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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

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

Global Ferronickel Holdings, Inc.

Notice of Annual Meeting of Stockholders

You are notified that the Annual Meeting of the Stockholders of GLOBAL FERRONICKEL HOLDINGS, INC. (the "Company") shall be held on Wednesday, July 29, 2026, 1:00 p.m. via webcast, to consider the following:

AGENDA

1. Call to Order;
2. Certification of Notice and the Existence of Quorum;
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on June 25, 2025;
4. Annual Report and Approval of the Audited Financial Statements as of December 31, 2025;
5. Election of Directors;
6. Ratification of acts of the Board of Directors and proceedings of the Board of Directors, Board Committees and Management
7. Ratification of the appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2025
8. Appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2026
9. Other Matters; and
10. Adjournment.

The Company has, in accordance with the By-Laws, fixed the close of business on July 1, 2026 as the record date for the determination of the stockholders entitled to notice of and to vote at such meeting and on any adjournment thereof ("Stockholders of Record").

To foster open communication with stakeholders, while prioritizing their welfare and ensuring cost efficiency, the meeting will be conducted virtually.

Stockholders of Record have the option to attend or participate via proxy, remote communication, and vote in absentia. We strongly encourage stockholders to engage in the meeting. Notices to attend, relevant documents, completed ballot forms, or proxy forms should be submitted to the Office of the Corporate Secretary at asm2026registration@gfni.com.ph or sent via courier to Penthouse Platinum Tower, Asean Avenue cor. Fuentes St., Aseana, Parañaque City by July 22, 2026. Detailed registration and voting procedures can be found at http://www.gfni.com.ph.

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

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

City of Parañaque, Metro Manila, June 26, 2026.

ATTY. EVEART GRACE POMARIN-CLARO
Corporate Secretary

Global Ferronickel Holdings, Inc.

Annual Stockholders' meeting
July 29, 2026

OFFICIAL VOTING BALLOT

The undersigned stockholder of Global Ferronickel Holdings, Inc. vote as follows:

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

Agenda Item No.	RESOLUTION	VOTE		
		For	Against	Abstain
3	Approval of the Minutes of the Previous Annual Stockholders' Meeting held on June 25, 2025			
4	Annual Report and Approval of the Audited Financial Statements as of December 31, 2025			
5	Election of Directors			
	(1) Dante R. Bravo			
	(2) Mary Belle D. Bituin			
	(3) Gu Zhi Fang			
	(4) Dennis Allan Ang			
	(5) Kirby Erin C. Ng			
	(6) Jennifer Y. Cong			
	(7) Noel B. Lazaro			
	(8) Jaime F. del Rosario (Independent Director)			
	(9) George T. Barcelon (Independent Director)			
	(10) Sergio R. Ortiz-Luis, Jr. (Independent Director)			
6	Ratification of acts of the Board of Directors and proceedings of the Board of Directors, Board Committees and Management			
7	Ratification of the appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2025			
8	Appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2026			

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

1. To be valid, digital or scanned copy of this proxy must be submitted on or before July 22, 2026 by email to asm2026@gfni.com.ph or by courier to Penthouse Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City, Metro Manila to the attention of the Office of corporate Secretary.
2. When properly executed, this proxy will be voted in the manner directed above by the stockholder. If no direction is made, this proxy will be voted for the election of all nominees and for the approval of all the matters stated above and for such matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by Management or the Board of Directors.
3. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised, by email to asm2026@gfni.com.ph or by courier to Penthouse Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City, Metro Manila to the attention of the Office of corporate Secretary. A proxy is also considered revoked if the stockholder registers for voting via remote communications or in absentia.
4. Notarization of this proxy is not required.

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

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [x] 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: July 29, 2026, 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: **July 8, 2026**

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	**5,110,421,196 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:	July 29, 2026, 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 **July 8, 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.

(c) Pursuant to the Revised Corporation Code of the Philippines, a stockholder or member may propose the holding of a special meeting and the matters to be included in the agenda thereof. Likewise, any director, trustee, stockholder, or member may propose any matter for inclusion in the agenda of a regular meeting of stockholders or members, subject to the requirements of applicable laws, the Corporation's By-Laws, and the rules and regulations of the Securities and Exchange Commission.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) The Company has 5,110,421,196 outstanding shares as of May 31, 2026, all of which are common shares of stock. As of May 31, 2026, 1,483,474,728 common shares, or equivalent to 29.03% 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 July 1, 2026 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 July 1, 2026 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 July 22, 2026.

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 July 22, 2026. 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 asm2026@gfni.com.ph before July 22, 2026. 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 asm2026@gfni.com.ph before the end of business day of July 22, 2026.

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 asm2026@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 asm2026@gfni.com.ph.

D. Question and Answer

Registered stockholders may send their questions and/or comments prior to the ASM through email at asm2026@gfni.com.ph until close of business day of July 27, 2026. 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 July 1, 2026, 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	2,340,398,925	45.80%
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Non-Filipino	1,474,045,866	28.84%
Common	Sohoton Synergy, Inc. 7th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct; Mary Belle D. Bituin	Filipino	634,109,345	12.41%
Common	Regulus Best Nickel Holdings, Inc. 7th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct; Mary Belle D. Bituin	Filipino	523,154,668	10.24%

Common	Ultimate Horizon Capital, Inc. 7th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct; Mary Belle D. Bituin	Filipino	355,651,698	6.96%
Common	Blue Eagle Elite Venture, Inc. 7th Floor, Corporate Business Center, 151 Paseo de Roxas cor. Arnaiz St., Makati City Shareholder	Direct; Mary Belle D. Bituin	Filipino	348,769,779	6.82%

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 July 1, 2026, 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	2,062,921,101	40.39%
Common	Maybank Atr Kim Eng Securities, Inc.	Direct	Filipino	539,456,520	10.55%

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, Ms. Mary Belle D. Bituin.

Security Ownership of Directors and Officers as of June 30, 2026

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Total Outstanding Shares
Common	Dante R. Bravo	25,271,947 (direct)	Filipino	0.49%
Common	Gu Zhi Fang	1 (direct)	Chinese	0.00%
Common	Jaime F. del Rosario	1 (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) 1,562,054,016 (indirect)	Filipino	0.03% 30.57%
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		1,611,894,815		31.54%

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 Information Statement, 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**
Dante R. Bravo	50	Filipino	Chairman of the Board of Directors and President
Gu Zhi Fang	52	Chinese	Director
Dennis Allan T. Ang	49	Filipino	Director
Mary Belle D. Bituin	58	Filipino	Treasurer/ Senior Vice President for Finance/ Human Resources Department/ Director
Jennifer Y. Cong	41	Taiwanese	Director
Noel B. Lazaro	56	Filipino	Regular Director/Senior Vice President for Legal and Regulatory Affairs, and Corporate Information Officer
Jaime F. del Rosario		Filipino	Lead Independent Director
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, Mr. Dante R. Bravo and Mr. Noel B. Lazaro.

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 2026-2027, to hold office as such for one year or until their successors shall have been duly elected and qualified.

	Name of Nominee	Position
1	Dante R. Bravo	Regular Director
2	Mary Belle D. Bituin	Regular Director
3	Gu Zhi Fang	Regular Director
4	Dennis Allan T. Ang	Regular Director
5	Kirby Erin C. Ng	Regular Director
6	Jennifer Cong	Regular Director
7	Noel B. Lazaro	Regular Director
8	Jaime F. del Rosario	Independent Director
9	Sergio R. Ortiz-Luis Jr.	Independent Director
10	George T. Barcelon	Independent Director

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

Dante R. Bravo
Chairman, and President

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.

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
Lead Independent Director

Mr. Del Rosario became an Lead Independent Director of the Company on June 25, 2025. He was subsequently elected as Vice Chairman on August 27, 2026. 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.

George T. Barcelon
Nominee Independent Director

Mr. George T. Barcelon is nominated for election as an Independent Director of the Company. He is currently an Independent Director of BDO Unibank, Inc., a publicly listed company. He is an accomplished business executive with extensive leadership experience across technology, manufacturing, and real estate sectors, with a proven track record in corporate management, strategic planning, and organizational development. He is the President and Chief Executive Officer of Integrated Computer Systems, Inc. and its affiliated companies, including ICS ICT Support Services Corp., Interface Electronic Corp., Paramount Vinyl Products Corp., Interpolymer Corp., Interwood Realty Corp., Keywest Realty Inc., Integrated Concepts & Solutions, Inc., Integrated Computer Systems Limited, Southlancaster Realty Corp., and Dallas Footwear Manufacturing Corp.

He is a Board Member of Cardinal Medical Charities Foundation, Inc. and is actively involved in various business and civic organizations. He previously served as Chairman of the Philippine Chamber of Commerce and Industry from 2024 to 2025. He graduated cum laude from De La Salle University Manila with a Bachelor of Science degree in Chemical Engineering.

Kirby Erin C. Ng
Nominee Regular Director

Ms. Kirby Erin C. Ng is nominated for election as a Regular Director of the Company.

She is a Certified Public Accountant and a graduate with a Bachelor of Science degree in Accountancy from De La Salle University–Manila.

She has over 15 years of experience in treasury, accounting, and financial operations. She has been part of the Treasury operations of FNI Group of Companies since 2011, with responsibilities in Forex operations and cash management. She previously served as Audit Associate at SGV & Co. from 2006 to 2007, Junior Accountant at Carrier International Corporation – ROHQ (Shared Services Center) from 2008 to 2009, and Lead Associate at Montgomery Pacific Outsourcing from 2010 to 2011. Her professional background includes financial reporting, internal controls, and risk management.

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 Information Statement: (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 two (2) 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 ₱)**
Dante R. Bravo Chairman and President	2026 estimated 2025 2024	0	0	1.846
Mary Belle D. Bituin	2026 estimated 2025	0	0	1.846

Treasurer/ Senior Vice President for Finance/ Human Resources Department/ Managing Director	2024			
Noel B. Lazaro Senior Vice President for Legal and Regulatory Affairs and Corporate Information Officer	2026 estimated 2025 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 Ms. Mary Belle D. Bituin 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 as of the date of this Information Statement up to the Fourth Civil Degrees either by consanguinity or affinity among the Directors, Executive Officers or persons nominated that are known to the Company.

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 30^{th} 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 5, 2026, the Compliance Officer issued a certification that for calendar year 2025, 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, 2025, 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 25, 2025, 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, 2025.

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 25, 2025
2. Annual Report and Approval of the Audited Financial Statements as of December 31, 2025
3. Ratification of all acts of the board of directors and management
4. Election of the Board of Directors
5. Ratification of the appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2025
6. Appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2026
7. Other Matters

Other Proposed Actions

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

1. Election of the Board of Directors
2. Ratification of the appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2025; and
3. Appointment of Yu Villar Tadeja & Co. – Forvis Mazars as external auditor for the calendar year 2026.

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 **July 7, 2026**.

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:

4. 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
5. 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 2023 to 2025, 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 2025	2024
Subsidiaries				
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)	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%**	99.98%
Celestial Nickel Mining Exploration Corporation (CNMEC[1]	Philippines	Mining	**99.98%**	99.98%
Nickel Laterite Resources, Inc. (NLRI)[1]	Philippines	Holding/Mining	**99.98%**	99.98%
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)[1]	Philippines	Processing	**99.98%**	99.98%
Associates				
GHGC Holdings Ltd. (GHGC)	British Virgin Islands	Holding	**22.22%**	22.22%
Guangdong Century Tsingshan Nickel Industry Company Limited (GCTN)[2]	China	Nickel Processing	**20.00%**	20.00%

(1) Indirect ownership through PGMC.

(2) Indirect ownership through GHGC.

<u>The Subsidiaries</u>

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.

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, 2025.

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 will 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. As of December 31, 2025, FSC is awaiting approval of the merger from the SEC.

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. As of December 31, 2025, FSLC is awaiting approval of the merger from the SEC.

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, 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.

SPNVI has an application for EP with Application No. EXPA No. 401-MIMAROPA filed with the

MGB, covering an area of about 2,298.3439 hectares located at Brgy. Sowangan, Municipalities of Quezon, Palawan.

SPNVI also has an application for EP with Application No. EXPA No. 400-MIMAROPA filed with the MGB, covering an area of about 2,626.6426 hectares located at Calategas, Municipalities of Narra, Palawan.

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). On June 24, 2022, the primary purpose was amended to include selling and trading of all minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed or found within the area covered by MPSA No. 017-093-IV-as Amended 2000. INC's principal office address is the same as that of the Parent Company.

INC has the exclusive privilege and right to occupy, explore, develop, utilize, mine, mill, beneficiate and undertake activities within the areas in the Palawan mining tenement, hereafter referred to as the "Palawan Mine", covered under MPSA No. 017-93-IV as Amended-2000 for a period of twenty-five (25) years by virtue of the Operating Agreement entered into on January 19, 2005 by INC and CNMEC.

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. The agreement was subsequently approved by the President of the Republic of the Philippines on September 18, 1993, covering an area of 2,835.06 hectares located in the Municipality of Brooke's Point, Province of Palawan.

On April 10, 2000, MPSA No. 017-93-IV was amended to conform with the provisions of Republic Act No. 7942 and was thereafter redesignated as MPSA No. 017-93-IV as Amended-2000.

In an Order dated December 21, 2020, the DENR clarified that the effective date of MPSA No. 017-93-IV as Amended-2000 shall be reckoned from April 10, 2020, with an expiration date of April 10, 2025.

On April 12, 2024, CNMEC initiated the renewal process for the MPSA and submitted the required documents to MGB Region IV-B (MGB MIMAROPA). Subsequently, on September 18, 2024, CNMEC submitted additional renewal requirements, including the Certification Precondition (CP) issued by the National Commission on Indigenous Peoples (NCIP).

The MPSA was renewed on May 14, 2025, and shall remain valid until its expiration on September 18, 2043.

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 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.

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.

CNOMC has an application for EP with Application No. EXPA-000262-V filed with the MGB, covering an area of about 1,327.33 hectares located at Municipality of Lagonoy, Camarines Sur.

CNOMC also has an application for EP with Application No. EXPA-000264-V filed with the MGB, covering an area of about 897.42 hectares located at Municipality of Santa Elena, Camarines Norte.

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.

ESNMC has an application for EP with Application No. EXPA-2024-000004-VIII filed with the MGB, covering an area of about 680.4170 hectares located in Balangiga, Eastern Samar. It also has another EP application with an area of about 1,258.4362 hectares located in Salcedo, Eastern Samar.

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 62.2% by mass of total ore shipped followed by medium-grade nickel products at approximately 34.8% and high-grade products at approximately 3.0% for the years 2007 to 2025. 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 continue to comprise trading companies and end users in China, which remains the dominant market for its nickel ore. In 2025, the Group strategically expanded its market reach by beginning shipments of nickel ore to Indonesia, reflecting its flexibility and responsiveness to evolving regional demand. By the end of 2025, the Group's ore supply was distributed with 89.1% delivered to China and 10.9% to Indonesia, underscoring its ability to serve multiple markets while maintaining strong customer relationships in key nickel-consuming regions.

The Group's customers primarily utilize its ore to produce intermediate products for stainless steel, nickel pig iron (NPI), and nickel cathode production. High-grade ore is used in the manufacture of higher-grade stainless steel, such as the 300 Series, while low-grade ore is applied to lower-grade stainless steel, such as the 200 Series. This diversity in ore supply allows the Group to meet a wide range of technical specifications and production requirements, giving it a distinct competitive advantage.

By combining a flexible ore portfolio with an expanding customer base, the Group is well-positioned to optimize sales volumes, respond to market price signals, and capture emerging opportunities in both established and new markets. This adaptability reinforces the Group's resilience and underpins its long-term growth strategy in the global nickel industry.

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.

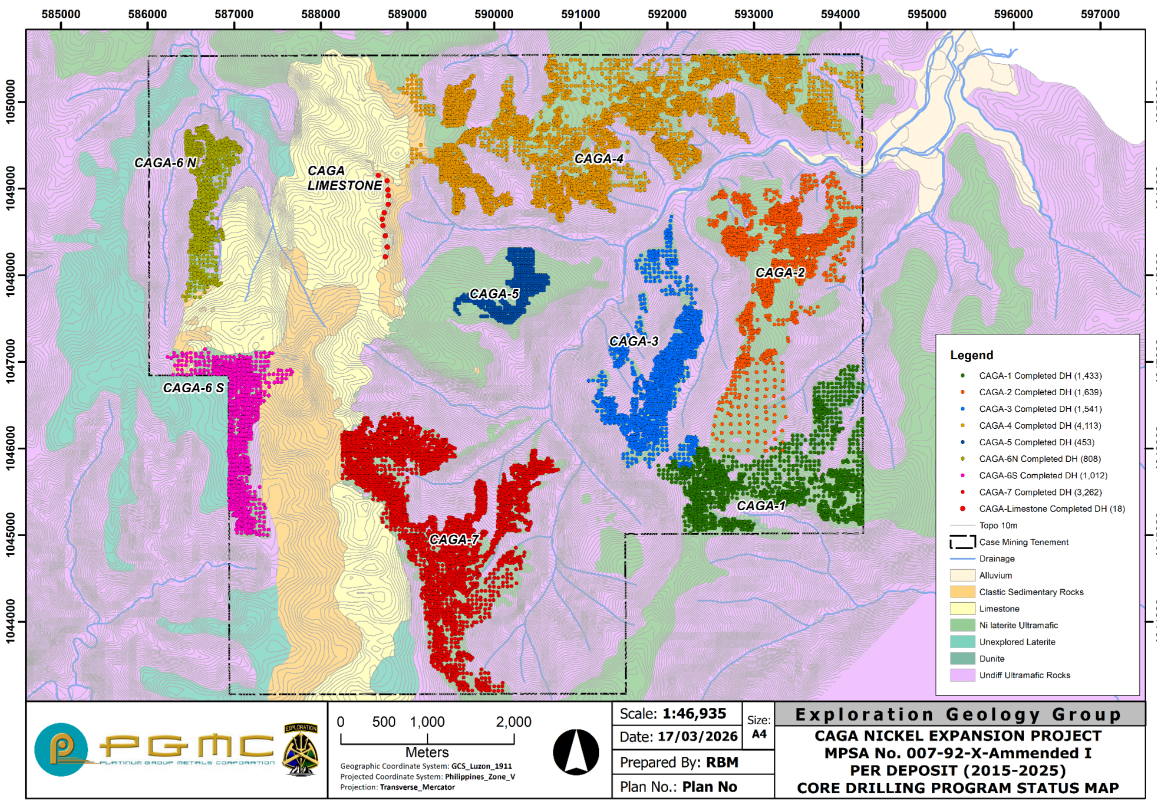
Source of Supplies

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 the Philippine distributors: Maxima Machineries, Inc. (Komatsu), Monark Equipment Corporation (Caterpillar), Topspot Heavy Equipment Inc. (Volvo), NZH International Vehicle & Machinery Inc. (Sany), and Goldens Dynasty Motors, Inc. (Shacman). In addition, the Group has its own fleet of barges. The Group's contractors provide their own mining equipment and supplies, and manpower necessary for the mining operations. The Group believes that there are a number of alternative suppliers for all of its requirements.

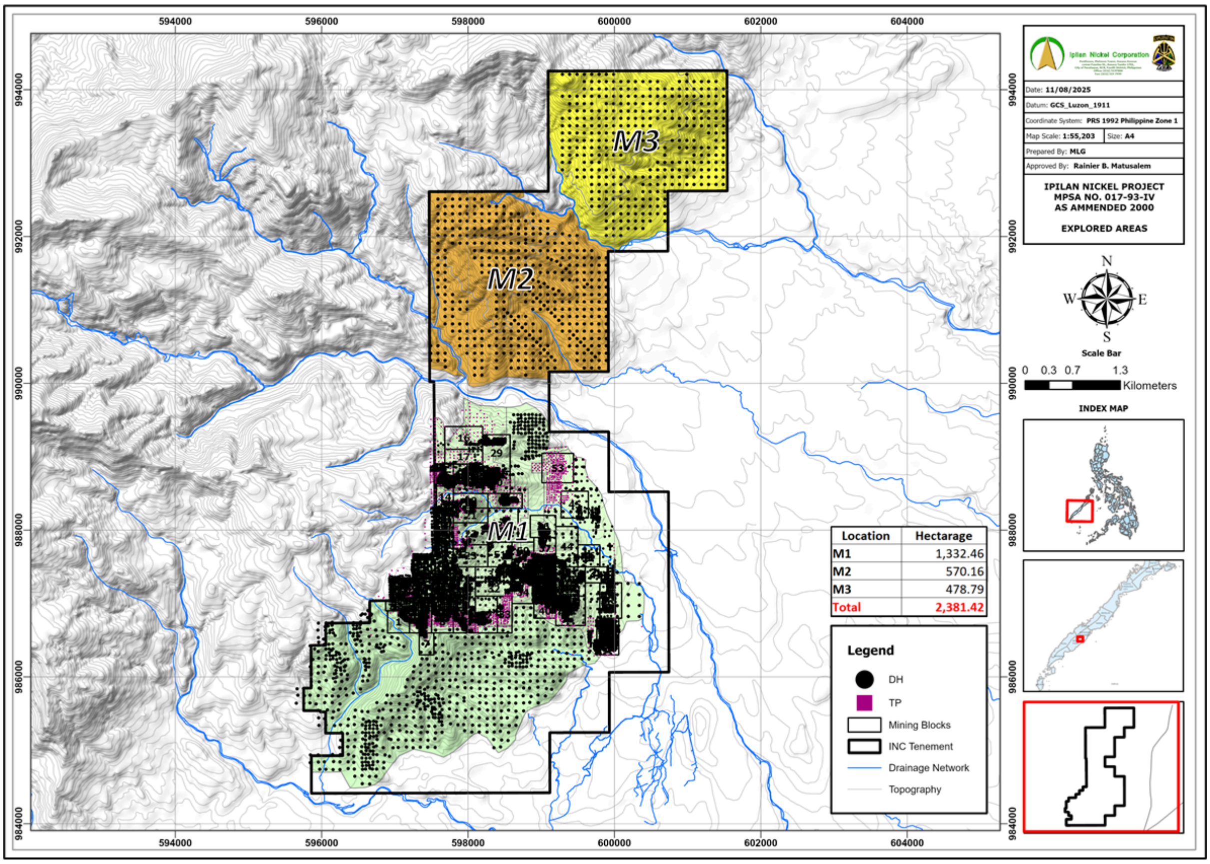
Exploration and Development

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 four (4) 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 Cagdianao Mine exploration program from 2015 to 2025, covering mineral deposit areas within the existing mine and planned expansion zones.



The figure below showcases the comprehensive exploration program of the Group in Palawan from 2022 to 2025. It includes the new areas, expansion areas, and mineral deposit areas of the current mine.



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, 2025, the Group's Cagdianao Mine had measured and indicated mineral resources of 70.9124 million DMT with an average grade of 1.1% nickel and 28.8% iron (see table below).

Material Type	Deposit	PMRC CLASSIFICATION	Volume	Quantity Tonnes	Ni	Fe	Co	Dry Bulk Density
Combined LG, MG, HG	Combined CAGA-1 to 7	Measured	41,855,311	48,368,000	1.1	30.4	0.1	1.2
		Indicated	19,195,388	22,544,000	1.1	25.5	0.1	1.2
Grand Total			61,050,699	70,912,000	1.1	28.8	0.1	1.2

Inferred mineral resources are estimated at 20.923 million DMT at an average grade of 1.1% nickel and 24.6% 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 2026.

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.

For 2026, 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, CAGA-6N extension, and CAGA-7 extension (unmined area).

The Proposed Drilling Programs and Exploration Costs are given below.

Deposit	PDH	Projected Meterage	Area (has)	Target DMT	Target Remarks	Projected Proposed Drilling Program Cost
CAGA-4	282	2,896.14	~20	~1,000,000	Upgrade to Measured Classification Barubangkaw Area	~₱9,000,000.00
CAGA-5	741	8,640.06	~173	~9,000,000	Upgrade to Measured + Indicated Classification and expansion	~₱25,500,000.00
CAGA-6	401	4,838.79	~100	~4,000,000	Unexplored Southern Extension of CAGA-6S	~₱14,000,000.00
CAGA-7	652	7,824.00	~140	~6,000,000	Unexplored Eastern Extension of CAGA-7	~₱23,000,000.00
Total	**2,076**	**24,198.99**	**~433**	**~20,000,000**		**~₱71,500,000.00**

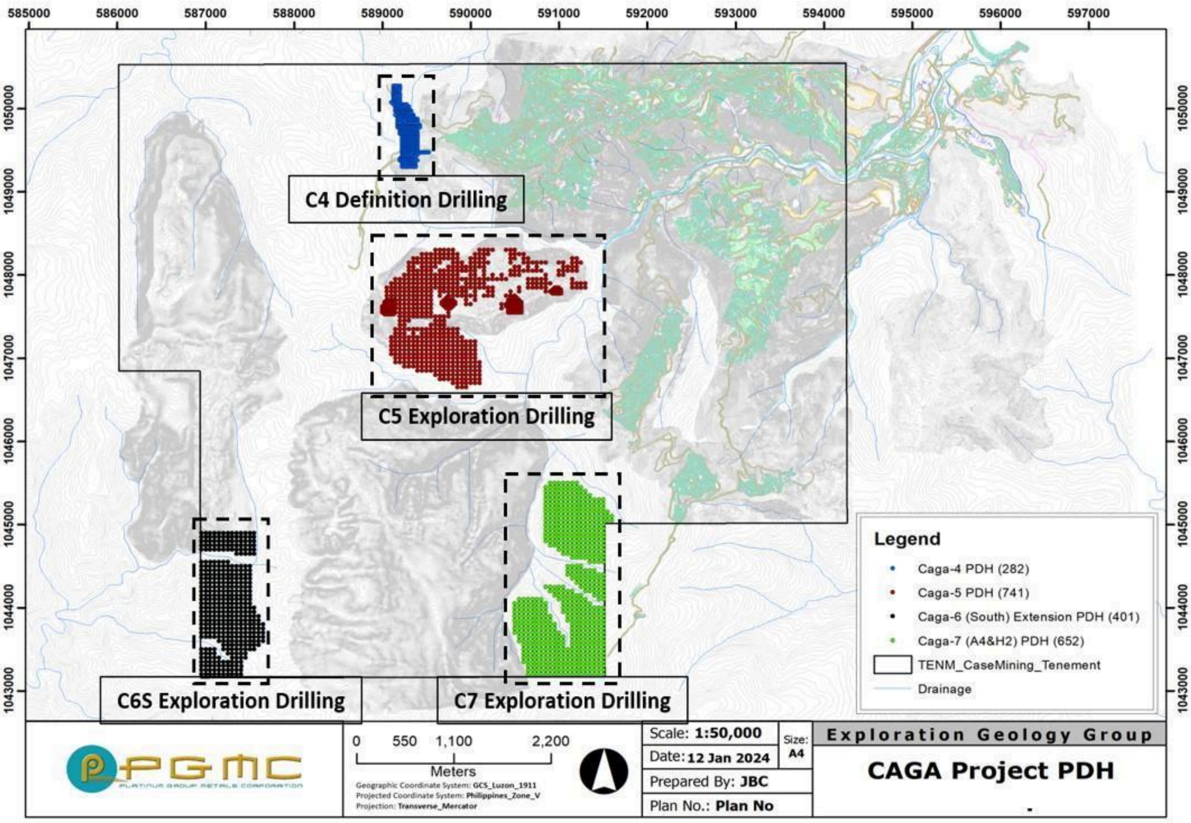
PGMC conducted extensive exploration drilling at its MPSA starting in 2015 covering CAGAs 1-4, 5-7, and extending further south into a new area (Higdon) which eventually was evaluated in June 2021 as the overall PGMC-CNEP. The various yearly drilling campaigns are used as the basis for updates on mineral resource estimates starting in 2016 and every year thereafter to date. The latest ACP Resource Update was conducted on 15 October 2025 with the completion of production drill holes from CAGA-1 to 3 and exploration drill holes from CAGA-5 and CAGA-6N. Although new data from the recent exploration drilling at CAGA-5 have been obtained, an update will be made once complete topographic and drill collar 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 2025-2026.

