined benefit retirement plan covering all of the Group's regular employees effective January 1, 2018.

The funding of the Retirement Plan shall be determined by the actuarial advisor and payment of the benefits thereunder shall be provided through the medium of a fund held by the Trustee Bank under the Trust Agreement. There was no plan termination, curtailment or settlement as at March 31, 2025 and December 31, 2024.

The latest actuarial valuation report of the retirement plan is as at December 31, 2024.

As at March 31, 2025, the Group's contribution to the pension fund amounted to nil. The Group does not currently employ any asset-liability matching.

As at March 31, 2025 and December 31, 2024, the retirement plan asset, net of retirement obligation, amounted to ₱48.0 million and ₱49.5 million, respectively. The current service cost amounted to ₱3.1 million and ₱2.3 million for the three months period ended March 31, 2025 and 2024, respectively. The interest cost on retirement obligation amounted to ₱1.8 million and ₱1.5 million for the three months period ended March 31, 2025 and 2024, respectively. The interest income on plan assets amounted to ₱2.7 million and ₱2.4 million for the three months period ended March 31, 2025 and 2024, respectively.

17. Non-interest Bearing and Other Current Liabilities

Non-interest bearing liability
On September 30, 2022, as a result of the acquisition of GCTN, the Group recognized a non-interest bearing liability to the Seller amounting to US$51.8 million which will be settled through annual installment payment amounting to US$10.0 million starting 2023 until fully paid.

Details of the non-interest bearing liability to the Seller is as follows:

	2022
Balance at the date of acquisition, undiscounted	₱2,947,352
Discount on non-interest bearing liability:	
Day 1 gain	504,273
Accretion of interest	(35,099)
Ending balance	469,174
Net carrying value	₱2,478,178

Movements in the carrying value of the non-interest bearing liability are as follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱1,630,982	₱2,004,710
Payments	(578,830)	(564,030)
Accretion of interest	23,436	121,586
Effect of changes in foreign currency exchange rates	-	68,716
Ending balance	1,075,588	1,630,982
Less: Current portion	506,119	482,683
Non-interest bearing liability - net of current portion	₱569,469	₱1,148,299

18. Leases

The Group has lease contracts for various properties and equipment used in its operations and office spaces. Leases of office spaces generally have lease terms between three and 13 years while the equipment has a lease term of two years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets without approval of lessor.

The Group also has certain lease of office spaces and machineries and equipment with lease terms of twelve months or less. The Group applies the "short-term lease" recognition exemptions for these leases.

The lease liabilities as at March 31, 2025 and December 31, 2024, discounted using incremental borrowing rate are as follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Lease liabilities	₱753,954	₱764,604
Less current portion	89,052	85,669
Noncurrent portion	₱664,902	₱678,935

The rollforward analysis of lease liabilities follows:

Amount in thousands	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning balance	₱764,604	₱823,342
Interest expense	11,850	49,423
Payments	(22,500)	(108,161)
Ending balance	₱753,954	₱764,604

19. Equity

Capital Stock

The Parent Company has 11,957,161,906 authorized shares at ₱1.05 par value as at March 31, 2025 and December 31, 2024. Out of the total authorized shares of the Parent Company, 6,072,357,151 shares are issued amounting to ₱6,375,975 as at March 31, 2025 and December 31, 2024.

The Parent Company has only one (1) class of common shares which do not carry any right to fixed income.