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, 2025, the Ipilan Mine had measured and indicated mineral resources of 51.327 million DMT, with an average grade of 1.2% nickel and 22.9% iron (see table below).

Material Type	Deposit	PMRC Classification	Volume	Quantity Tonnes	Ni	Fe	Co	Dry Bulk Density
Combined LG, MG, HG	M1	Measured	30,435,939	37,224,000	1.2	23.4	0.1	1.2
		Indicated	11,529,727	14,103,000	1.1	21.5	0.1	1.2
			41,965,666	51,327,000	1.2	22.9	0.1	1.2

The PMRC ACP has estimated that there are approximately 11.823 million DMT of inferred mineral resources at the Palawan Mine, with an average grade of 1.0% nickel and 16.0% iron. These resources are planned to undergo infill drilling in order to improve their category to indicated or measured. The Palawan Mine is expected to have a life of mine of 13 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.

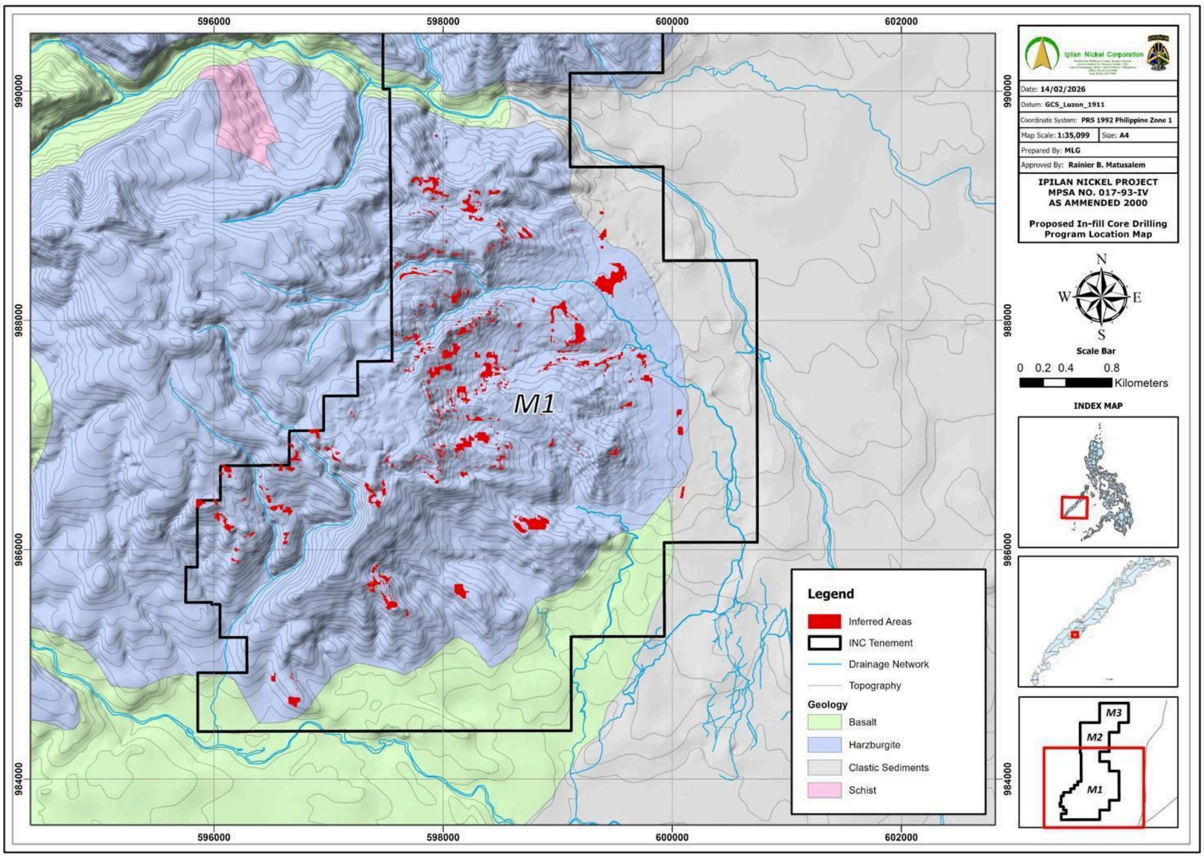
The Company launched an extensive exploration campaign at the M1 deposit within the Palawan mineral deposit areas to extend the mine's lifespan and boost its resource and reserve inventory last January 2022. This was done in line with recommendations contained in a technical report from 2014.

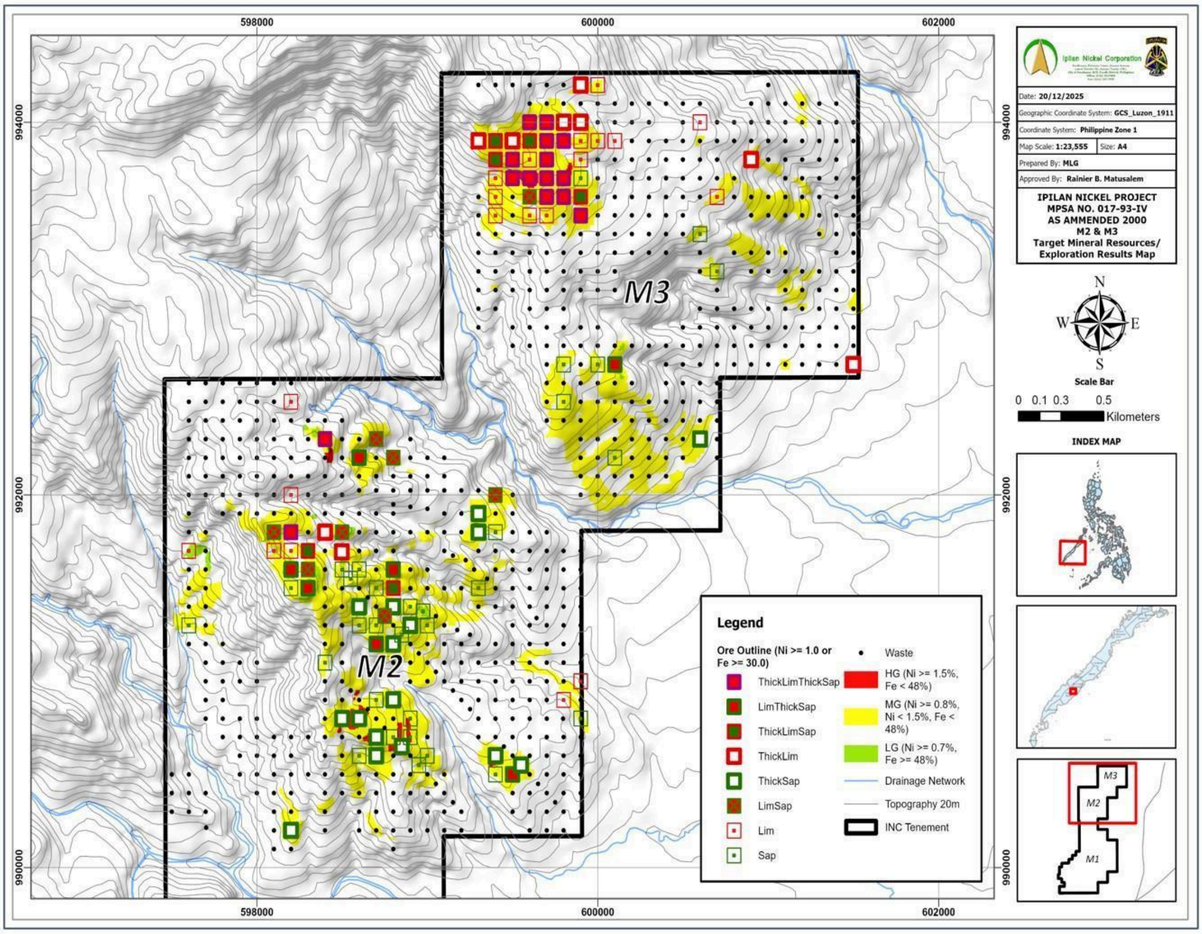
Additional Exploration

The M1 deposit presents an immediate resource growth opportunity, with approximately 11.8 million DMT at 1.0% Ni identified within 48 hectares of inferred resources. These areas are strong prospects for upgrade through focused in-fill drilling. Recent exploration at the M2 and M3 prospects (218.12 hectares) has identified an additional 19.3 million DMT of nickel laterite mineralization, currently classified as Exploration Results. Early-stage drilling has confirmed mineralization and defined the initial geological framework. With further drilling and technical studies, these prospects are expected to be convertible into reportable Mineral Resources. If successfully advanced, they could significantly increase the Company's resource base and contribute to extending mine life.

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.





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 2023, 2024, and 2025, the Group spent approximately ₱200.8 million, ₱280.7 million, and ₱277.3 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, 2025, total rehabilitation and monitoring trust funds amounted to ₱11.6 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, 2024 and 2025, the Group recognized a provision for mine rehabilitation and decommissioning of ₱323.0 million and ₱342.9 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, 2025, the Company has trust fund deposits with Development Bank of the Philippines in the total amount of ₱641.4 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 ₱527.9 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. Since 2022, INC has a total of ₱98.1 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.

PGMC implemented a comprehensive educational program in 2025, with total spending of ₱11.2 million for general education and ₱1.5 million for Development of Mining Technology and Geosciences (DMTG) initiatives. The company's scholarship program supported 209 scholars across Cagdianao, Hayanggabon, and non-impact barangays, providing students from diverse communities the financial means to pursue tertiary education. In parallel, 29 DMTG scholars benefited from board examination reviews and participation in a student Dust Control Research Project, helping develop future mining experts.

PGMC also strengthened the educational workforce by subsidizing volunteer reading teachers to improve basic literacy, while key personnel such as school guards and school bus drivers received support to ensure student safety and efficient daily transport. On the infrastructure side, PGMC invested in a two-storey four-classroom Senior High School building, along with roof and ceiling repairs, handwashing facilities, and other targeted improvements, all of which enhanced the schools' capacity to deliver quality education. Complementing these efforts, PGMC distributed educational supplies and equipment across impact and non-impact schools, including the Surigao del Norte State University, and provided support for Brigada Eskwela and graduation activities to promote school preparedness and celebrate student milestones.

Similarly, INC allocated ₱6.0 million to its educational initiatives with an additional ₱0.4 million dedicated to DMTG education. Scholarships under this initiative eased financial burdens for college and high school students across multiple barangays, while DMTG scholars received semester and thesis allowances to cultivate future professionals in the mining sector.

INC also supported the local educational workforce by providing quarterly salary subsidies for para-teachers and daycare workers, ensuring continuity of educational services. INC prioritized classroom repairs, day care renovations, and structural maintenance, alongside construction of perimeter fences, gates, potable water connections, improved school grounds, drainage improvements, and solar panel installations to create safe, functional, and accessible learning environments. To further enhance learning, schools were equipped with chairs, laptops, smart TVs, and sound systems, while additional funding supported Brigada Eskwela activities, various student programs, and TESDA-accredited vocational training, all of which contributed to a more engaging and supportive educational experience.

Health

The Surigao Mine site rolled out a comprehensive health program focused on empowering local healthcare personnel, strengthening medical facilities, and delivering extensive medical relief across its communities. A central part of this initiative involved supporting 30 workers in the health sector in Cagdianao, including Barangay Health Workers, a community midwife, and ambulance drivers, enabling these professionals to provide consistent and improved services. PGMC also extended support to community sanitation efforts by subsidizing one garbage truck driver and two garbage collectors, contributing to overall public health improvement.

PGMC's commitment to community healthcare was further reflected in the provision of essential medical supplies and the organization of targeted medical missions. The Cagdianao Health Center received critical equipment and supplies to ensure continuous, quality service delivery. In Hayanggabon, PGMC coordinated medical consultations and missions, providing specialized medicines for geriatric care, pre- and post-natal support, and lifestyle-related conditions, while subsidizing health personnel participating in these activities. The company also supplied medical equipment for the "Express Serbisyo Barangay" in Claver's Primary Care Facility (PCF), enabling key community health initiatives such as circumcision drives and blood-letting programs.

Beyond preventive and routine care, PGMC addressed urgent health needs and the consequences of serious illness. Medical and burial assistance was extended to families in Cagdianao, Hayanggabon, and across other non-impact barangays. To ensure timely emergency response, the company subsidized an ambulance driver in Hayanggabon and provided fuel and maintenance support for ambulances in both Cagdianao and Hayanggabon, maintaining a reliable patient transport network.

In Palawan, healthcare efforts complemented these regional initiatives, focusing on strengthening community-level services, enhancing patient care, and maintaining rapid emergency response capabilities. Support for local health personnel was a key priority, with quarterly subsidies provided to 85 Community Volunteer Health Workers (CVHWs), allowing them to sustain essential daily monitoring and health interventions across impact barangays. Community doctors were also subsidized, ensuring residents across four barangays had consistent access to professional medical consultations.

Addressing immediate medical and nutritional needs, INC supplied essential medicines and vitamins to three barangays, ensuring continuity in treatment for sick residents. A targeted 120-day feeding program successfully rehabilitated undernourished children, reinforcing long-term child health and development outcomes.

Emergency preparedness and patient mobility were strengthened through regular support for two Patient Transport Vehicle (PTV) drivers and community responders, along with provisions for fuel and vehicle maintenance. This infrastructure enabled a 24/7 emergency response network, facilitating safe and timely patient transport. Additional assistance for indigent patients, covering medical and hospitalization costs, provided critical financial relief to families facing severe health crises.

Livelihood and Training

With a total financial commitment of ₱2.9 milllion dedicated to enterprise development and networking, PGMC focused on transforming the economic landscape of its surrounding communities through strategic modernization, and skills enhancement.

One of the most transformative endeavors was PGMC's pivotal backing of a local transport cooperative's leap into the Public Utility Vehicle (PUV) Modernization Program. By funding the downpayment for a brand-new passenger bus, PGMC not only upgraded the quality of local transit but also secured a sustainable, long-term revenue stream for the cooperative. On the coastal front, PGMC fortified local maritime and transport groups by equipping them with essential operational tools while rigorously training boat operators in maritime safety. This dual approach ensured that sea-based operations became significantly more efficient while actively safeguarding lives against unpredictable maritime hazards.

To stimulate grassroots agriculture, PGMC rolled out a comprehensive biodiversity program that supplied farming associations with premium gardening materials and agriculture inputs. This intervention directly empowered farming households to cultivate better yields, effectively raising their income potential and building economic self-reliance. Recognizing that structural support is just as vital as raw materials, PGMC also rehabilitated the production headquarters of a local chips maker association, integrating new water tank systems to streamline their daily manufacturing process. Finally, to guarantee that these budding enterprises endure, PGMC brought in industry experts to teach bookkeeping and financial management, transforming community groups into astute, business-savvy organizations capable of sustaining their own growth.

Operating with a total enterprise development expenditure of ₱2.3 million, INC concentrated its efforts on vitalizing the traditional economic pillars of its host communities—specifically targeting agriculture, fisheries, and human capital development.

To uplift the coastal economy, INC delivered a massive operational upgrade to local fishermen by turning over a fully constructed wooden boat integrated with specialized fish traps. This crucial maritime asset dramatically expanded the fisherfolks' operational reach, allowing them to navigate deeper waters and secure richer catches to feed their families and supply local markets. Inland, the agricultural sector received a parallel boost through extensive farm input subsidies. By supplying essential fertilizers to local irrigators and farmers, INC effectively absorbed a major overhead cost of farming, ensuring healthier crop cycles and a much stronger harvest turnout for the local agricultural workforce.

Beyond the fields and waters, INC recognized the need to diversify local skill sets. INC championed a comprehensive driver's training and licensing initiative, a strategic move designed to turn ordinary residents into legally certified drivers, thereby unlocking entirely new avenues for employment and upward mobility. To ensure these community sectors operate with legitimacy and structure, INC also guided various grassroots groups through the complex processes of organizational registration, permitting, and licensing. This bureaucratic empowerment transitioned informal neighborhood associations into fully registered peoples' organizations, giving them the legal footing necessary to pursue larger grants, partnerships, and expanded business opportunities in the future.

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.

Anchoring communities through foundational safety and modern utilities was the driving force behind the infrastructure blueprint of PGMC. Recognizing the profound vulnerability of shoreline neighborhoods to the unpredictable forces of nature, PGMC championed the construction of a massive coastal retention wall. By erecting this concrete barrier, PGMC provided a permanent environmental shield designed to drastically reduce coastal erosion and block encroaching waters. This life-saving infrastructure ensures enduring peace of mind, safeguarding homes, properties, and the very coastline itself from the devastating impacts of harsh weather disturbances.

Inland, PGMC's focus shifted toward energizing everyday life by resolving chronic power instability. PGMC orchestrated the installation of high-capacity electrical transformers across multiple community districts. This pivotal utility upgrade did much more than keep the lights on; it fundamentally elevated the local standard of living by securing a highly reliable and stable electricity supply.

In the implementation of these infrastructure upgrades that help protect and power its host communities, PGMC dedicated a total of ₱1.7 million.

On the other hand, INC's vision for infrastructure was deeply rooted in weaving a vibrant network of economic hubs, seamless connectivity, and dignified civic spaces. A crowning achievement of this initiative was the substantial improvement of the local public market. This project transformed a basic commercial area into a robust, centralized hub for trade, empowering local vendors with a better facility to sell their goods and providing residents with a comfortable environment to secure their daily needs, thereby breathing new life into the grassroots economy.

Recognizing that mobility is the true lifeblood of rural progress, INC undertook extensive earthworks, including farm-to-market road rehabilitations, riprapping, and the construction of critical box culverts. These massive paving and bridging projects connected previously isolated terrains to main commercial arteries, guaranteeing that local farmers no longer have to battle treacherous, muddy pathways to transport their harvests. To protect these vital transit routes and surrounding residential zones from flooding, dedicated drainage canals were also engineered to safely channel away storm waters. Furthermore, INC directly modernized agricultural operations by turning over a fully equipped farm tractor, an asset that drastically accelerates land preparation and relieves the backbreaking manual labor traditionally shouldered by local farmers.

Civic and social life also experienced a renaissance through the construction and extensive renovation of vital community structures. INC funded the development of a multi-purpose building, a youth council facility, and dedicated centers for senior citizens, ensuring that every generation has a secure, dignified space for governance and recreation. Spiritual sanctuaries were treated with equal importance, as INC provided protective perimeter fencing and architectural renovations to local places of worship to preserve the community's cultural and religious heritage. Finally, newly installed solar streetlights cast a protective glow over previously dim thoroughfares, actively deterring hazards.

To bring this expansive blueprint of community modernization to fruition, IINC invested a total of ₱5.9 million in its infrastructure and support services component.

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.

Under its supplementary social development framework, PGMC targeted socio-cultural integration and civic capacity building as the core of its community programs. A substantial portion of the community's efforts was directed toward the preservation of cultural and religious heritage. By financing the expansion, structural renovation, and equipping of various places of worship across different religious denominations, PGMC successfully provided dignified and well-maintained facilities for congregational gatherings. This support directly fortified the spiritual solidarity and cultural fabric of the host and neighboring areas, ensuring that local traditions are preserved in safe environments.

Additionally, PGMC prioritized communal cohesion and civic mobilization by extensively backing major municipal festivals, foundational celebrations, and year-end community fellowships. These interventions helped local government units mobilize the necessary logistical resources to host successful public events. The primary benefit of this support was the fostering of stronger collaborative ties between various stakeholders, thereby encouraging active civic participation and elevating community morale.

In the realm of disaster preparedness, PGMC implemented a highly effective food-for-work initiative. This program yielded a dual community benefit: it actively promoted environmental cleanliness and hazard mitigation through mobilized community labor, while simultaneously ensuring essential food security for the participating households during critical periods. Furthermore, PGMC focused on inclusive grassroots governance by outfitting neighborhood district centers and senior citizen offices with essential furniture and newly constructed sanitation facilities, a move that promoted robust, functional partnerships with marginalized sectors.

INC anchored its social development efforts on administrative modernization, grassroots security, and social inclusivity. Recognizing the operational and logistical limitations often faced by rural local governments, INC initiated a comprehensive technological upgrade of barangay governance facilities. By supplying modern communication infrastructure—specifically satellite internet connectivity—alongside essential computing equipment and climate-control appliances for session halls, INC significantly elevated the administrative efficiency, connectivity, and public service delivery capabilities of local councils.

INC also placed a heavy emphasis on community safety and emergency readiness. The Palawan Mine provided extensive logistical support, including protective uniforms and operational equipment, to local disaster risk reduction management forces, community police action teams, and village watchmen. This strategic provisioning directly enhanced the operational readiness and visibility of responders, ensuring a more secure, orderly, and disaster-resilient neighborhood.

Parallel to these administrative and security upgrades, INC championed the inclusion of vulnerable and specialized demographics. INC distributed organizational supplies, modular furniture, and specialized operational tools to associations representing persons with disabilities, women's groups, and senior citizens. This targeted assistance empowered marginalized groups, granting them the necessary resources to conduct their organizational affairs and participate actively in broader community development. Finally, INC sustained local heritage by financing municipal foundation days, provincial social gatherings, and critical religious observances, which collectively preserved regional identity and reinforced community pride.

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, 2025, the Group has 1,154 employees. Out of which, 82 are employed at the Group's head office, while the remaining 241 are employed in its mining operations in its existing mine in Surigao, 820 are employed in its existing mine in Palawan, and 11 in its port operations in Bataan. Of these, 227 are involved in mining operations, engineering, and mine planning, 351 are employed in grade and quality control, 120 are handling port operations, 203 are taking care of the environment, community relations, health, and safety concerns of the Group, and 245 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, 2025, the Group's service contractors had deployed an aggregate workforce of 518 employees at its Surigao Mine and 749 for Palawan Mine. In addition, the Group was able to charter ten (10) LCTs utilized for shipside loading operations in Surigao and seven (7) LCTs utilized for shipside loading operations in Palawan.

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, 2025, the following is the breakdown of the Group's employees:

POSITION LEVEL	HEAD OFFICE *(PGMC H.O, FNI H.O, INC H.O, PCSSC H.O and MHC H.O)*			TOTAL FOR HEAD OFFICE	PALAWAN MINE SITE *(INC Palawan, PCSSC Palawan)*				TOTAL FOR PALAWAN MINE SITE	SURIGAO MINE SITE *(PGMC Surigao and PCSSC Surigao)*				TOTAL FOR SURIGAO MINE SITE	BATAAN SITE *(MHC Bataan)*			TOTAL FOR BATAAN SITE	GRAND TOTAL
	R	P	S		R	P	S	PB		R	P	S	PB		R	P	S		
Executives	6	0	0	**6**	1	0	0	0	**1**	1	0	0	0	**1**	0	0	0	**0**	**8**
Managerial	20	1	0	**21**	8	0	0	0	**8**	12	0	0	0	**12**	0	0	0	**0**	**41**
Supervisory	23	0	0	**23**	45	8	1	0	**54**	6 9	4	1	0	**74**	4	0	0	**4**	**155**
Technical	2	0	0	**2**	8	0	136	13	**157**	47	2	47	0	**96**	0	0	0	**0**	**255**
Rank and File	27	3	0	**30**	2	0	552	46	**600**	5	0	35	18	**58**	7	0	0	**7**	**695**
TOTAL	**78**	**4**	**0**	**82**	**64**	**8**	**689**	**59**	**820**	**134**	**6**	**83**	**18**	**241**	**11**	**0**	**0**	**11**	**1,154**

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

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

For the mining season ended 2025, the Group had an average of 2,183 employees and its service contractors had deployed an average aggregate workforce of 1,046 employees at its Cagdianao site and 655 employees at its 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 2026 mining season.

Transactions with Related Parties

Please refer to Note 30 of the audited consolidated financial statements as of December 31, 2025.

Risks Related to Our Business and Industry

Sensitivity 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.

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.

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 early 2026, Surigao del Norte remained a focal point for intense seismic and meteorological activity. The province has recorded over 1,600 detectable earthquakes since the landmark magnitude 6.7 quake in 2017. This geological volatility continued into October 2025, when a magnitude 6.2 tremor struck near Siargao, followed by a magnitude 5.0 event in March 2026, reinforcing the province's position as a high-risk zone along the Philippine Trench.

Climate patterns have also grown more aggressive. Following the devastation of Typhoon Odette (2021) and Agaton (2022), the province faced a rare "off-season" surge in early 2026. Tropical Storms Ada and Basyang struck in January and February 2026, respectively, triggering landslides in mining districts like Claver. With PAGASA now recording an average of 3–5 cyclones affecting the area annually, Surigao del Norte continues to balance rapid recovery with the reality of near-constant environmental threats.
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 the highest monthly rainfall in February 2025 at 671mm, while year 2025 also recorded the highest total annual rainfall of 3,389.6mm from our monitoring since 2021. These events of extreme rainfall brought by the northeast monsoon caused flooding in most low-lying areas of Brookes Point, Southern Palawan in January and February including portions of the main haul road at the Port Office and main haul road no. 1 area. All year round, the construction of additional silt traps, settling ponds and improved drainage canals prevented overflowing of run-off waters into water tributaries. Regular dredging on settling ponds and drainage canals were conducted including on areas where the primary and secondary stockyards are located.

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

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

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

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.

Possible risks in the peace and order and security of our Operating Mines

In order to mitigate the risks in the peace and order of our Cagdianao and Palawan Mines, we engage a contractor, Renjamel Security Agency, to provide security services at our mine sites. 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 regularly conducted to the security guards deployed at our mines by the security services contractor.

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.

Reliance to a significant degree on third-party contractors could result in an increase in our costs or disruption of our operations and we could 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.

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

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

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

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.

Volatility of the US$ to Peso exchange rate 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, 2023, 2024, and 2025, most of our revenues were derived from sales of nickel ore to China.

In 2025, China's nickel ore consumption remained broadly stable at around 40.9 million tons reflecting a plateau in demand across traditional industrial sectors. Medium- to high-grade ores continued to dominate, supported by steady operations at integrated nickel pig iron plants, while low-grade high-iron ore played a secondary but meaningful role. Despite stable domestic consumption, imports rose sharply to 40.3 million tons, highlighting China's continued reliance on external supply, particularly from the Philippines. The market remained balanced yet cautious, with processors managing feedstock amid structural shifts, including greater use of alternative nickel inputs and efficiency-driven adjustments in the steel sector. Looking ahead, modest production increases and plant restarts in key regions are expected to support a gradual recovery in nickel demand.

The global stainless steel (STS) industry remained the dominant driver of primary nickel demand in 2025, accounting for nearly 70% of total worldwide consumption. Performance varied significantly by region throughout the year. In China, which consumes over 65% of global primary nickel, demand continued to be propelled primarily by robust developments in its STS sector. Indonesia also saw positive growth, with consumption projected to increase by 4.8% in 2025 as the country recovered from earlier international import restrictions on its stainless steel. Conversely, the European STS sector faced significant headwinds; persistent economic challenges and labor disruptions at several mills weighed heavily on demand, contributing to a projected 0.5% decline in regional nickel usage for the year.

The outlook for the industry in 2026 points toward continued growth, despite a broader global economic expansion that is expected to moderate due to the implications of higher tariffs on global trade and investment. Easing financial conditions and declining inflation across most G20 economies are expected to provide a favorable macroeconomic backdrop. Within this environment, Key Asian markets will continue to lead STS growth, with Indonesia's consumption projected to surge by a strong 14.5% and China's demand expected to grow by an additional 6.4%. Furthermore, even the struggling European market is forecast to experience a modest recovery, with usage expected to rise by 1.8% in 2026, signaling a resilient global outlook for stainless steel production and demand.

The global electric vehicle (EV) industry demonstrated robust expansion in 2025, driven by improving economics and strong regional momentum, even as broader growth trajectories began to normalize. According to S&P Global, battery electric vehicle (BEV) sales surged by 29.0% year-on-year to approximately 14.6 million units, successfully capturing a 16.1% share of the global light vehicle market. China retained its decisive market dominance, with passenger EV sales, including plug-in and extended-range hybrids, reaching an estimated 15.6 million units, a 27.0% increase from the previous year, per Bloomberg Intelligence. Furthermore, the sector's underlying economics continued to improve as battery prices fell by another 8.0% in 2025, reducing the primary barrier to broader consumer adoption and enabling automakers to target more affordable vehicle segments.

For 2026, the electrification landscape faces a strategic recalibration defined by moderating growth, regional policy divergences, and the rising prominence of hybrid technologies. BloomberNEF projects global passenger EV sales to reach 24.3 million units, representing a tempered 12.0% growth rate compared to previous years. Despite this deceleration, S&P Global forecasts BEV sales to grow by 19.0% to 17.4 million units (a 19.0% global market share), with total electrified vehicle sales—bolstered by hybrid adoption—projected to capture 30.0% of the market. Regional outlooks remain sharply divided: the US market is forecast to contract by 15.0% amid the withdrawal of consumer tax credits and an impending "EV winter," while China's EV sales growth is projected to cool to 13.0% as Beijing halves tax breaks and scales back industry subsidies. Consequently, automakers are increasingly relying on plug-in hybrids to bridge infrastructure gaps and sustain profitability in a complex regulatory environment.

China's nickel ore consumption in 2023 increased by 7.46% to approximately 52.7 million tons, 69.0% of which represented medium- and high-grade nickel ores or 36.4 million tons, marking a year-on-year rise of 6.39%. Low-grade high-iron nickel ore consumption increased by 10.0% to 16.3 million tons accounting for 31.0% of total consumption for the year. While China's consumption in 2024 was initially forecasted to decline by 7.8%, actual full-year figures showed a steeper reduction of 21.4%, with total consumption at about 41.4 million tons. Medium- and high-grade nickel ore accounted for 61.0% or 25.4 million tons of this total, a year-on-year decline of 30.3%, while low-grade high-iron nickel ore fell slightly to 16.0 million tons, down 1.4% from 2023. In 2025, domestic nickel ore consumption in China totaled approximately 40.9 million tons, a decrease of 1.25% compared to 2024. Of this, 26.2 million tons were medium- to high-grade nickel ore, and 14.8 million tons were low-grade high-iron nickel ore (excluding consumption by ordinary carbon steel mills). Domestic integrated plants continue to operate stably, and consumption of medium- to high-grade nickel ore showed only slight fluctuations relative to 2025 levels. Increased production at a southern plant and the resumption of a northern plant in the latter half of 2025, combined with stable operations in 2026, are expected to support higher nickel ore demand compared with the previous year.

For 2026, China's total nickel consumption is projected to recover to approximately 43.0 million tons, representing a 5.1% increase from the lower levels observed in 2025, though still below the 2023 peak of 52.7 million tons. Medium- and high-grade nickel ore consumption is expected to reach 27.0 million tons, accounting for roughly 62.8% of the total, reflecting a steady recovery following the steep declines of 2024. Low-grade high-iron nickel ore is projected to rebound to 16.0 million tons, or 37.2% of total consumption, marking a strong recovery from the 2025 trough. Overall, the 2026 outlook indicates stabilized and rebounding demand across all nickel ore grades, supported by ongoing industrial operations and the long-term growth in demand for nickel driven by electrification and battery production.

The economy of China differs in many respects from the economies of most developed countries, including the level and scope of government involvement; the pace of economic growth and degree of development; government control over capital investment, oversight of foreign exchange; and the strategic allocation of resources. Over the past three decades, China has been transitioning from a centrally planned economy to a more market-oriented system, implementing extensive economic reforms to harness market forces and stimulate growth. Despite these reforms, the government continues to exercise substantial influence over key industries and the broader economy through regulatory measures, policy guidance, and strategic oversight. Any escalation of political tensions between China and the Philippines could have a material impact on our business and operations. Such tensions may result in policy directives that restrict trade flows, increase the cost of doing business, or disrupt shipping and logistics—currently a significant competitive advantage for us compared with international competitors. The extent and timing of any adverse effects on our current or future business, financial condition, or results of operations arising from changes in Chinese economic, political, or regulatory conditions remain inherently uncertain.

From an industry perspective, China's growing emphasis on self-sufficiency in key commodities, including nickel, represents both an opportunity and a risk. The country is increasingly investing in overseas nickel mining operations to secure long-term supply and reduce dependence on external sources. Nickel ore is also a critical input for stainless steel production, meaning that any slowdown in China's stainless steel industry, or broader economic growth, could directly reduce demand for our products and negatively affect revenue. Should demand from Chinese customers decline materially and we are unable to diversify our customer base, our business, results of operations, and financial condition could be materially and adversely impacted. These dynamics underscore the strategic importance of closely monitoring geopolitical developments, market trends, and China's evolving industrial policies to mitigate risks and sustain our competitive position in the global nickel market.

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 February 14, 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 January 27, 2026, 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, pursuant to the updated MGB-approved Survey Plan dated November 29, 2024, the contract area of MPSA No. 017-93-IV-as Amended-2000 is 2,924.1117 hectares. The DENR, in an Order dated May 14, 2025, approved the renewal of the MPSA of CNMEC. The renewed term shall be valid until September 18, 2043. On January 12, 2026, 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 September 18, 2043. 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 below:

<u>Statement of Mineral Resources for Total Nickel as of 15 October 2025 (Measured and Indicated)</u>

Lithology	Material	Classification	Volume	DMT	WMT	Ni	Fe	Co	Sg
Limonite	High Grade	Measured	62,208	77,000	118,000	1.6	39.3	0.1	1.2
		Indicated	13,015	15,000	24,000	1.6	40.6	0.1	1.2
	Medium Grade	Measured	15,179,619	17,541,000	26,987,000	1.0	43.6	0.1	1.2
		Indicated	4,994,271	6,004,000	9,237,000	1.0	42.9	0.1	1.2
	Low Grade	Measured	6,574,860	7,731,000	11,892,000	0.9	49.4	0.1	1.2
		Indicated	1,964,183	2,355,000	3,623,000	1.0	49.8	0.1	1.2
	Combined	***Measured***	***21,816,687***	***25,349,000***	***38,997,000***	***1.0***	***45.4***	***0.1***	***1.2***
		Indicated	***6,971,469***	***8,374,000***	***12,884,000***	***1.0***	***44.8***	***0.1***	***1.2***
Saprolite	High Grade	Measured	2,994,347	3,570,000	5,492,000	1.7	13.9	0.0	1.2
		Indicated	843,375	1,031,000	1,586,000	1.7	14.2	0.1	1.2
	Medium Grade	Measured	17,044,277	19,449,000	29,921,000	1.2	13.9	0.0	1.2
		Indicated	11,380,544	13,139,000	20,216,000	1.1	14.1	0.0	1.2
	Combined	***Measured***	***20,038,624***	***23,019,000***	***35,413,000***	***1.3***	***13.9***	***0.0***	***1.2***
		Indicated	***12,223,919***	***14,170,000***	***21,802,000***	***1.1***	***14.1***	***0.0***	***1.2***
Sub Total		**Measured**	**41,855,311**	**48,368,000**	**74,410,000**	**1.1**	**30.4**	**0.1**	**1.2**
		Indicated	**19,195,388**	**22,544,000**	**34,686,000**	**1.1**	**25.5**	**0.1**	**1.2**
Grand Total			**61,050,699**	**70,912,000**	**109,096,000**	**1.1**	**28.8**	**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 2025. 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.*

Statement of Ore Reserves as of October 15, 2025

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	13.42	0.81	48.79	3.67	0.81	48.65	17.09	0.81	48.76
LGMF	12.06	1.21	13.65	5.27	1.19	13.74	17.33	1.21	13.68
LGLF	3.75	1.15	44.92	1.06	1.16	44.35	4.82	1.16	44.79
MGMF/MGLF	4.86	1.43	15.03	1.39	1.43	15.44	6.26	1.43	15.12
HG	2.42	1.71	13.97	0.63	1.70	14.58	3.06	1.68	17.41
ORE	**36.53**	**1.12**	**29.98**	**12.02**	**1.13**	**27.33**	**48.55**	**1.12**	**29.53**

Palawan Mine

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

Statement of Mineral Resources for Total Nickel as at 31 December 2025 (Measured and Indicated)

Lithology	Material	Classification	Volume	DMT	WMT	Ni	Fe	Co	Sg
Limonite	High Grade	Measured	425,010	523,000	804,000	1.6	41.7	0.2	1.2
		Indicated	69,932	86,000	132,000	1.6	38.3	0.2	1.2
	Medium Grade	Measured	6,532,295	8,035,000	12,361,000	1.1	41.5	0.2	1.2
		Indicated	3,163,037	3,891,000	5,985,000	1.0	35.4	0.1	1.2
	Low Grade	Measured	2,130,557	2,621,000	4,032,000	1.1	49.7	0.1	1.2
		Indicated	417,129	513,000	789,000	1.1	49.7	0.1	1.2
	Combined	***Measured***	***9,087,862***	***11,179,000***	***17,197,000***	***1.1***	***43.5***	***0.1***	***1.2***
		Indicated	***3,650,098***	***4,490,000***	***6,906,000***	***1.0***	***37.1***	***0.1***	***1.2***
Saprolite	High Grade	Measured	4,275,059	5,216,000	8,024,000	1.7	14.8	0.1	1.2
		Indicated	1,092,188	1,332,000	2,050,000	1.7	14.1	0.0	1.2
	Medium Grade	Measured	17,073,018	20,829,000	32,045,000	1.1	14.8	0.0	1.2
		Indicated	6,787,441	8,281,000	12,740,000	1.0	14.3	0.0	1.2
	Combined	***Measured***	***21,348,077***	***26,045,000***	***40,069,000***	***1.2***	***14.8***	***0.0***	***1.2***
		Indicated	***7,879,629***	***9,613,000***	***14,790,000***	***1.1***	***14.2***	***0.0***	***1.2***
Sub Total		**Measured**	**30,435,939**	**37,224,000**	**57,266,000**	**1.20**	**23.43**	**0.07**	**1.22**
		Indicated	**11,529,727**	**14,103,000**	**21,696,000**	**1.09**	**21.51**	**0.07**	**1.22**
Grand Total			**41,965,666**	**51,327,000**	**78,962,000**	**1.17**	**22.90**	**0.07**	**1.22**

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 2025. 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.

Statement of Ore Reserves as of December 31, 2025

Classification	Proven			Probable			Total		
Material	**WMT**	**%Ni**	**%Fe**	**WMT**	**%Ni**	**%Fe**	**WMT**	**%Ni**	**%Fe**
HG	2,869,754	1.78	15.62	163,522	1.78	13.52	3,033,276	1.78	15.51
LGHF	1,229,707	0.83	49.49	104,527	0.84	48.74	1,334,235	0.83	49.43
LGMF	8,277,571	1.14	44.12	1,475,729	1.12	41.99	9,753,300	1.14	43.80
LGLF	13,741,682	1.17	15.12	1,506,619	1.17	14.81	15,248,301	1.17	15.09
MGMF	1,500,293	1.45	42.84	98,542	1.45	41.43	1,598,835	1.45	42.76
MGLF	6,742,541	1.48	14.98	561,607	1.48	13.48	7,304,148	1.48	14.86
ORE	**34,361,549**	**1.28**	**24.56**	**3,910,546**	**1.22**	**26.40**	**38,272,094**	**1.27**	**24.75**

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 or any of its subsidiaries or affiliates is a party, 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. Jaime F. Del Rosario. He is joined by Mr. Sergio R. Ortiz-Luis Jr. and Mr. Edgardo G. Lacson as members of the Audit Committee.

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 and 2023 have been audited by SGV, a member firm of Ernst & Young Global Limited, independent auditors, as set forth in their reports appearing herein.

Yu Villar Tadeja & Co (Forvis Mazars)

For the year ended December 31, 2025, the Company appointed Yu Villar Tadeja & Co—Forvis Mazars as its new external auditor, as approved by the Board of Directors upon the recommendation of the Audit Committee, which regularly evaluates the Company's audit arrangements to ensure continued adherence to the highest standards of independence and transparency. The appointment will be submitted for ratification by the stockholders at this Annual Stockholders' Meeting.

The engagement of a new external auditor is intended to further strengthen safeguards on auditor independence and objectivity, consistent with applicable regulatory requirements and corporate governance standards.

The auditing firm of Yu Villa Tadeja & Co, a member firm of Forvis Mazars was appointed by the Audit Committee on March 27, 2026 as auditors for the calendar year 2025. They 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 Yu Villa Tadeja & Co - Forvis Mazars is subject to the compliance of SRC Rule 68 (3) (b) (iv) of the Securities Regulation Code and applicable rules. Mr. Ericson D. Tadeja is nominated as partner-in-charge for the ensuing year.

The independent auditors for the Company were changed from Sycip Gorres Velayo & Co. ("SGV") to Yu Villa Tajeda SGV effective from March 27, 2026. Yu Villa Tadeja & Co - Forvis Mazars was endorsed by the Audit Committee, which regularly evaluates the Company's audit arrangements to ensure continued adherence to the highest standards of independence and transparency. The appointment of the new external auditor will be submitted for ratification by the stockholders at the next scheduled Annual Stockholders' Meeting.

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.
The following table sets out the aggregate fees billed for each of the last two (2) years for professional services rendered by SGV and Forvis Mazars.

	For the years ended December 31			
	2024 Forvis Mazars	2025 Forvis Mazars	2024 SGV	2025 SGV
		(₱ thousands)		
Audit and Audit-Related Fees (1)	-	5,000	12,373	-
Non-Audit Services (2)	-	-	2,590	-
Total	-	5,000	14,963	-

(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 July 6, 2026 is at **₱1.79 per share**.

The high and low sale prices of the shares of stock of the Company for each quarter within the period January 1, 2025 to December 31, 2025, and the last two (2) years are as follows:

YEAR	Q1		Q2		Q3		Q4	
	High	Low	High	Low	High	Low	High	Low
2026	2.45	1.35	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
2025	1.20	0.96	1.69	0.90	1.53	1.13	1.48	1.04
2024	2.20	1.70	2.03	1.48	1.74	1.21	1.55	1.00
2023	2.67	2.30	2.62	2.11	2.92	2.17	2.95	1.98

Holders

The Company has approximately 1,724 shareholders as of June 30, 2026. 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	2,432,358,007	47.60
PCD Nominee Corp - Non-Filipino	Foreign	1,485,404,472	29.07
Regulus Best Nickel Holdings, Inc.	Filipino	523,154,668	10.24
Blue Eagle Elite Venture, Inc.	Filipino	348,769,779	06.82
Sohoton Synergy, Inc.	Filipino	233,156,767	04.56
Red Lion Fortune Group, Inc.	Filipino	57,588,866	01.13
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	00.02
Corsino L. Odtojan	Filipino	785,860	00.02
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		
	2025	2024	2023
	(₱ in millions)		
The Company (cash dividend)	₱-	₱-	₱524
Subsidiaries			
PGMC (cash dividend)	1,112	298	1,338
SPNVI (cash dividend)	300	-	-
INC (cash dividend)	566	333	-
PIL (cash dividend)	-	-	849
Total	₱-	₱631	₱2,711

On December 29, 2025, SPNVI declared cash dividends of ₱2.72 per share to stockholders of record as of December 15, 2025, totaling ₱300,000,000.00, payable not later than May 30, 2026, 2026.

On December 29, 2025, INC declared cash dividends of ₱0.90 per share to stockholders of record as of December 15, 2025, totaling ₱565,801,326.00, payable not later than May 30, 2026.

On November 28, 2025, PGMC declared cash dividends of ₱39.17 per share to stockholders of record as of tDecember 1, 2025, totaling ₱1,014,502,960.83, payable not later than December 31, 2025.

On October 6, 2025, PGMC declared cash dividends of ₱3.77 per share to stockholders of record as of the same date, totaling ₱97,642,996.23, payable not later than March 31, 2026.

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.

Other than as set forth above, none of our other subsidiaries declared any dividends for the years ended December 31, 2025, 2024, and 2023. Declarations of dividends in previous years are not indicative of future dividend declarations.

Description of Registrant's Securities

As of December 31, 2025, the Company has a total issued capital stock of 6,072,357,151 common shares. 5,110,421,196 common shares of the Company are outstanding and 961,935,955 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 of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024, and 2023 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 of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024, and 2023 are hereto attached.

The following tables set forth the summary financial information as of and for the years ended December 31, 2025, 2024, and 2023.

Summary of Consolidated Statements of Income

	For the Years Ended December 31			Horizontal Analysis			
				Increase (Decrease)		Increase (Decrease)	
	2025	**2024**	**2023**	**2025 vs. 2024**	**%**	**2024 vs. 2023**	**%**
		In Thousand Pesos					
Revenues	8,554,948	7,610,929	8,785,462	944,019	12%	(1,174,533)	-13%
Cost of Sales	(3,900,354)	(4,069,534)	(3,592,231)	(169,180)	-4%	477,303	13%
Operating Expenses	(2,844,839)	(2,588,296)	(2,395,608)	256,543	10%	192,688	8%
Finance Costs	(157,122)	(206,856)	(275,572)	(49,734)	-24%	(68,716)	-25%
Finance Income	17,936	18,007	29,608	(71)	0%	(11,601)	-39%
Share in Net Income of Investment in Associates	214,233	296,569	158,917	(82,336)	-28%	137,652	87%
Other Income (Charges) - net	(1,957)	(31,887)	(83,203)	29,930	94%	51,316	-62%
Provision for Income Tax	(470,869)	(295,149)	(814,233)	175,720	60%	(519,084)	-64%
Net Income	1,411,976	733,783	1,813,140	678,193	92%	(1,079,357)	-60%
Net Income (Loss) Attributable to:							
Equity Holders of the Parent	1,421,744	743,896	1,544,144	677,848	91%	(800,248)	-52%
Non-controlling Interest	(9,768)	(10,113)	268,996	345	-3%	(279,109)	-104%
	1,411,976	733,783	1,813,140	678,193	92%	(1,079,357)	-60%

Summary of Consolidated Statements of Income

	For the Years Ended December 31			Vertical Analysis			
				Increase (Decrease)		Increase (Decrease)	
	2025	**2024**	**2023**	**2025 vs. 2024**	**%**	**2024 vs. 2023**	**%**
		In Thousand Pesos					
Revenues	8,554,948	7,610,929	8,785,462	944,019	139%	(1,174,533)	-109%
Cost of Sales	(3,900,354)	(4,069,534)	(3,592,231)	(169,180)	-25%	477,303	44%
Operating Expenses	(2,844,839)	(2,588,296)	(2,395,608)	256,543	38%	192,688	18%
Finance Costs	(157,122)	(206,856)	(275,572)	(49,734)	-7%	(68,716)	-6%
Finance Income	17,936	18,007	29,608	(71)	0%	(11,601)	-1%
Share in Net Income of Investment in Associates	214,233	296,569	158,917	(82,336)	-12%	137,652	13%
Other Income (Charges) - net	(1,957)	(31,887)	(83,203)	29,930	4%	51,316	5%
Provision for Income Tax	(470,869)	(295,149)	(814,233)	175,720	26%	(519,084)	-48%
Net Income	1,411,976	733,783	1,813,140	678,193	100%	(1,079,357)	-100%
Net Income (Loss) Attributable to:							
Equity Holders of the Parent	1,421,744	743,896	1,544,144	677,848	100%	(800,248)	-74%
Non-controlling Interest	(9,768)	(10,113)	268,996	345	0%	(279,109)	-26%
	1,411,976	733,783	1,813,140	678,193	100%	(1,079,357)	-100%

Summary Consolidated Statements of Financial Position as at December 31,

				Horizontal Analysis			
	2025	**2024**	**2023**	**Increase (Decrease)**		**Increase (Decrease)**	
		In Thousand Pesos		**2025 vs. 2024**	**%**	**2024 vs. 2023**	**%**
Current Assets	3,697,879	2,969,839	3,938,933	728,040	25%	(969,094)	-25%
Noncurrent Assets	13,561,428	14,122,394	13,475,808	(560,966)	-4%	646,586	5%
Total Assets	17,259,307	17,092,233	17,414,741	167,074	1%	(322,508)	-2%
Current Liabilities	1,590,126	1,647,396	2,288,173	(57,270)	-3%	(640,777)	-28%
Noncurrent Liabilities	1,186,808	2,377,782	2,846,217	(1,190,974)	-50%	(468,435)	-16%
Non-controlling Interest	133,571	143,531	153,695	(9,960)	-7%	(10,164)	-7%
Equity Attributable to Equity Holders of the Parent	14,348,802	12,923,524	12,126,656	1,425,278	11%	796,868	7%
Total Liabilities and Equity	17,259,307	17,092,233	17,414,741	167,074	1%	(322,508)	-2%

Summary Consolidated Statements of Financial Position as at December 31,

	2025	2024	2023	Vertical Analysis Increase (Decrease) 2025 vs. 2024	%	Increase (Decrease) 2024 vs. 2023	%
	In Thousand Pesos						
Current Assets	3,697,879	2,969,839	3,938,933	728,040	436%	(969,094)	-300%
Noncurrent Assets	13,561,428	14,122,394	13,475,808	(560,966)	-336%	646,586	200%
Total Assets	17,259,307	17,092,233	17,414,741	167,074	100%	(322,508)	-100%
Current Liabilities	1,590,126	1,647,396	2,288,173	(57,270)	-34%	(640,777)	-199%
Noncurrent Liabilities	1,186,808	2,377,782	2,846,217	(1,190,974)	-713%	(468,435)	-145%
Non-controlling Interest	133,571	143,531	153,695	(9,960)	-6%	(10,164)	-3%
Equity Attributable to Equity Holders of the Parent	14,348,802	12,923,524	12,126,656	1,425,278	853%	796,868	247%
Total Liabilities and Equity	17,259,307	17,092,233	17,414,741	167,074	100%	(322,508)	-100%

Summary Consolidated Statements of Cash Flows

	For the Years Ended December 31 2025	2024	2023
	In Thousand Pesos		
Net Cash Flows From (Used in):			
Operating Activities	2,050,043	1,009,562	3,960,344
Investing Activities	(1,526,930)	(992,609)	(2,614,628)
Financing Activities	(72,351)	(898,607)	(2,046,910)
Net Increase (Decrease) in Cash and Cash Equivalents	450,762	(881,654)	(701,194)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	31,397	101,598	(36,493)
Cash and Cash Equivalents at Beginning of Year	1,662,842	2,442,898	3,180,585
Cash and Cash Equivalents at End of Year	2,145,001	1,662,842	2,442,898

RESULTS OF OPERATIONS

Year ended December 31, 2025 compared with year ended December 31, 2024

For the year ended December 31, 2025, the Group reported consolidated net income of ₱1,412.0 million, representing a substantial increase from ₱733.8 million recorded in the prior year. After accounting for non-controlling interests, net income attributable to equity holders of the Parent Company amounted to ₱1,421.7 million, compared to ₱743.9 million in the previous year.