NCI

March 31, 2025

	MHC	PGMC	SPNVI	Total
Percentage of ownership	MHC	PGMC	SPNVI	
Acquisition of SPNVI and MHC	429,936	-	6,503	436,439
Acquisition of NCI	(328,507)	-	(331,464)	(659,971)
Issuance of capital stock	-	446	-	446
Retained earnings, beginning	40,969	524	325,124	366,617
Total comprehensive income (loss) attributable to NCI	(2,360)	25	60	(2,275)
Total	140,036	995	223	141,256

December 31, 2024

	MHC	PGMC	SPNVI	Total
Percentage of ownership	11.98%	0.02%	0.02%	
Acquisition of SPNVI and MHC	429,936	-	6,503	436,439
Acquisition of NCI	(328,507)	-	(331,464)	(659,971)
Issuance of capital stock	-	446	-	446
Retained earnings, beginning	51,293	527	324,961	376,781
Total comprehensive income (loss) attributable to NCI	(10,324)	48	163	(10,113)
Cash dividend	-	(51)	-	(51)
Total	142,398	970	163	143,531

Material NCI
As at March 31, 2025 and December 31, 2024, the accumulated balance of material NCI amounted to ₱140.0 million and ₱142.4 million, respectively, which represents 11.99% equity interest in MHC. Net loss allocated to material NCI amounted to ₱2.4 million and ₱10.3 million for the periods ended March 31, 2025 and December 31, 2024, respectively.

Treasury Stock
The Parent Company has 947,181,464 shares amounting to ₱2,129.8 million in treasury as at March 31, 2025 and December 31, 2024.

20. Earnings Per Share

The following reflects the income and share data used in the earnings per share (EPS) computation for the three months period ended March 31:

	2025 (Unaudited)	2024
Net income attributable to common shareholders (amounts in thousands)	₱177,330	₱10,630
Weighted average number of common shares outstanding for basic EPS	5,125,175,687	5,125,175,687
Basic/diluted EPS	₱0.0346	₱0.0021

As at March 31, 2025 and 2024, there are no potentially dilutive common shares.

21. Cost of Sales

Amount in thousands	For the three months period ended March 31 2025 (Unaudited)	2024
Contract hire	₱313,695	₱173,894
Depreciation and depletion (see Note 26)	60,340	51,156
Personnel costs (see Note 25)	48,656	43,329
Operation overhead	44,736	7,071
Environmental protection costs	20,394	3,814
Fuel, oil and lubricants	17,010	11,260
Manning services	10,637	6,709
Community relations	5,395	5,546
Assaying and laboratory	3,536	2,227
Repairs and maintenance	2,071	1,316
Others	5,858	3,405
	₱532,328	₱309,727

22. Excise Taxes and Royalties

Excise taxes amounted to ₱57.7 million and ₱25.0 million for the periods ended March 31, 2025 and 2024, respectively.

23. General and Administrative

Amount in thousands	For the three months period ended March 31 2025 (Unaudited)	2024
Taxes and licenses	₱73,102	₱32,759
Personnel costs (see Note 25)	73,070	70,410
Provision for impairment losses on other noncurrent assets (see Note 12)	55,580	–
Outside services	55,426	48,620
Depreciation and amortization (see Note 26)	33,921	36,969
Consultancy fees	26,524	17,316
Marketing and entertainment	19,580	10,546
Travel and transportation	5,750	5,789
Repairs and maintenance	5,615	5,801
Membership and subscription	3,395	2,338
Fuel, oil and lubricants	2,306	2,366
Communication	1,589	1,414
Other charges	11,437	9,853
	₱367,295	₱244,181

24. Shipping and Distribution

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Stevedoring charges and shipping expenses	₱7,698	₱5,185
Barging charges	–	3,696
Fuel, oil and lubricants	87	818
Personnel costs (see Note 25)	262	356
Repairs and maintenance and others	101	247
Supplies	170	159
Government fees	30	30
	₱8,348	₱10,491

25. Personnel Costs

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Salaries and wages	₱112,273	₱105,054
Retirement benefits costs (see Note 16)	1,792	1,267
Other employee benefits	7,923	7,774
	₱121,988	₱114,095

Other employee benefits are composed of various benefits given to employees that are individually immaterial.