The significant improvement in the Group's financial performance was primarily driven by higher revenues, supported by increased average nickel ore prices. This was partially offset by a decline in sales volume during the year.

Revenues
For the year ended December 31, 2025, the Group's total revenues amounted to ₱8,554.9 million, representing an increase of ₱944.0 million, or 12.4%, from ₱7,610.9 million in the prior year. Substantially all of the Group's revenues (99.9%) were generated from its mining operations, with the balance attributable to services rendered to customers.

Nickel Ore Export Revenues
For the year ended December 31, 2025, total nickel ore export revenues reached ₱8,630.5 million, reflecting an increase of ₱1,038.0 million, or 13.7%, from ₱7,592.5 million in the previous year. The growth in export revenues was primarily driven by higher average selling prices, partially offset by lower sales volumes. The favorable pricing environment was supported by tight global supply conditions and steady demand from core Asian markets, specifically China and Indonesia.

Surigao Mine
For the year ended December 31, 2025, the Group's Surigao mining operations generated total export revenues of ₱5,065.5 million, inclusive of incremental contributions from PIL, a subsidiary. This represents an increase of ₱398.1 million, or 8.5%, compared to ₱4,667.4 million in the prior year.

The net increase in revenues was attributable to the following key factors:

Higher Average Realized Nickel Ore Prices
The Surigao Mine's average realized nickel ore price for the year ended December 31, 2025 increased by US$7.64 per WMT, or 37.5%, to US$27.98/WMT from US$20.34/WMT in the prior year. Prices for low-grade ore rose by US$8.40/WMT, or 42.9%, from US$19.58/WMT in 2024 to US$27.98/WMT in 2025. No medium-grade ore was shipped in 2025, compared to 2024 when such ore was sold at an average price of US$26.61/WMT.

Lower Shipment Volumes
Nickel ore shipments from the Surigao Mine totaled 3.161 million WMT for the year ended December 31, 2025, representing a decrease of 0.830 million WMT, or 20.8%, from 3.991 million WMT in the previous year. The decline was primarily due to prolonged and intense rainfall which significantly constrained mine preparation and reduced operating days; however, decisive stockpiling strategies and a strong ramp-up in shipments during improved weather conditions enabled the operation to effectively cushion the impact and sustain delivery momentum.

During the year, the Group shipped a total of 57 vessels of nickel ore, compared to 73 vessels in 2024. The sales mix in 2025 consisted entirely of low-grade ore, with no medium-grade ore shipped, whereas in 2024 the mix comprised 89% low-grade ore and 11% medium-grade ore.

Shipments to ports in China and Indonesia totaled 3.161 million WMT of low-grade ore and no medium-grade ore in 2025, compared to 3.557 million WMT of low-grade ore and 0.434 million WMT of medium-grade ore in 2024.

Palawan Mine
For the year ended December 31, 2025, the Group's Palawan mining operations generated total export revenues of ₱3,565.0 million, inclusive of incremental contributions from PIL, an affiliate. This represents an increase of ₱639.9 million, or 21.9%, from ₱2,925.1 million in the prior year.

The increase in export revenues was primarily driven by higher selling prices, supported by a modest increase in shipment volumes:

Higher Average Realized Nickel Ore Prices
The Palawan Mine's average realized nickel ore price for the year ended December 31, 2025 increased by US$6.89 per WMT, or 19.7%, to US$41.87/WMT from US$34.99/WMT in the prior year. Prices for medium-grade ore rose by US$8.35/WMT, or 23.9%, from US$34.99/WMT in 2024 to US$43.33/WMT in 2025. In addition, low-grade ore was sold in 2025 at an average price of US$40.16/WMT, whereas no low-grade ore was shipped in 2024.

Lower Shipment Volumes
Nickel ore shipments from the Palawan Mine totaled 1.444 million WMT for the year ended December 31, 2025, representing a decrease of 0.013 million WMT, or 0.9%, from 1.457 million WMT in the previous year. This performance was achieved despite persistent adverse weather conditions and permitting delays that limited access to new mining areas, with early shipments, coupled with enhanced mine planning and operational optimization, reinforcing the site's resilience and strengthening its capacity to support production growth.

The Palawan Mine shipped 26 vessels and 27 vessels of nickel ore in 2025 and 2024, respectively. The sales mix in 2025 consisted of 46% low-grade ore and 54% medium-grade ore, compared to 100% medium-grade ore in the prior year.

Shipments to ports in China and Indonesia included 0.665 million WMT of low-grade ore and 0.779 million WMT of medium-grade ore in 2025, compared to no low-grade ore and 1.457 million WMT of medium-grade ore in 2024.

Overall, the Group's total nickel ore export revenues were influenced by the following key factors:

Higher Average Realized Nickel Ore Prices
The Group's average realized nickel ore price for the year ended December 31, 2025 increased to US$32.34/WMT from US$24.26/WMT in 2024. Low-grade ore prices rose to an average of US$30.10/WMT from US$19.58/WMT in the prior year, while medium-grade ore prices increased to US$43.33/WMT from US$33.06/WMT.

Lower Shipments and Volume
The Group completed 83 shipments during 2025, compared to 100 shipments in the previous year. Correspondingly, total volume shipped declined to 4.605 million WMT, representing a decrease of 15.5% from 5.448 million WMT in 2024.

Changes in Sales Mix
The sales mix shifted in 2025 to 83% low-grade ore and 17% medium-grade ore, compared to 65% low-grade ore and 35% medium-grade ore in the prior year, reflecting a higher proportion of lower-grade shipments.

Exchange Rate Impact
The average realized Philippine peso to US$ exchange rate was ₱57.96 in 2025, slightly lower than ₱57.45 in 2024, which had a marginal impact on reported revenues.

Service Revenues
The Group's service income for the years ended December 31, 2025 and 2024, amounted to ₱12.3 million and ₱18.4 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 ₱130.2 million for the year December 31, 2025 as compared to ₱72.3 million for 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 expenses. During the year ended December 31, 2025, these costs and expenses amounted to ₱6,745.2 million, compared to ₱6,657.8 million for the year ended 2024, representing an increase of ₱87.4 million or 1.3%. The average cash operating cost per volume sold increased to ₱1,297.47 per WMT for the year ended December 31, 2025, from ₱1,094.77 per WMT in the previous year, marking an increase of ₱202.7 per WMT or 18.5%. For the year ended December 31, 2025, the total aggregate cash costs and total sales volume amounted to ₱5,974.8 million and 4.605 million WMT, respectively. In comparison, for the year ended December 31, 2024, the total aggregate cash costs and total sales volume amounted to ₱5,964.3 million and 5.448 million WMT, respectively.

Cost of Sales
For the year ended December 31, 2025, cost of sales amounted to ₱3,900.3 million, representing a decrease of ₱169.2 million, or 4.2%, from ₱4,069.5 million in the prior year. The decline was primarily attributable to the following factors:

- Contract Hire Expense: This expense decreased by ₱150.5 million, or 6.0%, mainly due to lower production and shipment volumes, as well as a shift in product mix. In 2024, a higher proportion of medium-grade ore—associated with higher effective contract hire rates—was shipped. In contrast, 2025 reflected a greater share of low-grade ore shipments, resulting in lower corresponding rates and reduced overall costs.
- Environmental Protection Costs: These costs increased by ₱43.6 million, or 50.5%, primarily due to expenditures related to compliance with Special Tree Cutting and Earth-balling Permit (STCEP) requirements, as well as ongoing rehabilitation activities.
- Operations Overhead: These costs decreased by ₱49.5 million, or 48.3%, largely due to lower drilling expenses during the year.

- Community Relations: These costs declined by ₱31.2 million, or 27.6%, mainly due to a lower budget allocation for the SDMP compared to the prior year.
- Fuel, Oil and Lubricants: These costs decreased by ₱23.9 million, or 15.5%, driven by reduced consumption and lower average cost per liter, attributable to decreased operational activity, particularly in the Surigao Mine operations.

Excise Taxes and Royalties
For the years ended December 31, 2025 and 2024, excise taxes and royalties amounted to ₱841.3 million and ₱791.9 million, respectively. These expenses are calculated and paid based on a percentage of revenues. Therefore, the increase in revenues from our operating mines led to higher excise taxes and royalties during the year.

General and Administrative Expenses
For the year ended December 31, 2025, general and administrative expenses totaled ₱1,255.6 million, representing a decrease of ₱156.4 million, or 11.1%, from ₱1,412.0 million in 2024. The decline was primarily attributable to the following factors:

- Taxes and Licenses: This expense decreased by ₱52.3 million, or 21.7%, mainly due to the absence of prior year payments and accruals related to deficiency tax assessments and ecosystem fees associated with the Palawan Mine. In addition, higher business taxes were incurred in 2024 for the Palawan Mine, reflecting the stronger revenue base in 2023.
- Personnel Cost: This expense increased by ₱16.9 million, or 5.4%, mainly due to the increase in manpower and work hours, which were necessary to support the growth in production and revenue in 2025.
- Depreciation Expense: This expense declined by ₱16.4 million, or 10.9%, primarily due to higher asset disposals recognized in the prior year.
- Consultancy Fees: This expense increased by ₱6.3 million, or 9.5%, largely attributable to professional fees incurred in connection with the Group's first-time VAT refund claim.
- Provision for Impairment Losses on Input VAT: This expense increased by ₱36.6 million, or 47.5%, due to disallowed input VAT claims recognized during the year.
- Legal Costs: No comparable legal costs were incurred in 2025, whereas in 2024, INC recognized ₱147.8 million (US$2.56 million) in legal expenses related to a settlement agreement with Baiyin International Investment Ltd., contributing significantly to the year-on-year decrease in general and administrative expenses.

Shipping and Distribution
For the year ended December 31, 2025, shipping and loading costs amounted to ₱747.9 million, representing an increase of ₱363.5 million, or 95.6%, from ₱384.4 million in the prior year. The increase was primarily driven by freight costs associated with cost and freight (CFR) shipments undertaken through PIL, a subsidiary, during the current year, compared to none in the previous year.

Finance Costs
Finance costs totaled ₱157.1 million for the year ended December 31, 2025, compared to ₱206.8 million in 2024, reflecting a decrease of ₱49.7 million, or 24.0%. 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, 2025, the Group's share in the net income from its investment in associates amounted to ₱214.2 million, compared to ₱296.6 million in the previous year, reflecting a decrease of ₱82.4 million, or 27.8%. 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
For the years ended December 31, 2025 and 2024, finance income totaled ₱17.9 million and ₱18.0 million, respectively, reflecting a marginal decrease year-on-year.

Other Charges - net

For the year ended December 31, 2025 and 2024, the Group recorded net other charges of ₱1.9 million and ₱31.9 million, respectively. The favorable variance was primarily attributable to the following factors:

- Foreign Exchange Movements: The Group recognized foreign exchange gains of ₱49.8 million in 2025, compared to foreign exchange losses of ₱92.2 million in 2024.
- Demurrage Costs: Net demurrage costs increased to ₱83.7 million in 2025 from ₱7.9 million in 2024, due to weather-related delays and operational constraints.
- Gain on Disposal of Property and Equipment: A gain of ₱51.8 million was recognized in 2024 from the disposal of property and equipment, with only minimal gains recorded in 2025.
- The Group recognized a gain of ₱105.7 million arising from donated land received by PGMC during the year.

Provision for Income Tax - net
For the year ended December 31, 2025, the provision for income tax amounted to ₱470.9 million, representing an increase from ₱295.1 million recorded in the prior year. The increase was primarily attributable to higher taxable income generated during the current year.

Total Comprehensive Income - net of tax

Net Income
As a result of the foregoing factors, the Group's consolidated net income for the year ended December 31, 2025 amounted to ₱1,412.0 million, representing an increase of ₱678.2 million, or 92.4%, from ₱733.8 million in the prior year.

After accounting for non-controlling interests, net income attributable to equity holders of the Parent Company reached ₱1,421.7 million, compared to ₱743.9 million in the preceding year.

Cumulative Translation Adjustment
The Group recognized cumulative translation adjustments, net of tax, amounting to ₱15.6 million and ₱55.9 million for the years ended December 31, 2025 and 2024, respectively. These adjustments pertain to exchange differences arising from the translation of a subsidiary's functional currency into the Parent Company's presentation currency.

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.

Cost and Expenses

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.

FINANCIAL POSITION

Year as at December 31, 2025 and 2024

As of December 31, 2025, the Group's total assets amounted to ₱17,259.3 million, reflecting an increase of ₱167.1 million, or 1.0%, from ₱17,092.2 million as of December 31, 2024. The increase was primarily driven by higher current assets, partially offset by a decline in noncurrent assets.

Total current assets increased by ₱728.0 million, or 24.5%, to ₱3,697.9 million as of December 31, 2025, from ₱2,969.8 million in the prior year. The net increase was mainly attributable to:

- Cash and cash equivalents, which rose by ₱482.2 million, or 29.0%, primarily due to improved operating cash flows during the year.
- Trade and other receivables increased by ₱430.6 million, or 67.4%, primarily driven by higher customer receivables from shipments made under "90 days from the date of Bill of Lading" payment terms, along with VAT refund claims recognized and expected to be collected in the first half of 2026.
- Inventories, which decreased by ₱182.7 million, or 30.0%, reflecting lower ore stockpiles due to shipment timing and operational factors.

Total noncurrent assets decreased by ₱561.0 million, or 4.0%, to ₱13,561.4 million from ₱14,122.4 million in 2024. The movement was primarily due to:

- A decrease in other noncurrent assets by ₱773.0 million, or 34.5%, primarily from approved input VAT claims.
- A decline in property and equipment by ₱18.7 million, or 0.3%, as depreciation and depletion expenses of ₱634.2 million exceeded the net effect of capital additions, disposals and currency translation adjustments with a total amount of ₱615.5 million.
- An increase in investment in associate by ₱214.2 million, or 4.5%, primarily due to the Group's share in the associate's net income.
- An increase in deferred tax assets by ₱15.5 million, or 11.0%.

Total liabilities decreased significantly by ₱1,248.2 million, or 31.0%, to ₱2,776.9 million as of December 31, 2025, from ₱4,025.2 million in the prior year. Key improvements include:

- Payments made toward the non-interest-bearing liability amounting to ₱1,164.3 million (US$20 million), and lease liabilities totaling ₱70.9 million.
- Decreases in trade and other payables by ₱201.8 million, and in income tax payable by ₱36.7 million.

Total equity increased by ₱1,415.3 million, or 10.8%, to ₱14,482.4 million as of December 31, 2025, from ₱13,067.1 million in 2024. The increase was mainly driven by:

- Growth in retained earnings by ₱1,421.7 million, or 17.3%, reflecting the Group's strong net income for the year.
- An increase in cumulative translation adjustments by ₱15.6 million, or 8.2.1%, due to foreign currency translation gains.
- A slight increase in treasury stock by ₱17.7 million.
- A decrease in non-controlling interest (NCI) by ₱10.0 million, or 6.9%.

Equity attributable to the Parent Company rose by ₱1,425.3 million, or 11.0%, to ₱14,348.8 million.

The Group's financial position remained strong as of December 31, 2025, supported by higher cash balances, improved profitability, and a significant reduction in total liabilities. The decrease in leverage, combined with increased equity, reflects enhanced financial flexibility and capacity to support future operations and investments.

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.

As of March 31, 2026

As of March 31, 2026, the Group's total assets stood at ₱17,429.4 million, reflecting an increase of ₱170.1 million or 1.0%% from ₱17,259.3 million as of December 31, 2025. This movement is primarily due to an increase in current assets by ₱218.4 million (5.9%) and a minimal decrease in noncurrent assets by ₱48.3 million (0.4%).

The net increase in current assets as of March 31, 2026, was primarily driven by the following factors:
- Cash and cash equivalents declined by ₱180.1 million or 8.4%, from ₱2,145.0 million to ₱1,964.8 million. This reduction was mainly due to the final settlement of non-interest-bearing liability amounting to ₱691.5 million, partially offset by cash generated from operations.
- Trade and other receivables increased by ₱181.1 million or 16.9%.
- Advances to related parties increased by ₱32.3 million or 253.8%.
- Inventories rose by ₱183.2 million or 42.9%.

The net decrease in noncurrent assets as of March 31, 2026, is attributable to the following:
- Property and equipment posted a net decrease of ₱142.1 million or 2.2%. This was primarily due to depreciation and depletion expenses of ₱157.7 million, partially offset by acquisitions totaling ₱14.6 million during the period.
- Deferred tax assets increased by ₱40.7 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 ₱58.5 million.
- Other noncurrent assets decreased by ₱4.1 million or 0.3%, primarily due to input value-added tax (VAT) claimed by the Group during the period.

As of March 31, 2026, the Group's total liabilities stood at ₱2,453.5 million, representing a decrease of ₱323.4 million or 11.6% from ₱2,776.9 million as of December 31, 2025. This net decrease is primarily attributable to the following:
- Settlement of a non-interest-bearing liability amounting to ₱691.5 million.
- Trade and other payables increased by ₱141.3 million or 18.7%, mainly due to payments made during the period.
- Income tax payable increased by ₱185.6 million, primarily as a result of taxable income earned during the period.

CASH FLOWS

Years Ended December 31, 2025, 2024 and 2023

Cash Flows from Operating Activities
Net cash flows from operating activities amounted to ₱2,050.0 million for the year ended December 31, 2025, representing an increase from ₱1,009.6 million in 2024. The improvement was primarily driven by higher cash generated from the Group's mining operations, reflecting enhanced profitability.

The net cash flows from operating activities was ₱3,960.3 million for the year ended December 31, 2023, primarily comprising operating income before changes in working capital of ₱3,386.5 million adjusted for net changes in working capital of ₱1,463.7 million, income taxes paid of ₱832.7 million, interest paid of ₱59.5 million, retirement plan contributions of ₱22.9 million, and interest received of ₱25.2 million.

Cash Flows from Investing Activities
The net cash flows used in investing activities for the years ended December 31, 2025, 2024 and 2023 amounted to ₱1,526.9 million, ₱992.6 million, and ₱2,614.6 million, respectively.

The net cash outflows in 2025 were driven by payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱1,164.3 million, acquisition of property and equipment totaling ₱469.9 million, proceeds from disposal of property and equipment amounted to ₱7.6 million, additional mine exploration costs totaling ₱2.7 million, decrease in advances to related parties amounted to ₱2.8 million, and decrease in other noncurrent assets, including input VAT by ₱99.7 million.

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, including input VAT 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 ₱202.1 million, additional mine exploration costs amounting to ₱58.8 million, increase in other noncurrent assets, including input VAT amounting to ₱929.2 million, payment of noninterest bearing liability amounting to ₱558.9 million, and proceeds from sale of property and equipment amounting to ₱3.4 million.

Cash Flows from Financing Activities
For the years ended December 31, 2025, 2024 and 2023, the net cash flows used in financing activities amounted to ₱72.3 million, ₱898.6 million, and ₱2,046.9 million, respectively.

The net cash outflows in 2025 arise from the payment of lease liabilities amounting to ₱70.9 million and decrease in advances from related parties amounting to ₱1.4 million.

The net cash outflows in 2024 arise 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 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 acquisition of non-controlling interest amounting to ₱245.6 million.

As of March 31, 2026

Cash Flows from Operating Activities
The net cash flows from operating activities amounted to ₱554.1 million and ₱191.7 for the periods ended March 31, 2026 and 2025, respectively. The net movement 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, 2026 and 2025 were ₱744.6 million and ₱513.4 million, respectively.

In 2026, the net cash outflows were primarily driven by: (1) Payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱691.5 million; (2) Acquisition of property and equipment, totaling ₱14.6 million; and (3) Increase in advances to related parties by ₱32.3 million.

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.

Cash Flows from Financing Activities
For the three-month periods ended March 31, 2026 and 2025, the net cash utilization in financing activities totaled ₱24.9 million and ₱22.1 million, respectively. The negative cash flows from financing activities in both periods primarily resulted from the settlement of lease obligations.

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, 2025, 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.

The following discussion and analysis are based on the audited consolidated financial statements as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024, and 2023 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.

Capital Stock

The capital structure of the Parent Company as at December 31, 2025 and 2024 is as follows:

	2025	2024
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 961,935,955 shares amounting to ₱2,147.5 million and 947,181,464 shares amounting to ₱2,129.8 million in treasury shares as at December 31, 2025 and 2024, respectively.

In 2025 and 2024, the Parent Company purchased a total of 14,754,491 common shares amounting to ₱17.7 million and nil common shares, respectively. As at December 31, 2025, the Company purchased a total of 1,141,417,905 common shares amounting to ₱2,784.2 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 September 12, 2024, the BOD approved acquiring up to 2% of the outstanding common shares at market price and over the three years. As of December 31, 2025 and 2024, the Parent Company had repurchased approximately 19.6% and 19.4% of its outstanding shares, respectively.

Employee Stock Option Plan (ESOP)

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

Special Stock Grant
The stock grant agreement in relation to the Employee Stock Option Master Plan was executed on December 27, 2017, the grant date, between the Parent Company and the grantees. A total of 10,100,000 treasury shares of the Parent Company was granted to 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	2025	2024	2023
Profitability 1. Return on Equity	Profit for the Year / Average Total Equity	10.3%	5.8%	15.3%
2. Return on Assets	Profit for the Year / Average Total Assets	8.2%	4.3%	10.2%
3. Earnings Per Share	Profit for the Year / Adjusted Weighted Average Number of Common Shares Outstanding	0.28	0.15	0.30
Leverage 4. Debt-to-Equity Ratio	Total Liabilities / Total Equity	0.19:1	0.31:1	0.42:1
Liquidity 5. Current Ratio	Current Assets / Current Liabilities	2.33:1	1.80:1	1.72:1

Trends, Events or Uncertainties

Recent Trends and Outlook

The global nickel market in 2025 operated against a backdrop of heightened macroeconomic uncertainty and shifting trade dynamics. The implementation of U.S. tariff policies disrupted established global trade flows, while a broader slowdown in manufacturing activity weighed heavily on demand across the nonferrous metals sector. At the same time, uncertainty surrounding the trajectory of U.S. monetary policy, particularly with respect to interest rate adjustments, contributed to volatile market sentiment and cautious positioning among market participants.

China, as the largest consumer and processor of nickel, responded with proactive fiscal measures and moderately accommodative monetary policies aimed at stabilizing domestic demand and mitigating the impact of external trade frictions. Efforts to diversify export channels and strengthen internal consumption provided partial support to industrial activity. However, despite these interventions, the nickel market still lagged behind other base metals, showing ongoing deeper imbalances between supply and demand that continue to affect the sector.

Nickel price performance and volatility

Nickel prices were characterized by sustained weakness and increased volatility throughout the year. Both international and domestic benchmarks trended downward for most of the year, with prices reaching multi-year lows amid persistent oversupply and subdued downstream demand. The decline in price levels underscored the market's struggle to absorb rapidly expanding supply, particularly from Indonesia and China.

A sharp reversal emerged toward the end of the year following announcements that Indonesia was considering a significant reduction in its 2026 nickel ore mining quotas. This development triggered a strong and rapid price rebound, highlighting the market's sensitivity to supply-side policy changes from key producing countries.

The swift recovery from annual lows to second-half highs within a short period illustrated the underlying fragility of price stability and the continued influence of regulatory signals on market direction.

Supply expansion and processing shift

Global nickel supply continued its upward trajectory in 2025, driven primarily by accelerated production growth in China and Indonesia. China's refined nickel output expanded significantly, supported by the increasing adoption of High-Pressure Acid Leaching (HPAL) technology utilizing Mixed Hydroxide Precipitate (MHP) as a primary feedstock. This technological shift represents a fundamental transformation in the industry, enabling the processing of lower-grade nickel ores while enhancing recovery rates for valuable by-products such as cobalt. The economic advantages of MHP-based production have become increasingly evident, with integrated operations demonstrating stronger profitability compared to traditional nickel matte processing routes. This has incentivized further investment in HPAL facilities, particularly in Indonesia, where substantial capacity additions are expected to come online between 2026 and 2027. As these projects ramp up, the global supply pipeline is set to expand further, reinforcing structural oversupply conditions and exerting continued pressure on prices over the medium term.

China's evolving trade position
China strengthened its net export position in refined nickel, as domestic capacity growth reduced import reliance. Surplus production and cost advantages from MHP-based output boosted Chinese competitiveness in Southeast Asia and Europe, reshaping global trade flows and intensifying market competition.

Demand trends across key sectors
Demand for refined nickel exhibited divergent trends across its major end-use sectors, reflecting ongoing structural changes in consumption patterns. The stainless steel sector, traditionally the largest consumer of nickel, has shown signs of maturity, with demand growth stabilizing as producers increasingly adopt nickel pig iron as a cost-effective substitute. This substitution effect has reduced the sector's dependence on refined nickel, contributing to weaker overall demand growth.

In contrast, the alloy and special steels segment has emerged as a key driver of incremental demand, supported by the expansion of high-end manufacturing industries in China. Sectors such as aerospaces, defense, renewable energy, and advanced industrial applications are driving demand for high-purity nickel, particularly in the production of superalloys and specialized materials. This shift reflects a broader transition toward higher-value applications within the nickel value chain.

Meanwhile, the electroplating sector has maintained relatively stable demand levels, supported by consistent requirements from automotive, electronics, and emerging technology applications. While not a high-growth segment, its steady and largely non-substitute nature provides a stable base of consumption within the broader market.

Nickel Market Overview

Philippines
In 2025, the Philippine nickel ore sector demonstrated solid growth and resilience, supported by strengthening regional demand and increased production capacity. Total nickel ore supply expanded by approximately 15% year-on-year, driven by both the ramp-up of existing operations and the entry of new mining projects. Demand remained firm, particularly from Indonesia and China, where downstream processing industries continued to rely heavily on imported ore. Despite external headwinds, the overall market maintained a balanced supply-demand dynamic. Philippine producers benefited from sustained offtake demand, reinforcing the country's position as a key supplier within the regional nickel value chain.

Regional demand dynamics
Demand for Philippine nickel ore was primarily anchored on Indonesian processing facilities and Chinese steel producers, although growth patterns diverged across these markets. In Indonesia, the pace of expansion in nickel pig iron and new energy material plants moderated, resulting in demand growth that remained within expectations rather than exceeding prior projections.

In China, demand conditions were more constrained due to structural adjustments in the steel sector and operational shutdowns in certain NPI facilities. However, supply tightness—driven by quota restrictions and weather-related disruptions—supported elevated ore premiums. As a result, foreign procurement activity increased, with Philippine ore maintaining its strategic importance, supplemented only marginally by alternative sources such as the Solomon Islands.

Export performance and ore mix
Philippine nickel ore exports reached approximately 629.5 million tons in 2025, reflecting a strong supply response to market demand. The export mix continued to be dominated by medium- to high-grade ore, which accounted for the majority of shipments and remained the preferred feedstock for high-nickel pig iron production. Lower-grade ores also contributed meaningfully to total exports, serving downstream applications such as general carbon steel production and low-grade NPI processing. This diversified ore mix underscores the Philippines' ability to cater to a broad spectrum of industrial requirements across regional markets, enhancing its competitiveness as a flexible and reliable partner.

Low-grade nickel ore market
During the year, the market for low-grade nickel ore was characterized by relative price stability amid fluctuating demand conditions. Prices for ultra-low grade ore remained within a narrow range for most of the

year, reflecting balanced supply conditions and cautious purchasing behavior among buyers. Early in the year, elevated port inventories dampened trading activity, but this gradually improved as inventories were drawn down in subsequent quarters. Market conditions weakened temporarily during periods of inventory buildup ahead of the rainy season, placing downward pressure on prices. However, toward year-end, cost pressures in the steel sector drove increased consumption of low-grade ore as a substitute input, resulting in a modest price recovery. Overall, while supply remained ample, demand softness—particlarly for certain grades—limited upward price momentum.

Supply dynamics within the country reflected notable regional shifts. Production of low-grade ore declined significantly in key areas such as Surigao, where producers prioritized higher-grade exports in response to more favorable pricing conditions. This strategic shift reduced overall availability of certain low-grade materials, creating opportunities for other mining regions to expand output and capture market share.

Homonhon emerged as a key beneficiary of this transition, leveraging its cost competitiveness to significantly increase shipments, particularly to the Chinese market. Other producing regions, including Dinagat, Nonoc Island, and Palawan, also contributed to overall supply growth, reinforcing the Philippines' diversified production base and operational flexibility.

Medium-grade nickel ore market

The medium-grade nickel ore segment was the standout performer in 2025, supported by robust demand from China and Indonesia. Strong purchasing activity in the first half of the year, particularly from Indonesian processors, drove a sustained increase in prices despite fluctuations in downstream nickel pig iron markets. This divergence highlights the structural tightness in ore availability relative to processing demand. Although demand softened in the latter half of the year due to financial pressures on processing plants, price corrections remained limited, indicating continued underlying strength in the market. Regulatory developments, including the implementation of a strengthened fiscal regime for mining, had minimal impact on production costs, allowing producers to maintain stable operations and pricing discipline.

Indonesia

Indonesia's nickel industry in 2025 operated under an evolving regulatory environment, reflecting the government's increasing focus on tighter resource management and alignment with domestic industrial priorities. A key development during the year was the shift in the approval process for Work Plans and Budgets (RKAB), moving from a three-year cycle to an annual submission. This policy change introduced greater oversight and flexibility, requiring mining companies to regularly recalibrate production plans in line with national objectives.

Forward-looking signals from regulators pointed to a more controlled supply environment. Initial indications for 2026 suggest a potential reduction in production quotas compared to 2025 levels, although final decisions remain subject to ongoing policy calibration. This evolving framework underscores Indonesia's strategic intent to balance resource utilization with long-term industry sustainability and downstream value creation.

Pricing mechanisms and benchmark adjustments

Indonesia further refined its domestic nickel pricing mechanisms to enhance transparency and responsiveness to market conditions. The frequency of benchmark price updates was increased, allowing for more timely adjustments aligned with global nickel price movements. Changes in the calculation methodology also aimed to better reflect prevailing market dynamics, incorporating a broader range of pricing inputs over a more recent time horizon. For lower-grade nickel ore, particularly material used in hydrometallurgical processing, pricing remained largely stable within a narrow range, supported by steady demand from the battery materials sector. The introduction of targeted fiscal measures, including levies on certain ore grades used in electric vehicle supply chains, signaled the government's intent to capture greater value from downstream industries while maintaining competitiveness.

Persistent supply tightness and premiums

Despite large mining quotas issued for the year, Indonesia's nickel ore market remained tight due to structural and operational constraints that limited actual output. Many producers were unable to fully utilize approved volumes, highlighting gaps between permitted volumes and operational capacity.

Additional pressures came from stricter enforcement against illegal mining, which reduced informal supply, along with prolonged rainy seasons that disrupted mining and logistics activities. These factors further constrained overall production.

At the same time, declining ore grades required higher consumption rates to sustain processing efficiency, effectively tightening available supply. As a result, ore availability remained constrained and premiums stayed elevated despite seemingly ample quotas.

Domestic consumption and demand growth
Indonesia's domestic nickel ore consumption continued to expand, driven by the growth of its integrated processing industry. Total consumption reached approximately 285 million tons, reflecting a double-digit increase year-on-year. This growth was primarily supported by sustained production in nickel pig iron (NPI), ferronickel, and emerging battery material segments.

High-nickel pig iron and related products accounted for the largest share of ore consumption, reinforcing Indonesia's position as a dominant player in the global stainless steel supply chain. At the same time, demand from the battery materials sector, particularly through Mixed Hydroxide Precipitate (MHP) production, continued to gain traction, reflecting the country's strategic push into electric vehicle supply chains. Low-grade nickel matte production also contributed to overall demand, further diversifying the downstream consumption base.

Supply structure and import dependence
The nickel industry of Indonesia remained largely self-sufficient in ore supply, with the vast majority of processing requirements met through domestic mining output. However, imported nickel ore primarily from the Philippines continued to play a complementary role, particularly in ensuring feedstock flexibility and supporting specific processing requirements. While imports accounted for a relatively modest share of total consumption, they remained strategically important in addressing localized supply gaps and maintaining operational continuity for certain processing facilities. This highlights the continued interdependence between Indonesia and key regional suppliers, particularly in the context of fluctuating domestic production conditions.

Capacity expansion and industrial trends
Capacity expansion within Indonesia's nickel processing sector moderated in 2025 compared to previous years. Additions in high-nickel pig iron capacity slowed significantly, reflecting a more cautious investment environment and the maturing of earlier expansion cycles. This deceleration signals a broader shift away from aggressive build-out toward optimizing and improving efficiency within existing operations.

Investment momentum remained robust in the new energy segment, particularly in MHP and low-grade nickel matte production. Planned capacity additions in these areas highlight a sustained strategic pivot toward higher-value downstream products that are closely aligned with global energy transition trends.

This divergence underscores the evolving structure of Indonesia's nickel industry. Traditional stainless steel-linked production appears to be stabilizing, while battery-related segments continue to expand, reinforcing the country's positioning within the global electric vehicle and energy storage supply chain.

China
In 2025, China's nickel ore consumption remained broadly stable, reflecting a maturing demand environment within its core industrial sectors. Total consumption reached approximately 40.9 million tons, representing a slight decline of 1.25% compared to the previous year. This marginal contraction highlights the plateauing nature of demand, particularly in the traditional end-use sectors, amid ongoing structural adjustments in the steel industry.

Medium- to high-grade nickel ore continued to account for the majority of consumption, driven by integrated nickel pig iron (NPI) operations, while low-grade high-iron ore maintained a secondary but still meaningful role in the overall consumption mix. The stability in consumption levels underscores the resilience of China's nickel processing base, even as broader industrial activity moderates.

Industrial activity and demand drivers
While overall consumption showed limited growth, underlying activity remained supported by steady output from established facilities and incremental increases in production capacity in select regions. China's integrated nickel processing plants operated at relatively stable levels during the year, providing a consistent base of demand for imported nickel ore. Notably, production ramp-ups at certain southern plants and the resumption of

operations at previously idled northern facilities in the latter half of 2025contributed to localized increases in ore demand. These developments are expected to carry into 2026, supporting a modest uptick in consumption. However, the broader demand outlook remains constrained by structural factors, including efficiency improvements, substitution trends, and policy-driven controls within the steel sector.

Imported growth and supply dependence
Despite relatively stable consumption levels, China's nickel ore imports increased significantly in 2025, underscoring its continued reliance on external supply. Cumulative imports reached approximately 40.3 million tons during the first 11 months of the year, representing a year-on-year increase of 10.7%.

This growth in imports reflects a combination of factors, including the need to replenish inventories, secure supply amid global uncertainties, and capitalize on competitive pricing from key suppliers. The Philippines remained the dominant source of imported nickel ore, reinforcing its strategic importance to China's nickel value chain. Import growth also indicates that, despite domestic adjustments, China continues to depend heavily on foreign ore to sustain its processing capacity,

Supply-demand balance and market dynamics
China's nickel market was characterized by a relatively balanced yet subdued supply-demand environment, with stable consumption alongside increased imports reflecting a cautious approach by processors in securing adequate feedstock amid potential supply disruptions and price volatility. At the same time, structural shifts within the industry, particularly the growing use of alternative raw materials such as nickel pig iron and intermediate products tempered growth in direct nickel ore demand, underscoring the country's broader strategy of optimizing resource utilization and reducing reliance on higher-cost inputs.

Global Industry Outlook
The global nickel industry is entering 2026 amid a phase of measured growth, structural adjustment, and strategic realignment. World primary nickel production is forecast to reach 4.1 million tons, up from 3.8 million tons in 2025, while global primary nickel usage is projected at 3.8 million tons, resulting in a market surplus of 261,000 tons. This reflects the continuation of positive market balances observed in previous years, indicating a generally well-supplied market with localized supply constraints and short-term price volatility driven by operational, policy, and macroeconomic factors.

Nickel consumption remains underpinned by the stainless steel and NPI sectors, while battery-related demand continues to expand but at a slower pace than earlier projected. The rising share of Lithium Iron Phosphate (LFP) chemistries and strong demand for plug-in hybrid electric vehicles (PHEVs) have tempered growth in oure battery-grade nickel usage. Nonetheless, downstream integration in both traditional and emerging sectors continues to shape regional supply and demand patterns.

Supply dynamics and operational developments
Supply growth in 2026 is supported by new export licenses and expanded mining operations across key producing regions. In the Philippines, ramp-ups in emerging production areas are expected to sustain export volumes, providing a stable base of medium- and high-grade ore for the regional market. Indonesia, the world's leading nickel producer, will continue to operate under tighter regulatory oversight, with potential reductions in mining quotas under tighter regulatory oversight, with potential reductions in mining quotas and stricter environmental compliance shaping near-term output. These measures are anticipated to maintain a controlled, value-driven expansion in supply rather than unfettered growth.

Despite these regulatory constraints, the overall output of different nickel products—including NPI, ferronickel, low-grade nickel matte, and MHP for battery materials—is expected to rise. Indonesia is projected to add incremental capacity from 2-3 new low-grade nickel matte electric furnaces and 5 MHP projects, totalling approximately 430,000 metric tons per year, offsetting slower expansion in high-nickel pig iron capacity. Globally, these supply dynamics are supported by operational efficiency improvements, modernization initiatives, and strategic alignment with downstream demand.

Supply tightness in specific regions will continue to sustain ore premiums. Factors such as seasonal rainfall disruptions, declining ore grades, and stricter enforcement against unauthorized mining contribute to localized constraints, even as nominal production quotas remain high. For market participants, effective operational management and strategic sourcing will be critical to navigating these constraints and maintaining competitiveness.

Demand trends and consumption patterns
Global nickel consumption is expected to rise to 3.8 million tons in 2026, with growth primarily driven by incremental increases in existing industrial operations rather than large-scale capacity additions. Integrated plants in China are expected to maintain stable production, with medium- to high-grade nickel ore consumption supported by resumed operations in northern facilities and expanded southern production. Overall Chinese demand remains robust but moderated by structural reforms in the steel industry and increasing substitution with alternative materials. Imports will continue to play a critical role in meeting processing requirements, particularly from the Philippines and other regional suppliers.

In Indonesia, domestic consumption is projected to remain strong for both traditional NPI production and emerging battery material processing. Total domestic consumption reached approximately 285 million tons in 2025 and is expected to grow in 2026, supported by high-nickel pig iron, ferronickel, MHP, and low-grade nickel matte production. The Philippines will continue to serve as a key supplier for Indonesian processing facilities, specifically for low- to medium-grade ore.

Global demand growth in stainless steel remains steady, with the International Nickel Study Group or INSG projecting expansion through 2026. Battery-related nickel usage is expected to recover moderately following a slower-than-expected 2025, reflecting increased cathode production in China and gradual adoption of battery chemistries requiring higher-purity nickel. Despite this, incremental battery demand growth is limited compared to initial projections, contributing to a market environment characterized by measured consumption expansion rather than rapid acceleration.

Market balance and price outlook
The 2026 nickel market is expected to remain generally well-supplied but sensitive to regional dynamics and policy developments. While global production outpaces usage, supply constraints in key regions such as Indonesia and the Philippines, combined with high-quality ore in China, will support selective premiums. The market will also respond to regulatory changes, environmental enforcement, and operational interruptions, creating short-term volatility in pricing and trade flows.

Producers and traders will need to optimize ore quality, strengthen strategic partnerships, and maintain operational efficiency to remain competitive. Cost-effective production and reliable supply chains will be key differentiators in a market that is increasingly characterized by policy-driven allocation, quality differentiation, and mature demand in traditional sectors.

Strategic outlook
Looking forward, the global nickel industry is transitioning toward a more balanced and value-driven growth model. Supply expansion will remain robust, particularly from the Philippines and Indonesia, while demand growth is likely to be more measured, constrained by structural reforms in China, moderation in battery-related consumption, and alternative material substitution. Regulatory oversight, operational efficiency, and downstream integration will play a central role in determining competitiveness and profitability.

Market participants must navigate a landscape where policy decisions, regional supply variations, and evolving demand patterns intersect. The strategic ability to align production capabilities with high-value downstream sectors, manage ore quality, and respond swiftly to market shifts will define success in the 2026 global nickel industry.

Uncertainties

The ongoing conflict in Iran has introduced a heightened level of uncertainty for the Philippine nickel industry, primarily through its destabilizing effects on global energy markets and supply chains. As a fuel-intensive sector, nickel mining is particularly exposed to volatility in oil supply and pricing. The most immediate and material risk stems from potential disruptions in fuel availability. Philippine mining operations rely heavily on diesel and bunker fuel for extraction, hauling, and maritime transport. Any sustained tightening of global fuel supply—whether due to production constraints, transport disruptions, or broader geopolitical escalation—could significantly impair operational continuity. Limited fuel buffers across the industry amplify this vulnerability, increasing the risk of curtailed production or, in more severe cases, temporary suspension of mining activities.

In parallel, the conflict is driving cost inflation across the nickel value chain. Elevated fuel prices directly increase mining and logistics costs, placing downward pressure on operating margins. While strong nickel prices may provide a near-term buffer, the industry remains sensitive to sharp and sustained increases in input costs. Should fuel prices escalate beyond manageable levels, higher-cost producers may face margin compression or be forced to scale back operations, potentially affecting overall industry output.

Logistics and export performance also face growing uncertainty. The Philippines' nickel sector is heavily export-oriented, making it particularly susceptible to increases in freight costs and disruptions in global shipping routes. Higher bunker fuel prices translate into increased shipping expenses, which may reduce the competitiveness of Philippine nickel ore in key markets. At the same time, any disruption in maritime trade flows—whether through longer transit times, route adjustments, or capacity constraints—could impact delivery schedules and contract fulfillment, introducing additional operational and financial risks.

The conflict further raises the prospect of policy and resource allocation risks at the domestic level. In the event of prolonged fuel shortages, governments may prioritize essential sectors such as power generation, transportation, and food supply over extractive industries. This could limit access to critical fuel inputs for mining companies, exacerbating operational constraints and potentially leading to involuntary production slowdowns or shutdowns. Such scenarios would have broader implications for export revenues, employment, and regional economic activity, particularly in mining-dependent communities.

Moreover, the evolving geopolitical landscape adds a layer of strategic uncertainty to investment and planning decisions. Volatility in energy prices and supply conditions complicates cost forecasting, capital allocation, and long-term project viability assessments. Companies may adopt a more cautious stance in deploying capital or expanding operations, which could moderate industry growth in the near term.

Overall, the Iran conflict underscores the Philippine nickel industry's exposure to external geopolitical shocks that are beyond its control. While the country remains strategically positioned within the global nickel supply chain, particularly amid shifting dynamics in other major producing regions, the persistence or escalation of the conflict could materially affect production stability, cost structures, and export competitiveness. These risks highlight the importance of operational resilience, prudent cost management, and adaptive strategies to navigate an increasingly volatile global environment.

There are no other 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, 2025, the Group's capital expenditures totaled to ₱625.6 million. These funds were allocated to additional investments in the Mining segment, including machinery and equipment, road and causeway development 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.

Global Ferronickel Holdings, Inc.

June 23, 2026

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue
Bel-Air, Makati City 1209

Attention	:	MR. OLIVER O. LEONARDO Director, Markets and Securities Regulation Department
Re	:	Certification of Non-Involvement with Government Agencies or Its Instrumentalities

Gentlemen:

In compliance with requirements of the Commission relative to the filing of SEC Form 20-IS, we certify that none of the Company's incumbent directors and executive officers who may be elected and appointed during the Annual Stockholders' and Organization Meetings to be held on July 29, 2026 is a government employee or official covered by Memorandum Circular 17, Sec. 12 Rule XVIII of the Revised Civil Service Rules.

Truly yours,

EGP Claro

EVEART GRACE POMARIN-CLARO
Corporate Secretary

A S 0 9 4 0 3 9 9 2

SEC Registration Number

G L O B A L F E R R O N I C K E L H O L D I N G S I N C

(Company's Full Name)

P E N T H O U S E P L A T I N U M T O W E R
A S E A N A V E N U E C O R F U E N T E S S T
A S E A N A P A R A Ñ A Q U E C I T Y

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

Atty. Noel Lazaro
(Contact Person)

(632) 5118229
(Company Telephone Number)

Month *Day*
(Fiscal Year)

1 7 - C
(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.

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of Global Ferronickel Holdings, Inc. and have been its independent director since August 5, 2020.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position / Relationship	Period of Services
Phil. Chamber of Commerce & Industry	Chairman Emeritus/Treasurer	2013 - Present
Philippine Exporters Confederation Inc.	President	1991 – Present
Employers' Confederation of the Phils.	President	Present
International Chamber of Commerce Philippines	Director	2025- Present
Philippine International Airways	Chairman	2009 - Present
National Center for Mediation	Chairman	2015 – Present
Waterfront Phils, Inc.	Chairman	2019 – Present
VC Securities Corp.	Vice Chairman	2016 - Present
Acesite Hotel Philippines, Inc.	Vice Chairman	2018 - Present
The Wellex Group	Director	Present
Forum Pacific Inc.	Director	Present
SPC Power Corporation	Director	Present
Empire East Land Holdings, Inc	Director	Present
MREIT, Inc.	Director	Present
GSI (formerly Philippine Article Numbering Council)	Founding Director	1995 - Present
Global Ferronickel Holdings, Inc.	Director	Present
Manila Exposition Complex Inc.	Director	1997 - Present
La Salle Tech Academy	Director	2000 - Present
Jolliville Holdings Corporation	Director	2014 – Present
Philippine H2O Ventures Corp. (formerly Calapan Ventures, Inc.)	Director	2014 – 2018
Like Cash Asia & Pacific Corp.	Director	2015 - Present
Human Resource Development Foundation	Trustee/Treasurer	2015 - Present
Philippine Estate Corp.	Director	2012 - Present
B.A. Securities	Director	2012 - Present
Export Development Council	Vice Chairman	Present
Trabaho Para sa Bayan	Council Private Sector Representative	2025-Present
Alliance Energy Power and Development Inc.	Director	Present

Southern Tech Phil Corporation	Chairman/President	Present
Philippine Jaycee Senate	Member	1989 - Present
Council of Adviser Makati City	Member	Present
Philippine Ease of Doing Business Foundation	Chairman	Present
Philippine Coastguard Auxiliary	Captain	Present
Honorary Consul General of Romania to the Philippines	Consul General	2015 - Present
Consular Corps of the Philippines	Dean of Consular Corps	2022
Int'l Association of Educators for World Peace	Honorary Adviser	Present
Buklod Bayani Coalition	Vice Chairman	Present
Bayaning Pulis Foundation, Inc.	Director/Treasurer	Present
One Philippine Foundation	President	Present

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

4. I am not related to any director/officer/substantial shareholder of Global Ferronickel Holdings, Inc., its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Global Ferronickel Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 0 2 JUN 2026 in Parañaque City.

SERGIO R. ORTIZ-LUIS, JR.
Affiant

Subscribed and sworn to before me this 02 JUN 2026 at ~~Parañaque City~~, affiant exhibiting to me his competent evidence of identity as follows:

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

Doc. No. 502
Page No. 102
Book No. I
Series of 2026.

Atty. Mary Louisse [illegible]. inguillo
Commission No. 404-2025
Notary Public for Parañaque City
Until December 31, 2026
Penthouse, Platinum Tower, Asean Ave. Cor.
Fuentes St., Aseana City, Parañaque City
Roll No. 75332, July 24, 2020
PTR No. 4020015, January 5, 2026, Parañaque City
IBP No. INV 576890, December 30, 2025, Makati City
MCLE Compliance No. VIII-0026410, April 8, 2025

AS094039920

SEC Registration Number

GLOBAL FERRONICKEL 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) 5118229

(Company Telephone Number)

Month *Day*
(Fiscal Year)

17-C
(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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CERTIFICATION OF INDEPENDENT DIRECTOR

I, George T. Barcelon, Filipino of legal age and with address at 23 Coolidge St. Greenhills San Juan City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Global Ferronickel Holdings, Inc. for the first time this Annual Stockholder's Meeting on July 29, 2026.

2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
BDO UNIBANK, INC.	INDEPENDENT DIRECTOR	8 YEARS
INTEGRATED COMPUTER SYSTEMS, INC.	PRESIDENT & CEO	48 YEARS
ICS ICT SUPPORT SERVICES CORP	PRESIDENT & CEO	19 YEARS
INTERFACE ELECTRONIC CORP.	PRESIDENT & CEO	45 YEARS
PARAMOUNT VINYL PRODUCTS CORP	PRESIDENT & CEO	47 YEARS
INTERPOLYMER CORP.	PRESIDENT & CEO	50 YEARS
INTERWOOD REALTY CORP	PRESIDENT & CEO	31 YEARS
KEYWEST REALTY INC.	PRESIDENT & CEO	29 YEARS
INTEGRATED CONCEPTS & SOLUTIONS, INC.	PRESIDENT & CEO	16 YEARS
INTEGRATED COMPUTER SYSTEMS LIMITED	PRESIDENT & CEO	20 YEARS
SOUTHLANCASTER REALTY CORP	PRESIDENT & CEO	14 YEARS
DALLAS FOOTWEAR MANUFACTURING CORP	PRESIDENT & CEO	44 YEARS
PHILIPPINE EXPORTERS CONFEDERATION, INC.	TRUSTEE	2 YEARS
CARDINAL MEDICAL CHARITIES FOUNDATION INC.	BOARD OF TRUSTEES	13 YEARS
EMPLOYERS CONFEDERATION OF THE PHILIPPINES (ECOP)	GOVERNOR	11 YEARS
ASEAN- BUSINESS ADVISORY COUNCIL	MEMBER	9 YEARS
ROTARY CLUB OF MAKATI	MEMBER	24 YEARS
N-GINES TECHNOLOGY INC. (NTI)	DIRECTOR & TREASURER	12 YEARS

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

4. I am not related to any director/officer/substantial shareholder of Global Ferronickel Holdings, Inc., its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Global Ferronickel Holdings, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 03 JUL 2026 in Parañaque City.

GEORGE T. BARCELON
Affiant

Subscribed and sworn to before me this 03 JUL 2026 at Parañaque City, affiant exhibiting to me his competent evidence of identity as follows:

Name	Competent Evidence of Identity	Date and Place of Issue	Issuing Office / Agency
George T. Barcelon	Passport	January 15, 2036	DFA NCR EAST

Doc. No. 58
Page No. 13
Book No. II
Series of 2026.

Atty. Mary Louisse S. Inguillo
Commission No. 404-2025
Notary Public for Parañaque City
Until December 31, 2026
Penthouse, Platinum Tower, Asean Ave. Cor.
Fuentes St., Aseana City, Parañaque City
Roll No. 75332, July 24, 2020
PTR No. 4020015, January 5, 2026, Parañaque City
IBP No. INV 576890, December 30, 2025, Makati City
MCLE Compliance No. VIII-0026410, April 8, 2025

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SEC Registration Number

GLOBAL FERRONICKEL 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) 5118229
(Company Telephone Number)

Month *Day*
(Fiscal Year)

17-C
(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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CERTIFICATION OF INDEPENDENT DIRECTOR

I, Jaime del Rosario, Filipino of legal age and with address at No. 16 Orient St., Sunshine Place, Brentville International Community, Brgy. Mamplasan, Biñan City, Laguna, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Global Ferronickel Holdings, Inc. and have been its independent director since June 25, 2025.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position / Relationship	Period of Services
Lepanto Consolidated Mining Company	Independent Director	June 15, 2026 up to Present
Central Azucarera de Tarlac	Independent Director	March 2026 up to Present
Bricolage Phils., Inc. (Mr. D.I.Y.)	Independent	April 2025 up to Present
Sta. Clara Power Corporation	Director	May 2025 up to Present
Brent International School Group	Trustee	December 2023 up to Present
JVR Foundation, Inc.	Trustee	August 2022 up to Present

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

4. I am not related to any director/officer/substantial shareholder of Global Ferronickel Holdings, Inc., its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code, its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

Done this 03 JUL 2026 in Parañaque City.

JAIME F. DEL ROSARIO
Affiant

Subscribed and sworn to before me this 03 JUL 2026 at Parañaque City, affiant exhibiting to me his competent evidence of identity as follows:

Name	Competent Evidence of Identity	Date and Place of Issue	Issuing Office / Agency
Jaime F. Del Rosario	Tax Identification No.		

Doc. No. 63
Page No. 14
Book No. 4
Series of 2026.