The personnel costs were distributed as follows:

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Cost of sales (see Note 21)	₱48,656	₱43,329
General and administrative (see Note 23)	73,070	70,410
Shipping and distribution (see Note 24)	262	356
	₱121,988	₱114,095

26. Depreciation, Depletion and Amortization

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Cost of sales (see Note 21)	₱60,340	₱51,156
General and administrative (see Note 23)	33,921	36,969
	₱94,261	₱88,125

27. Finance Costs

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Interest expense	₱11,934	₱15,751
Accretion interest on non-interest bearing liability	23,436	30,187
Accretion interest on provision for mine rehabilitation and decommissioning	4,997	4,981
Bank charges	334	231
	₱40,701	₱51,150

28. Other Income - net

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Foreign exchange gains - net	₱2,094	₱9,533
Despatch (demurrage) - net	4,200	4,108
Others	28	9
	₱6,322	₱13,650

Breakdown of net foreign exchange gains is as follows:

Amount in thousands	For the three months period ended March 31 2025	2024
	(Unaudited)	
Net realized foreign exchange losses	(₱5,285)	(₱6,124)
Unrealized foreign exchange gains (losses) on:		
Cash and cash equivalents	7,379	15,787
Trade and other receivables	–	1,147
Other noncurrent assets	–	174
Loans payable	–	(1,451)
	₱2,094	₱9,533

29. Related Party Disclosures

Set out below are the Group's transactions with related parties for the three-month periods ended March 31, 2025, including the corresponding assets and liabilities arising from the said transactions as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited):

Amount in thousands Category	Amount/Volume	Sale of Ore	Advances to related parties	Advances from related parties	Non-interest bearing liability*	Terms	Conditions
Stockholders							
March 31, 2025	₱5	₱–	₱438	₱–	₱1,075,588	On demand; noninterest-bearing; collectible in cash	Secured; with guarantee
December 31, 2024	₱–	–	₱433	₱–	₱1,630,952		

(Forward)

Amount in thousands Category	Amount/Volume	Sale of Ore	Advances to related parties	Advances from related parties	Non-interest bearing liability	Terms	Conditions
Affiliates with common officers, directors and stockholders							

March 31, 2025	350	–	7,604	4,569	–	On demand; noninterest-bearing; collectible or payable in cash	Secured; with guarantee
December 31, 2024	–	–	7,603	4,210	–		
Associate							
March 31, 2025	458,434	458,434	–	–	–	On demand; noninterest-bearing; collectible in cash	Secured; with guarantee
December 31, 2024	1,476,109	1,476,109	–	–	–		
Total	₱458,799	₱458,434	₱8,042	₱4,469	₱1,075,588		
Total	₱1,476,109	₱1,476,109	8,036	₱4,210	₱1,630,982		

* See Note 17 for the terms of the non-interest bearing liability.

The summary of significant transactions and account balances with related parties are as follows:

a. PIL, a subsidiary, entered into ore supply sales agreements with the Group for the purchase of nickel ore amounting to ₱260.4 million and nil million for the periods ended March 31, 2025 and 2024, respectively.

b. GCTN, an associate, entered into ore supply sales agreements with the Group for the purchase of nickel ore amounting to ₱458.4 million and ₱274.4 million for the periods ended March 31, 2025 and 2024, respectively.

c. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The compensation of the key management personnel of the Group for the three months period ended March 31, 2025 and 2024 amounted to ₱21.5 million.

30. Income Taxes

The Group recognized net provision for income tax amounted to ₱80.0 million for the period ended March 31, 2025 and net benefit from income tax amounted to ₱18.1 million for the period ended March 31, 2024, representing regular corporate income tax (RCIT) and special corporate income tax (5% tax on gross income). The Group has availed of the itemized deductions method in claiming its deductions for the three months ended March 31, 2025 and 2024.

As at March 31, 2025 and December 31, 2024, the Group's net deferred income tax assets amounted to ₱177.6 million and ₱140.8 million, respectively. As at March 31, 2025 and December 31, 2024, the Group's net deferred income tax liabilities amounted to ₱213.8 million and ₱227.3 million, respectively.

31. Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash and cash equivalents, Trade receivables, and Advances to contractors under "Trade and other receivables" and Trade and other payables

The carrying amounts of cash and cash equivalents, trade receivables, and advances to contractors under "Trade and other receivables" and trade and other payables approximate their fair values due to the short-term nature of these accounts.

Restricted cash under "Other noncurrent assets"
The carrying amounts approximate their fair values since these are restricted cash in banks which earn interest based on prevailing market rates repriced monthly.

Financial asset at FVOCI under "Other noncurrent assets"
The fair value of quoted equity instrument is determined by reference to the market closing quotes at the end of the reporting period.

Advances to and from related parties, and other current liabilities"
Advances to and from related parties, and other current liabilities do not have fixed repayment terms. As such, their carrying amounts approximate their fair values.

Loans Payable
The fair value of loans payable is estimated using the discounted cash flow methodology using the benchmark risk free rates for similar types of loans and borrowings, except for variable-rate borrowings which are repriced quarterly.

Lease Liabilities
The carrying amount of lease liabilities are carried at present value due to the long-term nature of the account. The fair value of lease liabilities was computed by discounting the expected cash flows within effective interest rate ranging from 2.5% to 7.3%. The computed fair value approximates its carrying amount.

Fair Value Hierarchy
As at March 31, 2025 and December 31, 2024, the Group's financial asset at FVOCI is classified under Level 1, its non-interest bearing liabilities and other current liabilities are classified under Level 2, and its lease liabilities are classified under Level 3.

There were no transfers between levels of fair value measurement as at March 31, 2025 and December 31, 2024.

32. Operating Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker (the BOD) to make decisions about how resources are to be allocated to the segment and assess their performances, and for which discrete financial information is available.

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 Group conducts the majority of its business activities in the following areas:

- The mining segment is engaged in the exploration, mining and exporting of nickel saprolite and limonite ore;
- The services segment is engaged in the chartering out of LCTs by PCSSC to PGMC and INC and port services rendered by MHC to its customers; and
- The manufacturing segment includes FSC which is engaged in the manufacturing of iron steel bars and FSLC which is engaged in holding the real properties of FSC.

The Group's core business is the sale of nickel ore to external customers which accounted for 99.6% and 99.4% of the Group's total revenue for the periods ended March 31, 2025 and 2024, respectively. Accordingly, the Group's mining segment operates in two (2) geographical locations within the Philippines: Surigao and Palawan. The Group's manufacturing segment is incorporated to build a rebar steel rolling plant in Bataan, Philippines (see Note 1 of the December 31, 2024 audited financial statements for the relevant updates on this project). Noncurrent assets of the Group comprising property and equipment, mine exploration costs, mining rights, and other noncurrent assets are located in the Philippines, Hong Kong and China.

The Group has revenues from external customers as follows:

Amount in thousands	For the three months period ended March 31 2025	2024
Country of Domicile	(Unaudited)	
China	₱1,205,137	₱586,171
Local	4,652	3,704
	₱1,209,789	₱589,875

The revenue information above is based on the location of the customers. The local customers include MHC's revenue from Philcement Corporation, which is an Authority of the Freeport Area of Bataan (AFAB)-registered entity.

Financial information on the operation of the various business segments are as follows:

	March 31, 2025 (Unaudited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
External customers	₱1,205,137	₱4,652	₱–	₱–	₱1,209,789
Intersegment revenues	260,367	31,359	–	(291,726)	–
Total revenues	1,465,504	36,011	–	(291,726)	1,209,789
Cost of sales	753,169	38,090	–	(258,931)	532,328
Excise taxes and royalties	57,670	–	–	–	57,670
Shipping and distribution	39,707	–	–	(31,359)	8,348
Segment operating earnings	614,958	(2,079)	–	(1,436)	611,443
General and administrative	355,980	11,077	238	–	367,295
Finance income	2,444	7	–	–	2,451
Finance costs	(34,318)	(6,383)	–	–	(40,701)
Share in net income of investment in associates	42,869	–	–	–	42,869
Other income - net	23,580	–	–	(17,258)	6,322
Provision for income tax - net	80,040	554	–	(560)	80,034
Net income (loss)	213,513	(20,086)	(238)	(18,134)	175,055
Net income (loss) attributable to NCI	85	(2,360)	–	–	(2,275)
Net income (loss) attributable to equity holders of FNI	₱213,428	(₱17,726)	(₱238)	(₱18,134)	₱177,330
Segment assets	₱30,425,368	₱2,133,124	₱1,008,246	(₱17,148,393)	₱16,418,345
Deferred tax assets - net	175,300	2,251	–	–	177,551
Total assets	₱30,600,668	₱2,135,375	₱1,008,246	(₱17,148,393)	₱16,515,896
Segment liabilities	₱5,399,464	₱503,246	₱459,111	(₱3,212,938)	₱3,148,883
Deferred tax liabilities - net	75,293	(6,068)	–	144,541	213,766
Total liabilities	₱5,474,757	₱497,178	₱459,111	(₱3,068,397)	₱3,362,649
Capital expenditures	₱23,559	₱289	₱–	₱–	₱23,848
Depreciation and depletion	₱115,366	₱29,553	₱–	₱–	₱144,919

	March 31, 2024 (Unaudited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
External customers	₱586,171	₱3,704	₱–	₱–	₱589,875
Intersegment revenues	–	12,000	1,200	(13,200)	–
Total revenues	586,171	15,704	1,200	(13,200)	589,875
Cost of sales	271,355	36,206	–	2,242	309,803
Excise taxes and royalties	24,969	–	–	–	24,969
Shipping and distribution	22,491	–	–	(12,000)	10,491
Segment operating earnings	267,356	(20,502)	1,200	(3,442)	244,612
General and administrative	229,284	12,953	1,868	–	244,105
Finance income	4,295	11	1	–	4,307
Finance costs	(44,768)	(6,382)	–	–	(51,150)
Share in net income of investment in associates	22,353	–	–	–	22,353
Other income - net	31,624	–	–	(17,974)	13,650
Benefit from income tax - net	(17,581)	(320)	300	(539)	(18,140)
Net income (loss)	69,157	(39,506)	(967)	(20,877)	7,807
Net income (loss) attributable to NCI	8	(2,831)	–	–	(2,823)
Net income (loss) attributable to equity holders of FNI	₱69,149	(₱36,675)	(₱967)	(₱20,877)	₱10,630
Segment assets	₱31,024,647	₱2,047,142	₱1,061,425	(₱17,971,388)	₱16,161,826
Deferred tax assets - net	195,182	2,298	–	–	197,480
Total assets	₱31,219,829	₱2,049,440	₱1,061,425	(₱17,971,388)	₱16,359,306
Segment liabilities	₱7,021,536	₱434,676	₱485,414	(₱4,119,474)	₱3,822,152
Deferred tax liabilities - net	92,886	(4,970)	5,398	137,303	230,617
Total liabilities	₱7,114,422	₱429,706	₱490,812	(3,982,171)	4,052,769
Capital expenditures	₱81,939	₱108	₱36,908	₱–	₱118,955
Depreciation and depletion	₱107,940	₱26,098	₱130	₱–	₱134,168

	December 31, 2024 (Audited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
Segment assets	₱29,927,604	₱2,140,885	₱1,008,284	(₱16,125,377)	₱16,951,396
Deferred tax assets - net	138,539	2,298	–	–	140,837
Total assets	₱30,066,143	₱2,143,183	₱1,008,284	(₱16,125,377)	₱17,092,233
Segment liabilities	₱5,029,587	₱594,773	₱458,911	(₱2,285,386)	₱3,797,885
Capital expenditures	₱423,855	₱543,473	₱36,908	₱–	₱1,004,236