Atty. Mary Louisse S. Inguillo
Commission No. 404-2025
Notary Public for Parañaque City
Until December 31, 2026
Penthouse, Platinum Tower, Asean Ave. Cor.
Fuentes St., Aseana City, Parañaque City
Roll No. 75332, July 24, 2020
PTR No. 4020015, January 5, 2026, Parañaque City
IBP No. INV 576890, December 30, 2025, Makati City
MCLE Compliance No. VIII-0026410, April 8, 202

Minutes of the Annual Meeting of the Stockholders of [1]
GLOBAL FERRONICKEL HOLDINGS, INC.
held on 25 June 2025
via video conference in Parañaque City

ATTENDANCE:

Number of Shares represented by Stockholders Attending in person or by proxy	3,657,147,191
Total Number of Issued and Outstanding Shares	5,125,175,687
Percentage of	71.36%

DIRECTORS PRESENT:
(via video conference)

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

ALSO PRESENT:
(via video conference)

Jaime F. Del Rosario - nominee Independent Director

Eveart Grace P. Claro - Corporate Secretary

I. Call to Order

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

II. Certification of Quorum

The Corporate Secretary informed everyone that the meeting is being convened via zoom and recorded following the Securities and Exchange Commission (SEC) requirements. She noted the presence of the current/nominee directors at the meeting. She also presented proof of publication of the Notice of the meeting on print and online platforms of the Manila Times and The Manila Standard, and the Company's website www.gfni.com.ph and the PSE Edge profile. The publication dates were May 29 and 30, 2025. The last day of the first publication was on May 30, 2025 which is more than 25 days prior to this meeting. The Corporate Secretary certified that the stockholders of record have been duly notified.

Further, the rules of conduct of the meeting and the voting procedures for the virtual meeting were previously circulated to all registered stockholders via email, published on print and online platforms of the Manila Times and The Manila Standard on May 29 and 30, 2025, and posted on the Company's website www.gfni.com.ph and on the PSE Edge profile. During the meeting the rules and procedure were also read by the Corporate Secretary. She explained that stockholder of record were given until June 24, 2025 to send their question on any items on the agenda by email at asm2025@gfni.com.ph Voting in absentia was utilized for this meeting and for this purpose the

[1] This draft minutes is for the approval of the Stockholder on the next ASM in 2026.

stockholders had until June 18, 2025 to cast their votes either by sending their ballots or their proxy forms at asm2025@gfni.com.ph Validation of proxies and tabulation of votes were completed on June 22, 2025.

The Corporate Secretary certified that there being present in person or by proxy, stockholders owning 3,657,147,191 common shares issued, outstanding, and entitled to vote equivalent to 71.36% of the outstanding capital stock of 5,125,175,687, a quorum existed.

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

III. Approval of the Minutes of Last Year's Annual Stockholders' Meeting held on June 26, 2024

The Chairman proceeded on the first item on the agenda which is the approval of the minutes of the previous meeting on June 26, 2024, copies of which were earlier circulated to the stockholders and uploaded to the Company's website. The Corporate Secretary presented the tally of votes and proxies which showed that the majority of the Company's outstanding shares equivalent to 3,657,147,191 approved the Minutes of the Annual Stockholders' Meeting held on June 26, 2024 with no votes against or abstaining from it. There was no question received for this item. Based on the Corporate Secretary's report, the Chairman directed that the tally of votes be reflected on the minutes of the meeting.

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

The next item on the agenda was the Audited Financial Statements of December 31, 2024 which was earlier circulated to the stockholders. At this juncture, Atty. Bravo delivered his Report as President of the Company:

"In 2024, Our shipment volumes grew 15.5% to 5.4 million wet metric tons, up from 4.7 million wmt in 2023 demonstrating strategic agility and operational focus in navigating a challenging market environment. Surigao led the growth, shipping 4.0 million wmt—up 21.1% year-on-year, due to favorable weather, steady LCT availability, and better operational readiness. Palawan contributed 1.5 million wmt, a 2.6% rise from enhanced causeways, ports, and logistics.

On the financial front, FNI reported ₱7.6 billion in consolidated revenues, down 13.4%, while net income attributable to equity holders amounted to ₱744 million, a 51.8% drop from 2023, and average realized price dropped by 27.1% to US$24.26/wmt.

While these figures reflect the global pricing environment driven by nickel supply surges from Indonesia, weak demand from China, and slow recovery in stainless steel and npi markets, they also highlight our strong cost controls and operating leverage.

Our average cash cost went down to ₱1,094.77 per wet metric ton, equivalent to a 4.8% decrease from the previous year, driven by improved fleet maintenance, reduced downtimes, synchronized barge scheduling, and expanded workforce deployment.

For 2024, we prioritized long-term value creation by expanding our resource base through exploration applications in several areas with potential nickel deposits.

Lastly, capital expenditure reached ₱1.0 billion, fueling investments in new equipment, port upgrades, and vessel purchases. These key projects improved our infrastructure, increased our production capability, and contributed to optimizing our costs.

As the mining industry becomes increasingly volatile, FNI faces an unprecedented imperative: to create value responsibly and operate sustainably. Across our two mining subsidiaries, we met production and financial targets, deepening our commitment to sustainability, community development, and governance. We went beyond compliance, investing in lasting impact and strong local partnerships to turn mining into a driver of inclusive growth. Our comprehensive environmental management systems, aligned with ISO 14001:2015 standards, continued to govern our practices and ensured sustainability from exploration to rehabilitation. Achieving 100% compliance was just the start. We aimed higher.

We advanced land rehabilitation through reforestation and native species reintroduction, with our botanical and biodiversity gardens serving as living laboratories for education and conservation. Our partnership with the Caraga region wildlife rescue center highlighted our leadership in biodiversity protection. Our adoption of community-led mangrove rehabilitation and coral planting initiatives exemplified how we are restoring both terrestrial and marine ecosystems.

We safeguarded water resources through better rainwater harvesting, enhanced the efficiency of our siltation ponds, and natural water quality monitoring through bio-indicators.

We promoted inclusive progress by collaborating with communities not merely as external stakeholders, but as active participants in shaping shared growth – empowering them through scholarships and employment opportunities.

In 2024, we deepened investments in education, healthcare, and livelihood to ensure that the benefits of our operations lead to lasting improvements in local quality of life. Education programs expanded across sites. More students were able to access scholarships, classrooms were built, and teachers received ample support.

We strengthened access to healthcare services, especially in remote areas, through medical missions and nutrition programs, subsidies for community health professionals, as well as medical equipment and health facility upgrades.

Community-based training advanced technical knowledge and future employability of local residents. Livelihood support increased for local communities: farmers, fisherfolk, women-led cooperatives, and small businesses received tools, training, and resources.

Most importantly, our engagement with indigenous peoples remained consistently focused on the preservation of their cultural heritage, improving their quality of life and development. As we continued adherence to the FPIC, zero IP grievances in 2024 highlight effective, respectful, and inclusive engagement through information drives, grievance systems, and joint consultations.

Overall, FNI delivered strong results while driving real impact, restoring ecosystems, empowering communities, and promoting inclusive growth. Aligned with the un sustainable development goals, we continue to demonstrate that responsible mining can drive progress.

In terms of strategy, we took decisive action to realign our portfolio.

The board’s decision to discontinue the steel project, as it was deemed no longer economically viable, enables us to sharpen our focus and deploy capital more effectively.

This redirection has allowed us to accelerate internal feasibility studies for the potential development of a value-added processing facility aligned with future demand trends.

Meanwhile, Mariveles Harbor Corporation remains a priority, with planned berth upgrades to expand operations and other businesses such as containerized cargo and warehousing.

Over the next two years, we aim to double Palawan’s annual production from 1.5 million to 3.0 million wmt, driven by better infrastructure, workforce development, and operational efficiency in planning and fleet management.

As we look ahead, we are filled with a profound sense of responsibility and opportunity.

We are entering a new era where mining is not merely about extraction but about enabling sustainable development, powering the green transition, and uplifting communities.

Our work is anchored on integrity, growth mindset, innovation, malasakit, and shared prosperity. We aim to deliver lasting value not only to shareholders, but to every stakeholder who grows with us.

At FNI, we believe responsible mining is a force for good — and we're proving it every day through our impact, our actions, and our vision for inclusive and sustainable growth."

He ended his report by thanking the men and women of FNI, teams on the ground, the management group, and the board – for their unwavering commitment. Also, much appreciation to the investors, customers, and community stakeholders whose trust propels the company forward.

The Chairman asked the Corporate Secretary if there was a question received for this item. The Corporate Secretary informed him that there was none.

He directed the Corporate Secretary the tally of votes and proxies received. The Corporate Secretary reported that based on the votes received, the majority of the outstanding shares of the Company, equivalent to 3,654,989,191, approved the Company's Audited Financial Statements as audited by the Company's external auditors as of December 31, 2024, Sycip, Gorres, Velayo & Co. and the Annual Report of the Company. With no votes against or 2,158,000 abstain.

V. Election of Directors

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

	VOTES		
Regular Directors	**For**	**Against**	**Abstain**
Joseph C. Sy	3,657,147,191	0	0
Dante R. Bravo	3,657,147,191	0	0
Gu Zhi Fang	3,627,267,953	29,879,238	0
Dennis Allan T. Ang	3,627,267,953	29,879,238	0
Mary Belle D. Bituin	3,627,267,953	29,879,238	0
Jennifer Y. Cong	3,627,267,953	29,879,238	0
Noel B. Lazaro	3,627,267,953	29,879,238	0
Independent Directors			
Jaime F. Del Rosario	3,657,147,191	0	0
Edgardo G. Lacson	3,657,147,191	0	0
Sergio R. Ortiz-Luis, Jr.	3,627,267,953	29,879,238	0

The Chairman asked if there was a question received for this item. The Corporate Secretary informed him that there was none.

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

The next item on the agenda was ratification of acts of the Board of Directors and proceedings of the Board of Directors Board Committees and Management as presented. In the exercise of powers delegated by the Board, which were adopted from June 30, 2024 until today, these acts and resolutions are reflected in the minutes of the meetings, and they include the election of officers, members of the Board committees, the appointment of attorneys-in-fact and authorized signatories, treasury-related matters, declaration of cash dividends and matters covered by disclosures to the SEC and the PSE. Stockholders' ratification is also being sought for acts of our officers performed in the general conduct of our business or in accordance with the resolutions of the Board, the Executive Committee and other Board committees, and our by-laws from June 30, 2024 until today. These acts were performed to implement the resolutions of the Board or its Board committees or part of the general conduct of business.

For the resolutions subject for ratification, The Chairman asked if there was a question received for this item. The Corporate Secretary informed him that there was none.

The Chairman asked the Corporate Secretary to present the tally of votes and proxies for this matter. There were 3,654,989,919 votes which is equivalent to the majority of the outstanding shares cast in favor of the ratification of the acts of the Board of Directors, the Board Committees and the Management for June 30, 2024 up to present. With 0 votes against and 2,158,000 abstain.

VII. Appointment of External Auditor

For the next time on the agenda, the Audit, Risk and Related Party Transaction Committee, represented by its Chairman and Independent Director Mr. Sergio Ortiz-Luis Jr.. He presented that after careful deliberation on and evaluation of the performance of SGV & Co. for the past years, the quality of their audit work, the size of their firm, their competitive fees, and their reputation, the Committee has endorsed to the Board and for ratification of the stockholders, the appointment of the Company's external auditors, Sycip Gorres Velayo & co. ("SGV & Company") as external auditors of the Company's Financial Statements for the calendar year 2025. Mr. Jose Pepito "Pepz" E. Zabat, III is recommended to be the partner-in-charge. Based on the votes received, the majority of the outstanding shares of the Company equivalent to 3,654,989,191 approved the following resolution: "RESOLVED, the Company appoints Sycip Gorres Velayo & Co. as the External Auditor of the Company's Financial Statements for the calendar year 2025." With 2,158,000 votes against and 0 votes abstain.

The Chairman asked if there was a question received for this item. The Corporate Secretary informed him that there was none.

VIII. Adjournment

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

PREPARED BY:

EVEART GRACE P. CLARO
Corporate Secretary

A	S	0	9	4	0	3	9	9	2		

SEC Registration Number

GLOBAL FERRONICKEL HOLDINGS INC

(Company's Full Name)

PENTHOUSE PLATINUM TOWER ASEAN
AVENUE CORNER FUENTES ST. ASEANA
PARAÑAQUE CITY

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

Atty. Noel Lazaro	**(632) 5118229**
(Contact Person)	(Company Telephone Number)

Month *Day* (Fiscal Year)	LETTER (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.

Global Ferronickel Holdings, Inc.

5 January 2026

SECURITIES AND EXCHANGE COMMISSION
SEC Building, Mandaluyong City

Attention: Director Rachel Esther J. Gumpang-Remalante
Corporate Governance & Finance Department

Gentlemen:

In compliance with SEC Memorandum Circular No. 1 Series of 2014, please be advised that the Attendance of Directors to Board Meetings of Global Ferronickel Holdings, Inc. for the year 2025 is as follows:

	Director's Name	**Total Meetings**	**Meetings Attended**	**Percentage**
Chairman	Dante R. Bravo	4	4	100
Vice Chairman / Lead Independent Director (first elected on June 25, 2025)	Jaime F. del Rosario	3	3	100
Regular Director	Gu Zhi Fang	4	4	100
Regular Director	Dennis Allan T. Ang	4	4	100
Regular Director	Mary Belle D. Bituin	4	4	100
Regular Director	Jennifer Y. Cong	4	4	100
Regular Director	Noel B. Lazaro	4	4	100
Independent Director	Edgardo G. Lacson	4	4	100
Independent Director	Sergio Ortiz-Luis, Jr.	4	4	100

Yours truly,

ATTY. EVEART GRACE P. CLARO
Corporate Secretary

Global Ferronickel Holdings, Inc.

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village
Barangay Bel-Air, Makati City 1209

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the audited consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2025 and 2024** in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the audited consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Yu Villar Tadeja and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

DANTE R. BRAVO
Chairman/President

MARY BELLE D. BITUIN
Treasurer

Signed this 20th day of May 2026

Republic of the Philippines)
City of Parañaque) S.S.

SUBSCRIBED AND SWORN TO before me on MAY 2 0 2026 in Parañaque City City, affiants exhibiting to me their identification cards.

Name	ID Nos.
Mary Belle D. Bituin	Driver's License No. N01-91-123028
Dante R. Bravo	National ID No. 3290-3826-739203584

Doc. No. 305
Page No. 62
Book No. III
Series of 2026.

ATTY. R[illegible]ENO E. FEBRERO
Notary Public for Parañaque City
Notarial Commission No. 339-2025
valid until December 31, 2026
Penthouse, Platinum Tower
Asean Avenue corner Fuentes St.
Aseana, Parañaque City
Roll No. 71237, 06/06/2018
IBP INV No. 583262, 01/02/2026, Surigao del Norte
PTR No. 4019095, 01/07/2026, Parañaque City
MCLE Compliance No. VIII-0034858, 05/20/2025

Global Ferronickel Holdings, Inc. and Subsidiaries

Consolidated Financial Statements
as at December 31, 2025 and 2024
and for the Years Ended December 31, 2025, 2024 and 2023

and

Independent Auditor's Report

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	4	0	0	3	9	9	2

C O M P A N Y   N A M E

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
info@gfni.com.ph	**(632) 8519-7888**	**09178715156**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,723	**7/29**	**12/31**

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Mary Belle D. Bituin	**mdbituin@gfni.com.ph**	**(632) 8519-7888**	**N/A**

CONTACT PERSON's ADDRESS

Penthouse, Platinum Tower, Asean Avenue corner Fuentes St., Aseana, Parañaque City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

Yu Villar Tadeja and Co.
7F, 6788 Makati Sky Plaza
Ayala Avenue, Makati
Philippines

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Global Ferronickel Holdings, Inc. and Subsidiaries
Penthouse, Platinum Tower, Asean Avenue corner Fuentes St.,
Aseana, Parañaque City, Poblacion, Makati City, Metro Manila

Opinion

We have audited the accompanying consolidated financial statements of **Global Ferronickel Holdings, Inc. and Subsidiaries** (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with the Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Property and Equipment

Mariveles Harbor Corporation (MHC), a subsidiary, has property and equipment amounting to ₱956.9 million as at December 31, 2025. MHC has been incurring net losses attributed to significant reduction in service volume following the termination of contract from its main customer in previous years, which indicates that its property and equipment may be impaired. In the event that an impairment indicator is identified, the assessment of the recoverable amount requires significant judgment and estimations about the assets' fair value, such as prices of materials, labor and contractor's costs, including inflation rate, associated with the reconstruction or reacquisition of the said assets. Management used an external appraiser in determining the recoverable amount of MHC's property and equipment based on fair value less cost of disposal. Hence, such assessment is a key audit matter in our audit.

The disclosures in relation to property and equipment are included in Note 3 and 8 to the consolidated financial statements.

Audit Response

We obtained management's assessment on whether there is any indication that items of property and equipment may be impaired. We evaluated the competence, capabilities and objectivity of the external appraiser by considering the appraiser's qualifications, relevant experience and reporting responsibilities. We reviewed and evaluated the methodology and significant assumptions used by the external appraiser in determining the fair value of MHC's property and equipment. These assumptions include the price for the materials, labor and contractor's costs, including inflation rate, associated with the rebuilding and/or reacquisition of each replaceable component of the property and equipment. We recalculated the related depreciation of the estimated replacement costs based on the prevailing useful life of the property and equipment. We also inquired any future plan of the management to improve the operating performance of MHC. We also reviewed the Group's disclosures about those assumptions that have the most significant effect on the determination of the recoverable amounts of the property and equipment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Other Matter

Comparative Figures

The consolidated financial statements of the Group as at and for the years ended December 31, 2024 and 2023, which were presented for comparative purposes, were audited by another auditor whose report dated March 7, 2025 expressed an unmodified audit opinion on those statements. Our opinion for the year ended December 31, 2025 is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine this matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ericson D. Tadeja.

YU VILLAR TADEJA AND CO.

Ericson D. Tadeja
Partner
CPA Certificate No. 0095707
BOA Accreditation No. 1280 (Firm)
February 20, 2024, valid until February 18, 2027
BOA Accreditation No. 1280/P-002 (Individual)
February 20, 2024, valid until February 18, 2027
SEC Accreditation No. (Firm) as general auditors 1280-SEC, Category A,
valid to audit 2025 to 2029 financial statements
SEC Accreditation No. (Individual) as general auditors 95707-SEC, Category A,
valid to audit 2025 to 2029 financial statements
Tax Identification No. 911-354-725-000
Tax Accreditation No. 08-008189-003-2024,
November 5, 2024, valid until November 4, 2027
PTR No. 10766178, January 5, 2026, Makati City

May 20, 2026

Yu Villar Tadeja and Co.
7F, 6788 Makati Sky Plaza
Ayala Avenue, Makati
Philippines

TO THE SECURITIES AND EXCHANGE COMMISSION

In connection with my examination of the consolidated financial statements **Global Ferronickel Holdings, Inc. and Subsidiaries** which are to be submitted to the Commission, I hereby represent the following:

1. That said consolidated financial statements are presented in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards in all cases where I shall express an unqualified opinion; except that in case of any departure from such standards, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the standards would result in a misleading statement, if such is a fact;

2. That I shall fully meet the requirements of independence as provided under the Code of Ethics for Professional Accountants in the Philippines;

3. That in the conduct of the audit, I shall comply with Philippine Standards on Auditing promulgated by the Auditing Standards and Practices Council; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion; and,

4. That relative to the expression of my opinion on the said consolidated financial statements, I shall not commit any acts discreditable to the profession as provided under Code of Ethics for Professional Accountants in the Philippines.

As a CPA engaged in public practice, I make these representations in my individual capacity and as a partner in the accounting firm of Yu Villar Tadeja and Co.

YU VILLAR TADEJA AND CO.

Ericson D. Tadeja
Partner
CPA Certificate No. 0095707
BOA Accreditation No. 1280 (Firm)
February 20, 2024, valid until February 18, 2027
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May 20, 2026

Yu Villar Tadeja and Co.
7F, 6788 Makati Sky Plaza
Ayala Avenue, Makati
Philippines

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Global Ferronickel Holdings, Inc. and Subsidiaries
Penthouse, Platinum Tower, Asean Avenue corner Fuentes St.,
Aseana, Parañaque City, Poblacion, Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **Global Ferronickel Holdings, Inc. and Subsidiaries** (the "Group") as at and for financial year ended December 31, 2025, included in this Form 17-A and have issued our report thereon dated May 20, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

YU VILLAR TADEJA AND CO.

Ericson D. Tadeja
Partner
CPA Certificate No. 0095707
BOA Accreditation No. 1280 (Firm)
February 20, 2024, valid until February 18, 2027
BOA Accreditation No. 1280/P-002 (Individual)
February 20, 2024, valid until February 18, 2027
SEC Accreditation No. (Firm) as general auditors 1280-SEC, Category A,
valid to audit 2025 to 2029 financial statements
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Tax Identification No. 911-354-725-000
Tax Accreditation No. 08-008189-003-2024,
November 5, 2024, valid until November 4, 2027
PTR No. 10766178, January 5, 2026, Makati City

May 20, 2026

Yu Villar Tadeja and Co.
7F, 6788 Makati Sky Plaza
Ayala Avenue, Makati
Philippines

INDEPENDENT AUDITOR'S REPORT
ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Global Ferronickel Holdings, Inc. and Subsidiaries
Penthouse, Platinum Tower, Asean Avenue corner Fuentes St.,
Aseana, Parañaque City, Poblacion, Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **Global Ferronickel Holdings, Inc. and Subsidiaries** (the "Group") as at and for the year ended December 31, 2025 and have issued our report thereon dated May 20, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on the Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and no material exceptions were noted.

YU VILLAR TADEJA AND CO.

Ericson D. Tadeja
Partner
CPA Certificate No. 0095707
BOA Accreditation No. 1280 (Firm)
February 20, 2024, valid until February 18, 2027
BOA Accreditation No. 1280/P-002 (Individual)
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Tax Accreditation No. 08-008189-003-2024,
November 5, 2024, valid until November 4, 2027
PTR No. 10766178, January 5, 2026, Makati City

May 20, 2026

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025
(WITH COMPARATIVE FIGURES AS AT DECEMBER 31, 2024)
(AMOUNTS IN THOUSANDS)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱2,145,001**	₱1,662,842
Trade and other receivables (Note 5)	**1,069,153**	638,599
Advances to related parties (Note 30)	**12,723**	8,036
Inventories (Note 6)	**426,604**	609,327
Prepayments and other current assets (Note 7)	**44,398**	51,035
Total Current Assets	**3,697,879**	2,969,839
Noncurrent Assets		
Property and equipment (Note 8)	**6,543,566**	6,562,276
Investment in associates (Note 9)	**4,978,259**	4,764,026
Mine exploration costs (Note 11)	**266,980**	264,319
Mining rights (Note 10)	**95,930**	102,663
Deferred tax assets – net (Note 31)	**156,335**	140,837
Retirement plan assets – net (Note 17)	**54,657**	49,546
Other noncurrent assets (Note 12)	**1,465,701**	2,238,727
Total Noncurrent Assets	**13,561,428**	14,122,394
TOTAL ASSETS	**₱17,259,307**	₱17,092,233
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**753,932**	₱955,742
Noninterest-bearing liability (Note 14)	**646,791**	482,683
Income tax payable	**54,177**	90,916
Advances from related parties (Note 30)	**2,807**	4,210
Current portion of lease liabilities (Note 18)	**104,243**	85,669
Other current liabilities (Note 19)	**28,176**	28,176
Total Current Liabilities	**1,590,126**	1,647,396
Noncurrent Liabilities		
Noninterest-bearing liability – net of current portion (Note 14)	**–**	1,148,299
Lease liabilities – net of current portion (Note 18)	**636,407**	678,935
Provision for mine rehabilitation and decommissioning (Note 16)	**342,940**	323,023
Deferred tax liabilities – net (Note 31)	**207,229**	227,293
Other noncurrent liabilities (Note 19)	**232**	232
Total Noncurrent Liabilities	**1,186,808**	2,377,782
Total Liabilities	**2,776,934**	4,025,178
Equity		
Capital stock (Note 20)	**6,375,975**	6,375,975
Additional paid-in capital (Note 20)	**239,012**	239,012
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	**(7,294)**	(6,872)
Remeasurement gain on retirement obligation (Note 17)	**48,090**	41,996
Cumulative translation adjustment	**204,294**	188,727
Retained earnings (Note 20)	**9,636,233**	8,214,489
Treasury shares (Note 20)	**(2,147,508)**	(2,129,803)
Equity attributable to the Parent Company	**14,348,802**	12,923,524
Non-controlling interest (Note 20)	**133,571**	143,531
Total Equity	**14,482,373**	13,067,055
TOTAL LIABILITIES AND EQUITY	**₱17,259,307**	₱17,092,233

See accompanying Notes to Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE FIGURES FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023)
(AMOUNTS IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	Years Ended December 31		
	2025	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 34)	**₱8,554,948**	₱7,610,929	₱8,785,462
COST OF SALES (Note 22)	**3,900,354**	4,069,534	3,592,231
GROSS PROFIT	**4,654,594**	3,541,395	5,193,231
OPERATING EXPENSES			
General and administrative (Note 23)	**1,255,640**	1,411,960	1,147,006
Excise taxes and royalties (Note 24)	**841,320**	791,933	851,168
Shipping and distribution (Note 25)	**747,879**	384,403	397,434
	2,844,839	2,588,296	2,395,608
SHARE IN NET INCOME OF INVESTMENT IN ASSOCIATES (Note 9)	**214,233**	296,569	158,917
FINANCE COSTS (Note 28)	**(157,122)**	(206,856)	(275,572)
FINANCE INCOME (Note 28)	**17,936**	18,007	29,608
OTHER CHARGES – net (Note 29)	**(1,957)**	(31,887)	(83,203)
INCOME BEFORE INCOME TAX	**1,882,845**	1,028,932	2,627,373
PROVISION FOR INCOME TAX (Note 31)			
Current	**507,389**	324,241	706,105
Deferred	**(36,520)**	(29,092)	108,128
	470,869	295,149	814,233
NET INCOME	**1,411,976**	733,783	1,813,140
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that may be reclassified to profit or loss in subsequent periods:			
Currency translation adjustment	**20,756**	74,568	(1,463)
Income tax effect	**(5,189)**	(18,642)	366
	15,567	55,926	(1,097)
Item that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on retirement obligation (Note 17)	**8,125**	(3,940)	11,655
Income tax effect	**(2,031)**	1,660	(2,914)
	6,094	(2,280)	8,741
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	**(422)**	(674)	(380)
	21,239	52,972	7,264
TOTAL COMPREHENSIVE INCOME	**1,433,215**	786,755	1,820,404
Net income attributable to:			
Equity holders of the Parent Company	**1,421,744**	743,896	1,544,144
Non-controlling interest in consolidated subsidiaries	**(9,768)**	(10,113)	268,996
	1,411,976	733,783	1,813,140
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**1,442,983**	796,868	1,551,408
Non-controlling interest in consolidated subsidiaries	**(9,768)**	(10,113)	268,996
	1,433,215	786,755	1,820,404
Basic/Diluted Earnings Per Share (Note 21)	**₱0.28**	₱0.15	₱0.30

See accompanying Notes to Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE FIGURES FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023)
(AMOUNTS IN THOUSANDS)

	Equity Attributable to Equity Holders of the Parent									
	Capital Stock (Note 20)	Additional Paid-in Capital (Note 20)	Treasury Shares (Note 20)	Fair Value Reserve of Financial Asset at Fair Value through Other Comprehensive Income (Note 12)	Remeasurement Gain (Loss) on Retirement Obligation (Note 17)	Cumulative Translation Adjustment	Retained Earnings (Note 20)	Total	Non- Controlling Interest in Consolidated Subsidiaries (Note 20)	Total
Balances at December 31, 2022	**₱6,375,975**	**₱239,012**	**(₱1,968,213)**	**(₱5,818)**	**₱35,535**	**₱133,898**	**₱6,040,354**	**₱10,850,743**	**₱544,899**	**₱11,395,642**
Net income	–	–	–	–	–	–	1,544,144	1,544,144	268,996	1,813,140
Other comprehensive income (loss) - net of tax	–	–	–	(380)	8,741	(1,097)	–	7,264	–	7,264
Total comprehensive income (loss)	–	–	–	(380)	8,741	(1,097)	1,544,144	1,551,408	268,996	1,820,404
Acquisition of Southeast Palawan Nickel Ventures, Inc and Mariveles Harbor Corporation (Note 20)	–	–	–	–	–	–	414,376	414,376	(659,971)	(245,595)
Purchase of treasury shares in relation to buyback program (Note 20)	–	–	(295,450)	–	–	–	–	(295,450)	–	(295,450)
Sale of treasury shares	–	–	133,860	–	–	–	(4,112)	129,748	–	129,748
Cash dividend (Note 20)	–	–	–	–	–	–	(524,169)	(524,169)	(229)	(524,398)
Balances at December 31, 2023	**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	–	–	–	–	–	–	743,896	743,896	(10,113)	733,783
Other comprehensive income (loss) - net of tax	–	–	–	(674)	(2,280)	55,926	–	52,972	–	52,972
Total comprehensive income (loss)	–	–	–	(674)	(2,280)	55,926	743,896	796,868	(10,113)	786,755
Cash dividend (Note 20)	–	–	–	–	–	–			(51)	(51)
Balances at December 31, 2024	**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 (loss)	–	–	–	–	–	–	1,421,744	1,421,744	(9,768)	1,411,976
Other comprehensive income (loss) - net of tax	–	–	–	(422)	6,094	15,567	–	21,239	–	21,239
Total comprehensive income (loss)	–	–	–	(422)	6,094	15,567	1,421,744	1,442,983	(9,768)	1,433,215
Purchase of treasury shares in relation to buyback program (Note 20)	–	–	(17,705)	–	–	–	–	(17,705)	–	(17,705)
Cash dividend (Note 20)	–	–	–	–	–	–	–	–	(192)	(192)
Balances at December 31, 2025	**₱6,375,975**	**₱239,012**	**(₱2,147,508)**	**(₱7,294)**	**₱48,090**	**₱204,294**	**₱9,636,233**	**₱14,348,802**	**₱133,571**	**₱14,482,373**

See accompanying Notes to Consolidated Financial Statements.

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE FIGURES FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023)
(AMOUNTS IN THOUSANDS)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱1,882,845**	₱1,028,932	₱2,627,373
Adjustments for:			
Depreciation, depletion and amortization (Note 27)	**646,081**	614,133	560,072
Share in net income of investment in associates (Note 9)	**(214,233)**	(296,569)	(158,917)
Provision for impairment losses on other noncurrent assets (Notes 12 and 23)	**113,824**	77,184	922
Accretion interest on provision for mine rehabilitation and decommissioning and noninterest-bearing liability (Notes 14, 16 and 28)	**107,460**	140,657	159,808
Gain from donation received (Notes 8 and 29)	**(105,691)**	–	–
Loss on partial extinguishment of noninterest-bearing liability (Notes 14 and 29)	**75,216**	–	–
Interest expense (Note 28)	**46,994**	64,669	111,621
Current service cost (Note 17)	**12,155**	10,385	9,223
Interest income (Notes 4, 12, and 16)	**(8,571)**	(10,287)	(28,660)
Unrealized foreign exchange losses - net (Note 29)	**7,470**	39,095	108,411
Reversal of allowance for impairment loss of prepayments and other current assets (Note 7)	**(2,427)**	(4,787)	(2,365)
Gain on disposal of property and equipment (Notes 8 and 29)	**(568)**	(51,780)	(4)
Accretion of interest income on security deposit under “Other noncurrent assets” (Note 12)	**(948)**	(948)	(948)
Operating income before working capital changes	**2,559,607**	1,610,684	3,386,536
Decrease (increase) in:			
Trade and other receivables	**75,163**	(184,751)	1,786,071
Prepayments and other current assets	**5,611**	(17,798)	29,637
Inventories	**182,723**	(156,074)	(160,960)
Increase (decrease) in:			
Trade and other payables	**(240,966)**	182,277	(191,005)
Other current liabilities	–	2,605	–
Net cash flows generated from operations	**2,582,138**	1,436,943	4,850,279
Income taxes paid	**(530,974)**	(402,107)	(832,714)
Contributions (Note 17)	**(5,775)**	(17,181)	(22,909)
Interest received	**4,654**	7,417	25,188
Interest paid	–	(15,510)	(59,500)
Net cash flows from operating activities	**2,050,043**	1,009,562	3,960,344
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of noninterest-bearing liability for acquisition of an associate (Note 14)	**(1,164,330)**	(564,030)	(558,895)
Additions to:			
Property and equipment (Notes 8)	**(469,947)**	(1,004,810)	(868,995)
Mine exploration costs (Note 11)	**(2,661)**	(26,462)	(58,827)
Input VAT under “other noncurrent assets”	**249,265**	(504,309)	(457,449)
Decrease (increase) in other noncurrent assets	**(149,585)**	411,083	(471,732)
Proceeds from sale of property and equipment	**7,569**	143,469	3,393
Decrease (increase) in advances to related parties	**2,759**	552,450	(202,123)
Net cash flows used in investing activities	**(1,526,930)**	(992,609)	(2,614,628)

(Forward)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Lease liabilities and interest (Note 18)	**(₱70,948)**	(₱108,161)	(₱62,984)
Loans (Note 15)	**–**	(347,294)	(491,180)
Cash dividends (Note 36)	**–**	–	(519,924)
Increase (decrease) in:			
Advances from related parties	**(1,403)**	(167,024)	(118,833)
Other current liabilities	**–**	(276,128)	(312,944)
Purchase of treasury shares (Note 20)	**–**	–	(295,450)
Acquisition of non-controlling interest (Note 20)	**–**	–	(245,595)
Cash flows used in financing activities	**(72,351)**	(898,607)	(2,046,910)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**450,762**	(881,654)	(701,194)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**31,397**	101,598	(36,493)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,662,842**	2,442,898	3,180,585
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱2,145,001**	₱1,662,842	₱2,442,898

See accompanying Notes to 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.

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

On July 9, 2014, Iholdings Group entered into a Share Purchase Agreement, as amended on September 4, 2014, with Huatai Investment Holding Pty. Ltd. (HIHPL), Regulus Best Nickel Holdings, Inc., Bellatrix Star, Inc., Alpha Centauri Fortune Group, Inc. (ACFGI), Antares Nickel Capital, Inc. (ANCI), Blue Eagle Elite Ventures, Inc., Ultimate Horizon Capital, Inc., Sohoton Synergy, Inc., Great South Group Ventures, Inc., Red Lion Fortune Group, Inc., and three individuals (collectively the Thirteen Stockholders) pursuant to which Iholdings Group will sell to the Thirteen Stockholders 6,291,132,047 common shares of the Parent 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 Parent Company.

On September 5, 2014, as a requirement under the Securities Regulation Code (SRC), the 13 Stockholders have launched a mandatory tender offer to acquire the shares of the minority stockholders holding 712,781,634 common shares of the Parent Company and filed a Tender Offer Report with the SEC and PSE. The Tender Offer period lapsed on October 10, 2014 where 204,264 common shares were tendered to the 13 Stockholders (the Tendered Shares). After the lapse of the tender offer period, the 13 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) and stockholders of the Parent Company, respectively, approved the following amendments to the Articles of Incorporation (AOI) and By-laws:

- Change in the Parent 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 Building, 104 H.V. dela Costa corner Leviste Streets, Salcedo Village, Makati City to 7/F, Corporate Business Centre, 151 Paseo de Roxas Cor. Arnaiz Street, Makati City
- Increase in the number of directors from nine to ten members
- Increase in the authorized capital stock of the Parent Company 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
- Change in the reporting period from June 30 to December 31

The amendments to the AOI and By-laws of the Parent Company were approved by the SEC on December 22, 2014.

Moreover, the BOD and stockholders of the Parent Company also approved the following transactions on September 10, 2014 and October 22, 2014, respectively:

- The acquisition of the 99.85% outstanding shares of Platinum Group Metals Corporation (PGMC) through issuance of 10,463,093,371 common shares, coming from the increase in authorized capital stock, to the stockholders of PGMC selling and/or exchanging their shares in PGMC to the Parent Company.
- 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 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 one-for-three
- 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 ₱12,555.0 million divided into 35,871,428,572 common shares with par value of ₱0.35 per share to ₱12,555.0 million divided into 11,957,161,906 common shares with a par value of ₱1.05 per share, or an increase of ₱20.0 thousand
- Amendment of the By-laws to include notice of regular or special meeting 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, videoconference, 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 the follow-on offering with total proceeds amounted to ₱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 Parent Company and PGMC Share-for-Share Swap (Share Swap) Transaction
On October 23, 2014, the Parent Company executed a Deed of Exchange for a Share Swap with the 13 Stockholders of PGMC. Parent Company will issue 10,463,093,371 common shares to the 13 Stockholders in exchange for the 99.85% outstanding shares of PGMC and cancel the ₱2,591.9 million receivables of Parent Company assumed by the 13 Stockholders from 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 Parent company to the 13 Stockholders amounted to ₱3,662.1 million.

The shares issued by the Parent company to the 13 Stockholders of PGMC came from the increase in authorized capital stock. The increase in the authorized capital stock was approved by the SEC on December 22, 2014.

Memorandum of Agreements (MOA)
On November 27, 2014, the Parent Company entered into two (2) MOAs with the following:

- GHGC Metallic Ore Resources, Inc. (GMORI) and eight (8) individuals for the purchase of 126,500,000 common shares or 100% interest of Ferrochrome Resources, Inc. (FRI) for United States Dollar (US$)30.0 million or its Philippine Peso (₱) equivalent
- Giantlead Prestige, Inc., ACFGI, ANCI, HIHPL and an individual (the Sellers) for the purchase of 500,000 common shares and 6,250,000,000 preferred shares or 100% interest of Southeast Palawan Nickel Ventures, Inc. (SPNVI) for US$50.0 million or its Philippine Peso (₱) equivalent
- The acquisition of FRI and SPNVI shares are still subject to the fulfillment of the pre-conditions as indicated in the MOA including the need to conduct a due diligence examination of FRI and SPNVI.

On February 26, 2015 during a special stockholders' meeting of the Parent Company, the stockholders representing 71.64% of the total issued shares unanimously approved and ratified the above planned acquisitions.

On March 16, 2015, the Parent Company's BOD approved the termination of the MOA with GMORI and eight (8) individuals for the acquisition of 100% interest of FRI due to the non-fulfillment of the conditions in the MOA.

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

- Pursuant to the MOA dated November 27, 2014 executed between the Parent Company and the Sellers, for the sale of 500,000 common shares and 6,250,000,000 preferred shares 100% interest of SPNVI for the purchase price of US$50.0 million or its Philippine Peso (₱) equivalent, the Parent Company shall execute a Contract to Sell to acquire the aforementioned shares with the understanding that the payment of the purchase price shall be made by the Parent Company either after the conduct of the follow-on offering to the general public and for which a permit to sell has been secured from the SEC or whenever the Parent Company has generated sufficient funds to pay the purchase price from its operations or the conduct of other fund raising activities.
- To allow SPNVI to complete the permitting processes of its mineral property covered by Mineral Production Sharing Agreement (MPSA) No. 017-93-IV granted by the Philippine Government to Celestial Nickel Mining Exploration Corporation (CNMEC) on September 19, 1993, as amended on April 10, 2000, the Parent Company shall subscribe to the remaining unissued and unsubscribed shares of SPNVI consisting of 300,000 common shares with a par value of ₱1.00 per share and 3,750,000,000 preferred shares with a par value of ₱0.01 per share, for a total subscription price of ₱37.8 million.

The approval of the stockholders to authorize this transaction was secured during the 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 Parent Company and the shareholders of SPNVI entered into an agreement to terminate the MOA and Contract to Sell. The termination paves the way for the Group 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 (see Notes 9 and 30).

<u>The Subsidiaries</u>

PGMC
PGMC is 99.98% owned by the Parent Company and was registered with the 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 Surigao Integrated Resources Corporation (SIRC) for the exclusive right and privilege to undertake mining activities within the area covered by the 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 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 SEC on July 16, 1999. Its primary purpose is 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.

On January 13, 1992, the Philippine Government and Case Mining Development Corporation (CMDC) entered into an MPSA No. 007-92-X, which allows CMDC to explore, develop and mine nickel ore within the Contract Area covering an area of approximately 4,376 hectares located at Cagdianao, Claver, Surigao del Norte.

On March 3, 2004, a Deed of Agreement was executed by and between the SIRC and CMDC wherein CMDC transfers, assigns and conveys to SIRC all the rights, titles and interests on the MPSA No. 007-92-X and SIRC assumes all the obligations of CMDC under the same MPSA.

On March 3, 2005, the said Assignment Agreement was duly registered with the Mines and Geosciences Bureau (MGB) and was approved and recorded the MPSA in the name of SIRC on July 20, 2005.

The MPSA was last renewed on June 21, 2016 for another 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. (PCSSC)
PGMC wholly owns PCSSC, a company registered with the 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 transport/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 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 (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 the Group. PIL's principal office address is at Unit 4101-02, 41/F, Office Tower, Convention Plaza, 1 Harbour Road Wanchai, Hong Kong.

Wealthy Huge Corporation Limited (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 the Group'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 May 20, 2026.

FNI Steel Landholdings Corporation (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 FNI Steel Corporation (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. FSLC classified the lease as operating lease since it retains all the risks and benefits of ownership of the land. 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. As at May 20, 2026, FSLC is awaiting approval of SEC for its application for merger with FSC.

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 forms 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.

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, the Company has already started with its land development. FSC has not yet started its commercial operations.

On December 26, 2024, FSC's BOD and stockholders has approved the cancellation of FSC's registration with AFAB as the terms and conditions under the Registration Agreement with AFAB has 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.

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 will 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.

In addition, on December 27, 2024, FSC's BOD and stockholders approved the merger of FSC with FSLC, with the latter being designated as the surviving entity. On the same date, the BOD and stockholders approved the cancellation of FSC's contract of lease with FSLC. As at May 20, 2026, FSC is awaiting approval of SEC for its application for merger with FSLC.

Mariveles Harbor Corporation
MHC is 88.01% owned by the Parent Company and was registered with the SEC on July 11, 2014. It is primarily engaged 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.

On January 4, 2022, the Company was registered with the FAB as a Domestic Market Enterprise which entitled the Company to 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. The Company has also been granted an incentive of duty exemption, Value Added Tax (VAT) exemption on importation and VAT zero-rating on local purchases subject to compliance with the Bureau of Internal Revenue (BIR) and Authority of the Freeport of Bataan (AFAB).

The MHC's revenue from contract with customers in 2025, 2024 and 2023 amounted to ₱12.3 million, ₱18.4 million and ₱19.5 million respectively. 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.

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.

On September 1, 2016, SPNVI and the Parent Company entered into a Deed of Assignment, wherein the Parent Company assigned, transferred, and conveyed in favor of SPNVI ₱0.3 million of its advances as payment for the subscription to the 300,000 unissued common shares out of 800,000 common shares of SPNVI with a par value of ₱1.00 per share. As a result of the above Deed of Assignment, the Parent Company acquired 37.50% of the common shares with voting rights and 0.47% of total shares. The Group assessed that it has a significant influence over SPNVI since it directly holds more than 20% of the voting power of SPNVI.

As part of the Parent Company's plan of concentrating its mining portfolio through its subsidiary, PGMC, the Parent Company and PGMC entered into the following transactions in 2022:

- On December 2, 2022, the Parent Company and PGMC entered into a Deed of Assignment, wherein the Parent Company assigned, transferred, and conveyed all of its rights, title and interest to its receivables from SPNVI to PGMC, in the amount of ₱91.8 million, free from all liens and encumbrances.
- On December 21, 2022, the Parent Company and PGMC entered into a Deed of Sale of Shares, wherein the Parent Company sold, ceded, transferred, and conveyed to PGMC and PGMC purchased and acquired from the Parent Company the 300,000 common shares in SPNVI, in the amount of ₱0.3 million.

- On December 22, 2022, PGMC subscribed to a total of ₱91.8 million divided into 91,798,604 common shares with par value of ₱1.00 per share out of the ₱99.2 million increase in the authorized capital stock (ACS) of SPNVI. On the same date, PGMC and SPNVI entered into a Deed of Assignment, wherein PGMC assigned, transferred, and conveyed in favor of SPNVI ₱91.8 million, free from all liens and encumbrances, as payment for the shares subscribed.

These transactions resulted to the Parent Company's indirect ownership to SPNVI equal to 59.37% and gaining control over SPNVI and its subsidiaries (see Note 37). The 59.37% interest represents the indirect ownership of the Parent Company on SPNVI's all classes of outstanding shares, preferred and common. The Parent Company indirectly owns 99.44% of the outstanding common shares of SPNVI with voting power.

On June 1, 2023, the Parent Company, through PGMC, acquired the interest held by Five Stockholders of SPNVI in exchange of consideration amounting to ₱53.6 million. The acquisition resulted to 99.98% interest owned by the Parent Company through PGMC (see Note 20).

In 2024, SPNVI completed all outstanding payments related to its acquisition of CNMEC, fully settling its financial obligations to the seller. As a result, the change in effective ownership to INC, CNMEC, and NLRI has been reflected.

Ipilan Nickel Corporation (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).

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.

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, per the approved Survey Plan dated December 13, 2016, the contract area of MPSA No. 017-93-IV-as Amended-2000 is 2,917.2743 hectares.

On April 12, 2024, CNMEC initiated the MPSA renewal process and submitted its requirements to MGB. Subsequently, on September 18, 2024, CNMEC submitted its renewal requirements to incorporate the Certification Precondition issued by National Commission on Indigenous Peoples. In an Order dated May 14, 2025, the DENR has approved the renewal of MPSA No. 017-93-IV, Amended-2000. This grants the Company a renewed term, valid until September 18, 2043. The renewal remains subject to the existing terms of the MPSA, as well as all applicable laws, rules, and regulations currently in force or hereafter promulgated.

Nickel Laterite Resources, Inc. (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.

Northern Luzon Nickel Edge Corporation (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. As at May 20, 2026, NLNEC has not yet started commercial operations.

Eastern Samar Nickel Mining Corporation (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. As at May 20, 2026, ESNMC has not yet started commercial operations.

Camarines Nickel Ore Mining Corporation (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. As at May 20, 2026, CNOMC has not yet started commercial operations.

Worldlink EV Power Philippines Corporation (WEPPC)
PGMC wholly owns WEPPC, a newly incorporated processing company 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. As at May 20, 2026, WEPPC has not yet started commercial operations.

The Associate

GHGC Holdings Ltd. (GHGC)
GHGC is an associate of 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% of Guangdong Century Tsingshan Nickel Industry Company Limited (GCTN), a company engaged in the processing of laterite nickel ore and the sale of nickel pig iron (see Note 9).

Authorization for Issuance of Consolidated Financial Statements
The accompanying consolidated financial statements of FNI and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were authorized for issuance by the BOD on May 20, 2026.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures and Material Accounting Policy Information

Basis of Preparation
The accompanying financial statements have been prepared on a historical cost basis, except for the financial asset at fair value through other comprehensive income (FVOCI) in 2025 and 2024, which have been measured at fair value. The consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company and its subsidiaries' (collectively referred to as the Group) functional and presentation (or reporting) currency, 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, price per wet metric ton (WMT) and as indicated.

Acquisition of PGMC, SIRC, and PCSSC (PGMC Group)
As discussed in Note 1, the Parent Company and the 13 Stockholders of PGMC entered into a Share Swap that resulted to the Parent Company owning 99.85% of PGMC.

The transaction is an asset acquisition because FNI does not meet the definition of a business. PGMC was deemed to be the accounting acquirer for accounting purposes accounted for under the reverse acquisition method following the guidance provided by the standard. In a reverse acquisition, the legal parent, FNI is identified as the acquiree for accounting purposes because, based on the substance of the transaction, the legal subsidiary, PGMC is adjudged to be the entity that gained control over the legal parent. Accordingly, the consolidated financial statements of FNI have been prepared as a continuation of the financial statements of PGMC Group. PGMC has accounted for the acquisition of FNI on December 22, 2014, which was the date when PGMC acquired or gained control over FNI.

The Share Swap transaction was a transaction between entities under common control since at acquisition date on December 22, 2014, FNI and PGMC are under the common control of the 13 Stockholders.

The "Equity reserve" presented in the consolidated statements of changes in equity is the difference between the capital structure of PGMC Group and FNI. Refer to Note 20 for the movements in the "Equity reserve" account.

Because the accompanying consolidated financial statements represent a continuation of the financial statements of PGMC Group, except for its capital structure, the consolidation reflects:

a. The consolidated assets and liabilities of PGMC Group (legal subsidiary/accounting acquirer) recognized and measured at their pre-combination carrying amounts and not at fair value, and the assets and liabilities of FNI (legal parent/accounting acquiree) were recognized and measured at acquisition cost

b. The retained earnings of PGMC Group for full period together with the post-combination results of FNI from December 22, 2014, the date when FNI was acquired by PGMC
c. The total equity that shows the combined equity of PGMC Group and FNI. However, the legal capital of PGMC Group will be eliminated as the legal capital that will be reflected would be that of FNI (legal parent)
d. Any difference between the consideration transferred by FNI and the legal capital of PGMC Group that is eliminated is reflected as "Equity reserve" (see Note 20).

Basis of Consolidation

The consolidated financial statements as at December 31, 2025 and 2024 include the following:

Subsidiaries	Principal Place of Business	Principal Activities	Effective Ownership 2025	Effective Ownership 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	Holding/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[2]	Philippines	Processing	**99.98%**	99.98%
Associates				
GHGC	British Virgin Islands	Holding	**22.22%**	22.22%
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 consolidated financial statements include the accounts of the Parent Company and its subsidiaries after eliminating significant intercompany balances and transactions. 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.

Statement of Compliance

The accompanying consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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.

- Amendments to Philippine Accounting Standards (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.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

<u>PFRS Accounting Standards and Interpretations Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on the consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

  The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

  The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

  The Group is currently assessing the impact of adopting the amendments to these standards on its financial statements.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards - Volume 11

  - Amendments to PAS 7, *Cost Method*
  - 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'*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of income
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

The Group is currently assessing the impact of adopting this standard on its financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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 in the year of adoption, if applicable.

Material Accounting Policy Information

Presentation of Consolidated Financial Statements
The Group has elected to present all items of recognized income and expense in a single consolidated statement of comprehensive income.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets
Initial Recognition, Classification and Measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI, or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, directly attributable transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

For a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group does not have debt instruments at FVOCI and debt instruments at FVTPL.

Financial Assets at Amortized cost (Debt Instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, trade receivables, advances to contractors, advances to related parties and restricted cash under "Other noncurrent assets".

Financial Assets at FVOCI (Equity Instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation,* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its quoted equity instrument under this category. As at December 31, 2025 and 2024, equity instruments at FVOCI include the Group's quoted equity instrument under "Other noncurrent assets" (see Note 12).

Impairment of Financial Assets
Further disclosures relating to impairment of financial assets are also provided in the summary of significant accounting judgments, estimates and assumptions (see Note 3).

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

If, in a subsequent period, the amount of ECL decreases and the decrease can be related objectively to an event occurring after the provision for ECL was recognized, the previously recognized ECL is reversed. Any subsequent reversal is recognized in profit or loss, to the extent that the carrying value of the financial asset does not exceed its amortized cost at the reversal date.

For cash and cash equivalents, and restricted cash under "Other noncurrent assets", the Group applies the low credit risk simplification under general approach. The probability of default (PD) and loss given default (LGD) are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Bloomberg to determine whether the debt instruments have significantly increased in credit risk and to estimate ECLs.

For trade receivables under "Trade and other receivables", the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For advances to related parties, ECLs are recognized in two (2) stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are ninety (90) days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one (1) year and not subject to enforcement activity.

Derecognition
A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group retain the right to receive cash flows from the asset, but has assumed an obligation to pay the received cash flows in full without, material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

Financial Liabilities

Initial Recognition, Classification and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, trade and other payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of interest-bearing loans and borrowings and trade and other payables, net of directly attributable transaction costs.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as “Other income (charges)”. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax.

The Group’s financial liabilities include trade and other payables (excluding statutory payables), loans payable, lease liabilities under PFRS 16, advances from related parties, noninterest-bearing liability and payable to Brooks Nickel Ventures Inc. (BNVI) and previous stockholders of CNMEC which are under “Other current liabilities”. As at December 31, 2025 and 2024, the Group has no financial liabilities at FVTPL or as derivatives designated as hedging instruments in an effective hedge.

The Group has not designated any financial liability as at FVTPL.

Subsequent Measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Amortized Cost (Loans and Borrowings and Trade and Other Payables)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as “Finance costs” in the consolidated statement of comprehensive income.

Derecognition
A financial liability is derecognized when the associated obligation is discharged, cancelled, or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts of a financial liability extinguished or transferred to another party and the consideration paid, is recognized in the consolidated statement of comprehensive income.

“Day 1” Difference
Where the transaction price in a non-active market is different from the fair value from other observable current market in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset. Otherwise, the day 1 difference is deferred. In cases wherein instrument is derecognized, the difference between the transaction price and the carrying amount of the instrument is

recognized in the statement of comprehensive income. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" profit or loss amount.

Fair Value Measurement
The Group measures financial instruments at fair value at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3 – Valuation techniques for which the lowest input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each end of the reporting period.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business at the end of the financial reporting period. When there is no active market, the fair value is determined using valuation techniques. Such techniques include comparison to similar investments for which market observable prices exist and discounting cash flow analysis or other valuation models.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Inventories
Inventories are valued at the lower of cost or net realizable value (NRV). Cost is determined by the moving average production cost during the year for nickel ore inventories exceeding a determined cut-off grade and moving average method for materials and supplies. This includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The NRV of nickel ore

inventories is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The NRV of materials and supplies is the current replacement cost. In determining NRV, the Group considers any adjustment necessary for obsolescence.

Property and Equipment

Property and equipment, except land, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and depletion and accumulated impairment in value. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met. Likewise, when significant parts of equipment are required to be repaired at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. Land is carried at cost less any impairment in value. All other repairs and maintenance are recognized in profit or loss as incurred.

Construction in-progress (CIP) is stated at cost and is not depreciated until such time that the relevant assets are completed and become available for use. This also includes amortization of right-of-use assets. In 2019, upon adoption of PFRS 16, *Leases*, the Group recognized the right-of-use assets as part of property and equipment. Prior to adoption date, the Group's operating leases are recognized in accordance with PAS 17, *Leases*, and no such right-of-use assets are recognized in the consolidated statement of financial position.

Depreciation of property and equipment, excluding mining properties, are computed on a straight-line basis over the following estimated useful lives of the respective assets:

Category	Number of Years
Building and land/leasehold improvements	5-25
Machineries and other equipment	2-10
Office furniture and equipment	2-5
Roads and bridges	10-15
Right-of-use assets	3-10

Leasehold improvements include building improvements and port facilities which are amortized over the term of the lease or the estimated useful life of five (5) to twenty-five (25) years, whichever is shorter.

Mining properties consist of mine development costs and capitalized costs of mine rehabilitation and decommissioning, and other development costs necessary to prepare the area for operations.

Mine development costs consist of capitalized costs previously carried under "Mine exploration costs", which are transferred to mining properties under "Property and equipment" upon start of commercial operations. The net carrying amount of mine development costs, including the capitalized cost of mine rehabilitation and decommissioning, is depleted using the unit-of-production (UOP) method based on the estimated economically recoverable ore reserves to which they relate or are written off if the property is abandoned.

Depreciation and depletion of property and equipment, except land, begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, or in case of mining properties, from start of commercial operations upon extraction of ore reserves. Depreciation and depletion ceases when the assets are fully depreciated or depleted, or at the earlier of the date that the item is classified as held for sale (or included in the disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.

The estimated ore reserves, useful lives, residual values and depreciation and depletion methods are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment. The residual values are reviewed and adjusted, if appropriate, at each end of the reporting period. If there is an indication that there has been a significant change in depreciation and depletion rate, useful life, estimated ore reserves or residual value of an asset, the depreciation and depletion of that asset is revised prospectively to reflect the new expectations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognized.

The residual values and useful lives of property and equipment are reviewed at each end of the reporting period and adjusted prospectively, if appropriate. Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

Mine Exploration Costs
Pre-license costs are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditure is deferred as an asset when future economic benefit is more likely than not to be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred to exploration and evaluation assets up to the point when commercial reserves are established. Upon the start of commercial operations, such costs are transferred to property and equipment. If no mineable ore body is discovered, capitalized acquisition costs are expensed in the period in which it is determined that the mineral property has no future economic value.

Mining Rights
Mining rights refer to the right of the Group as the holder of the MPSA located in Cagdianao, Claver, Surigao del Norte acquired through the assignment of MPSA from CMDC to the Group under the Deed of Assignment. It also includes initial mine exploration costs incurred by the Group relative to the exploration works on the mining properties. The amortization of mining rights commences upon the start of production.

Mining rights with finite useful life are stated at cost less amortization and accumulated impairment in value. Impairment assessments are made if events or changes of circumstances indicate that the carrying value of the assets may not be recoverable.

The net carrying amount of mining rights of the Group is amortized using the UOP method based on the estimated economically recoverable reserves to which they relate or are written off if the properties covered by the mining rights are abandoned.

Investment in Associates
The Group holds an interest in an associate, GHGC.

The financial statements of GHGC are prepared for the same reporting period as the Group. The accounting policies of the associate is aligned with those of the Group. Therefore, no adjustments are made when measuring and recognizing the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

Goodwill relating to the associate is included in the carrying amount of the investment in associate and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented in the consolidated statement of other comprehensive income.

Impairment of Non-Financial Assets

Prepayments and Other Current and Noncurrent Assets, Property and Equipment, Right-of-use (ROU) Assets and Mining Rights
The Group assesses, at each end of the reporting period, whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset cash-generating unit (CGU) is written down to its recoverable amount. An asset's recoverable amount is the higher of an asset's, or CGU's fair value less costs to sell and its value-in-use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The fair value less cost to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date less the costs of disposal, while VIU is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in "General and administrative expenses" in the consolidated statement of comprehensive income.

Recovery of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recorded in the consolidated statement of comprehensive income. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for that asset in prior years.

Investment in Associates
After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in associate. At the end of each reporting period, the Group determines whether there is objective evidence that the investment in associates are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the amount in the consolidated statement of comprehensive income.

Mine Exploration Costs
An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, at the end of the reporting period in which this is determined.

Mine exploration costs are reassessed on a regular basis. Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area
- When a service contract where the Group has participating interest in is permanently abandoned, and

- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Provisions

General
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. When the Group expects some or all of a provision to be reimbursed, for example under a settlement agreement, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income, net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as "Finance costs" in the consolidated statement of comprehensive income.

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. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risk specific to the liability. The periodic unwinding of the discount is recognized in "Finance costs" in the consolidated statement of comprehensive income. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and provision for mine rehabilitation and decommissioning when they occur.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each end of the reporting period and the cost is charged to the consolidated statement of comprehensive income.

Decrease in provision for mine rehabilitation and decommissioning that exceeds the carrying amount of the corresponding rehabilitation asset is recognized immediately in the consolidated statement of comprehensive income.

The ultimate cost of mine rehabilitation and decommissioning is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience. The expected timing of expenditure can also change, for example in response to changes in ore reserves or production rates. As a result, there could be significant adjustments to the provision for mine rehabilitation and decommissioning, which would affect future financial results.

Mine Rehabilitation Fund (MRF) committed for use in satisfying environmental obligations is included under "Other Noncurrent Assets" in the consolidated statement of financial position.

OCI
OCI comprises items of income and expense (including items previously presented under the consolidated statement of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRS Accounting Standards.

Capital Stock and Additional Paid-in Capital (APIC)
Common shares are classified as equity.

Subscribed capital stock is reported in equity less the related subscription receivable not collectible currently.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares are credited to APIC.

The APIC is reduced by the transaction costs directly incurred by the Group in relation to issuance of shares. The transaction costs include, but are not limited to, underwriting fees, legal, audit and other professional fees, documentary stamp tax, registration fees, prospectus design, and printing and publication costs, and others.

Treasury Shares
Treasury shares are recorded at cost and are presented as a deduction from equity. Any consideration paid or received in connection with treasury shares is recognized directly in equity.

When the shares are retired, the capital stock account is reduced by its par value. The excess of cost over par value upon retirement is debited to the following accounts in the order given: (1) APIC to the extent of the specific or average APIC when the shares are issued, and (2) retained earnings. When shares are sold, the treasury shares account is credited and reduced by the cost of the shares sold. The excess of any consideration over the cost are recognized in the APIC.

Share-based Payment Transactions
Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 20.

That cost is recognized in stock grant expense under “Personnel costs”, together with a corresponding increase in equity (other capital reserves), over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate recognition of expense of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Equity Reserve

Equity reserve represents the residual amount recognized in the consolidated financial statements to reflect the equity of the legal subsidiary (accounting acquirer) before the business combination, which was accounted for as a reverse acquisition. The equity structure, i.e., (the number and type of equity instruments issued) still reflects the equity structure of the legal parent (accounting acquiree), including the equity instruments issued by the legal parent to effect the combination.

NCI

NCI represents the portion of profit or loss and the net assets in subsidiaries, not held by the Parent Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity attributable to the equity holders of the Parent Company.

Business Combinations and Goodwill/Gain on a Bargain Purchase (Negative Goodwill)

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the Group measures the NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are included in the "General and administrative expenses" in the consolidated statement of comprehensive income.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Mineral reserves, resources and exploration potential that can be reliably measured are recognized separately in the assessment of fair values on acquisition. Other potential reserves, resourced or rights, for which fair values cannot be reliably measured, are not recognized separately, but instead are subsumed in goodwill.

When the Group's initial accounting for a business combination is incomplete by the end of the reporting period which the Group acquires a business, the Group reports in its consolidated financial statements the provisional amounts for assets and liabilities which the accounting is incomplete. During the measurement period, the Group retroactively adjusts the provisional amounts recognized at the acquisition date and may also recognize additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition-date fair value, and any resulting gain or loss is recognized in the consolidated statement of comprehensive income. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value, which changes in fair value recognized in the consolidated statement of comprehensive income in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each end of the reporting period with changes in fair value recognized in the consolidated statement of comprehensive income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the fair value of the identifiable net assets acquired and liabilities assumed). If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized as bargain purchase gain in the consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU that are expected to benefit from the combination, irrespective of whether the other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation of and the portion of the CGU retained.

Reverse Acquisition

Consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (accounting acquiree) but described in the notes as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree. That adjustment is required to reflect the capital of the legal parent (the accounting acquiree). Comparative information presented in those consolidated financial statements also is retroactively adjusted to reflect the legal capital of the legal parent (accounting acquiree).

Business Combination under Common Control

Combination of entities under common control are accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- The consolidated statement of comprehensive income and cash flows reflect the result of the combining entities in full starting from the business combination.
- No restatement of financial information for periods prior to the date of business combination.
- The effects of any intercompany transactions are eliminated to the extent possible.

Earnings per Share (EPS)
Basic EPS is calculated by dividing net income attributable to the common equity holders of the Parent Company by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year.

Diluted EPS is calculated by dividing the net income attributable to common equity holders of the Parent Company by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares, excluding treasury shares.

Since the Parent Company has no potential dilutive common shares, basic and diluted EPS are stated at the same amount.

Segment Reporting
For purposes of management reporting, the Group is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit. The Group reports its primary segment information based on business segments. Financial information on segment reporting is presented in Note 37 to the consolidated financial statements.

Retained Earnings
Retained earnings represent the cumulative balance of periodic net income or loss, dividend declarations, prior period adjustments, effect of changes in accounting policy with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, and other capital adjustments, net of dividend declaration.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions. The Group recognizes the difference of consideration and carrying amount of NCI or acquired interest in retained earnings.

Dividend distribution to the Group's stockholders is recognized as a liability and deducted from retained earnings when they are approved by the Group's BOD.

Property dividends are declared based on the fair value fixed by the BOD on the date of declaration. The excess of the cost over the fair value fixed by the BOD for the treasury shares distributed as property dividends is debited to the following accounts in the order given: (1) APIC to the extent of the specific or average APIC when the shares are issued, and (2) retained earnings.

Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

Revenue from Contracts with Customers – Sale of Beneficiated Nickel Ore
The Group is principally engaged in the business of producing beneficiated nickel ore. Revenue from contracts with customers is recognized when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has generally concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the buyer.

The following specific recognition criteria must also be met before revenue is recognized:

Despatch
Despatch is recognized when shipment loading is completed within the allowable laytime.

Demurrage
Demurrage is incurred by the Group in respect of the time by which the allowable loading laytime has been exceeded and this is reimbursed by the Group to the buyer.

Interest Income
Interest income is recognized as the interest accrues (using the EIR that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Other Income
Other income is recognized in the consolidated statement of comprehensive income as they are earned.

Contract Balances

Contract Assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

Trade Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

From time to time, the Group recognizes contract liabilities in relation to its sale of ore whereby a portion of the cash may be received from the customer before the loading of ore is fully completed and which is before satisfaction of the performance obligation.

Cost and Expense Recognition
Cost and expenses are generally recognized in the consolidated statement of comprehensive income when the expense arises, incurred or accrued in the appropriate period.

Cost of Sales
Cost of sales is incurred in the normal course of business and is recognized when incurred. This mainly consists of contract hire, depreciation, depletion and amortization, personnel costs, environmental protection cost, repairs and maintenance, community relations, fuel, oil and lubricants, assaying and laboratory and others, which are provided in the period when the goods are delivered.

Operating Expenses
Operating expenses consist of costs associated with the development and execution of expenses incurred in the direction and general administration of day-to-day operations of the Group, excise taxes and royalties due to government and other third parties, and shipping and distribution activities. These are generally recognized when the expenses arise.

Leases
The Group assesses at contract inception, all arrangements to determine whether a contract is, or contains a lease that is based on the substance of the arrangement at the inception date. That is, if the contract conveys the right to control the use of an identified asset, even if the right is not explicitly specified in the contract, for a period of time in exchange for consideration. The Group determined that it is not a lessor in any of its contracts, it is only a lessee.

Group as a Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use (ROU) Asset
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Lease Liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

A lease modification is a change in the scope of the lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. It can result in a separate lease or a change in the accounting of existing lease contract. The Group accounts for a lease modification as a separate lease if (a) the modification increase the scope of the lease by adding the right to use one or more underlying assets, and (b) the consideration for the lease increases commensurate with the standalone price for the increase in scope and any adjustments to that stand-alone price reflect the circumstances of the particular contract. Otherwise, the lease modification is not accounted for as a separate lease.

For a lease modification that is not accounted for as a separate lease, the Group allocates the consideration in the contract and remeasure the lease liability using the lease term of the modified lease and the discount rate (the interest rate implicit in the lease for the remainder of the lease term if the rate can be readily be determined or the Group's incremental borrowing rate) as determined at the effective date of the lease modification. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets without affecting profit or loss.

Short-term Leases and Leases of Low-value Assets
The Group applies the short-term lease recognition exemption to its short-term leases of properties and machinery and equipment (i.e., those leases that have a lease term of twelve (12) months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Retirement Benefits Costs
The Group has a funded, noncontributory, defined benefits retirement plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The plan meets the minimum requirement benefit specified under Republic Act (RA) No. 7641, *Retirement Pay Law*. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries. These amounts are calculated periodically by independent qualified actuaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as "Retirement benefits costs" included as part of "Personnel costs" under "Cost of sales" and "General and administrative expenses" in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as "Finance costs" or "Finance income", respectively, in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements recognized in OCI after the initial adoption of Revised PAS 19 are retained in OCI which is presented as "Remeasurement gain (loss) on retirement obligation" under equity.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of the assets (or, if they have no maturity, the expected period until the settlement of retirement obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditures required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

The standard requires an entity to recognize short-term employee benefits when an employee has rendered services in exchange for those benefits.

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in the prevailing functional currency exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the closing functional currency rate of exchange at the end of the reporting period. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. All differences are taken to the consolidated statement of comprehensive income.

The financial statements of the foreign consolidated subsidiary are translated at closing exchange rates with respect to the consolidated statement of financial position, and at the average exchange rates for the year with respect to the consolidated statement of comprehensive income. Resulting translation differences are included in equity under "Cumulative translation adjustment". Upon disposal of the foreign subsidiary, accumulated exchange differences are recognized in the consolidated statement of comprehensive income as a component of the gain or loss on disposal.

Income Taxes

Current income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO).

Deferred tax assets are recognized to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences, and the current income tax relating to items in equity carryforward of unused tax credits and unused tax losses can be utilized except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at each end of the reporting period.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the End of the Reporting Period

Events after the end of the reporting period that provide additional information about the Group's position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Events after the end of the reporting period up to auditor's report that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards 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 change in estimates are reflected in the 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.

Other disclosures relating to the Group's exposure to risk and uncertainties include financial risk management, policies, sensitivity analyses' disclosures and capital management (see Note 32).

Judgments

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

Assessing Production Start Date

The Group assesses the stage of each mine development project to determine when a mine moves into the production stage. The criteria used to assess the start date of a mine are determined based on the unique nature of each mine development project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production phase.

Some of the criteria include, but are not limited to the following:

- The level of capital expenditure compared to construction or development cost estimates;
- Completion of a reasonable period of testing of the property and equipment;
- Ability to produce ore in saleable form; and
- Ability to sustain ongoing production of ore.

When a mine development project moves into the production stage, the capitalization of certain mine construction or development costs ceases and costs are either regarded as inventory or expensed, except for capitalizable costs related to mining asset additions or improvements or mineable reserve development. It is also at this point that depreciation or depletion commences.

Sale of Beneficiated Nickel Ore

Identifying the Enforceable Contract

The Group's primary document for a contract with a customer is a signed Individual Purchase & Sales Contract (IPSC). The Group made an irrevocable and firm commitment to sell nickel ore, while the buyer made an irrevocable and firm commitment to purchase nickel ore under the terms and conditions specified and agreed upon in the IPSC. From time to time throughout the year and as necessary, the parties executed addendums to the IPSC to deliver nickel ore with quantity and specifications indicated therein. The enforceable contracts have been determined to be the IPSCs and the addendums thereon.

Determining Method to Estimate Variable Consideration and Assessing the Constraint

The Group assessed that it has variable consideration pertaining to quality of ore shipped to customer. The variability arises from the uncertainty of final quality and is assessed based on preliminary assay which is the Group's estimate of the most likely amount that is not highly probable to result in a significant reversal in cumulative revenue recognized when final assay is completed.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not fully constrained based on its historical experience (i.e., quality and unit price adjustments) and the unpredictability of other factors outside the Group's influence.

Determining the Timing of Satisfaction of the Sale of Ore

The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The sale of ore is satisfied at a point in time. All risk of loss, damage or destruction respective of the ore delivered shall progressively pass to the buyer at the time the ore passes over the rail and into the vessel.

Defining Default and Credit-Impaired Financial Assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria*
  The borrower is more than ninety (90) days past due on its contractual payments, which is consistent with the Group's definition of default.

- *Qualitative Criteria.*
  The borrower meets "unlikeliness to pay" criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

  a. The borrower is experiencing financial difficulty or is insolvent
  b. The borrower is in breach of financial covenant(s)
  c. An active market for that financial assets has disappeared because of financial difficulties
  d. Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower's financial difficulty
  e. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization, or
  f. Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, LGD and exposure at default (EAD) throughout the Group's ECL calculation.

An instrument is no longer in default (i.e.; to have cured) when it no longer meets any of the default criteria.

Assessing Existence of Significant Influence
In assessing whether significant influence still exists, the Group considered not only its percentage ownership but other factors such as the board seat representations it has in the associate's governing body and its interchange of managerial personnel with the associate, among others.

As at December 31, 2025 and 2024, the Parent Company has significant influence over GHGC and has accounted for the investment as an investment in associates (see Note 9).

<u>Estimates and Assumptions</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the 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.

Assessing Recoverability of Property and Equipment
The Group assesses impairment on property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results
- Significant changes in the manner of use of the acquired assets or the strategy for overall business
- Significant negative industry or economic trends

In determining the fair value less costs of disposal, the Group considers the estimated replacement costs which is depreciated using the useful life of the property and equipment. The fair value less cost of disposal calculation is based on available data from similar transactions for similar assets less the incremental costs of disposing the assets. Fair value less cost of disposal is determined as the amount that would be incurred in rebuilding and/or reacquisition of each replaceable component of the property and equipment which include estimated reconstructions costs, such as the price for the materials, labor and contractor's costs, including inflation rate less the cost of disposal.

An impairment loss on property and equipment would be recognized upon assessment that its carrying amounts exceeded the assets' recoverable value.

As at December 31, 2025 and 2024, the carrying value of property and equipment of MHC amounting to ₱956.9 million and ₱972.2 million, respectively was subjected to impairment testing where the impairment indicator is present. No impairment loss is recognized as at December 31, 2025 and 2024 since the assets' recoverable value exceeds the carrying amount.

Management believes that no impairment indicator exists for the Group's other property and equipment.

As at December 31, 2025 and 2024, property and equipment amounted to ₱6,543.6 million and ₱6,562.3 million respectively. Allowance for impairment losses on property and equipment amounted to nil as at December 31, 2025 and 2024 (see Note 8).

Estimating Allowance for ECL on Cash and Cash Equivalents, Trade and Other Receivables, Advances to Related Parties, Security Deposits and Restricted Cash under "Other noncurrent Assets"
The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

At every end of the reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 5.

ECLs are derived from unbiased and probability-weighted estimates of expected loss. The ECLs for the Group's financial assets which are not credit-impaired at the reporting period are measured as the present value of all cash shortfalls over the expected life of the financial asset discounted by the EIR. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

For the Group's advances to related parties, the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECL that results from default events on a financial instrument that are possible within twelve (12) months after the end of the reporting period. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information. Significant management's judgment and estimate is also required to determine the realizable amount of the financial asset based on cashflow forecast, which requires the use of significant assumptions such as projected sales volume, commodity prices, production costs and foreign exchange rates.

As at December 31, 2025 and 2024, total financial assets of the Group amounted to ₱3,990.6 million and ₱3,210.6 million, respectively. Allowance for ECL on financial assets amounted to ₱323.7 million as at December 31, 2025 and 2024 (see Note 32).

Estimating the Incremental Borrowing Rate – Leases
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as lease term and the Group's stand-alone credit rating)

The Group's lease liabilities amounted to ₱740.7 million and ₱764.6 million as at December 31, 2025 and 2024, respectively (see Note 18). The IBR used to recognize right-of-use assets is 5.3% to 7.5%.

Assessing Unit-of-Production Depletion
Estimated recoverable reserves are used in determining the depletion of mine assets. This results in a depletion charge proportional to the depletion of the anticipated remaining mine life. Each item's life, which is assessed annually, has regard to both physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. The calculations require the use of estimates of future capital expenditure. The Group uses the tons of ore produced as the basis for depletion. Any change in estimates is accounted for prospectively in accordance with PAS 8.

PGMC
Effective January 1, 2022, there was a change in the ore reserves used in calculating the depletion rates used for the depletion of mining properties and amortization rate used for the amortization of mining rights. The change was based on the latest PMRC-CP Technical Report dated December 31, 2021 (as of October 15, 2021 cut-off reserve) with total proven and probable reserves of 57.4 million WMT. Out of this, proven and probable ore reserves attributed to CAGA 1, 2, 3, 4, 5, 6 and 7 are 12.1 million WMT, 8.3 million WMT, 7.3 million WMT, 14.9 million WMT, 1.7 million WMT, 6.5 million WMT, and 6.6 million WMT, respectively.

Effective June 1, 2023, there was a change in the ore reserves used in calculating the depletion rates used for the depletion of mining properties and amortization rate used for the amortization of mining rights. The change was based on the latest PMRC-CP Technical Report dated May 31, 2023 (as of October 15, 2022 cut-off reserve) with total proven and probable reserves of 57.2 million WMT. Out of this, proven and probable ore reserves attributed to CAGA 1, 2, 3, 4, 5, 6 and 7 are 10.2 million WMT, 10.0 million WMT, 7.7 million WMT, 14.5 million WMT, 1.7 million WMT, 6.5 million WMT, and 6.6 million WMT, respectively.

Effective January 1, 2024, there was a change in the ore reserves used in calculating the depletion rates used for the depletion of mining properties. The change was based on the latest PMRC-CP Technical Report dated April 15, 2024 (as of October 15, 2023 cut-off reserve) with total proven and probable reserves of 54.82 million WMT. Out of this, proven and probable ore reserves attributed to CAGA 1, 2, 3, 4, 5, 6 and 7 are 8.85 million WMT, 9.34 million WMT, 6.91 million WMT, 14.05 million WMT, 2.13 million WMT, 6.22 million WMT, and 7.31 million WMT, respectively.

Effective October 16, 2025, there was a change in the ore reserves used in calculating the amortization rate used for the amortization of mining rights. The change was based on the latest PMRC CP Technical Report dated February 25, 2026 (as of October 15, 2025 cut-off reserve) with proven and probable reserves of 48.56 million WMT. Out of this, proven and probable ore reserves attributed to CAGA 1, 2, 3, 4, 5, 6 and

7 are 7.03 million WMT, 8.54 million WMT, 4.92 million WMT, 10.14 million WMT, 2.73 million WMT, 6.19 million WMT, and 9.01 million WMT, respectively.

The change in estimates on January 1, 2024 and June 1, 2023, resulted in a higher depletion of mining properties. The change in estimates on October 16, 2025 resulted to lower depletion of mining properties.

Depletion of mining properties amounted to ₱34.7 million and ₱45.9 million in 2025 and 2024, respectively (see Note 8).

INC
In April 2022, INC has ore reserve estimates amounting to 36.9 million WMT which is used in calculating the depletion rates used for the depletion of mining properties. The ore reserve estimates is based on the latest PMRC-CP Technical Report dated December 31, 2021.

Effective January 1, 2025, there was a change in the ore reserves used in calculating the depletion rates used for the depletion of mining properties. The change was based on the latest PMRC-CP Technical Report dated December 31, 2025 compared to the PMRC-CP Technical Report dated December 31, 2025. The latest PMRC CP Technical Report includes a total proven and probable ore reserves of 38.3 million WMT. The change on January 1, 2025, resulted in a lower depletion rate of mining properties 2025.

Depletion of mining properties amounted to ₱29.4 million ₱57.1 million and ₱46.4 million in 2025, 2024, and 2023 respectively (see Note 8).

Assessing Recoverability of Mining Rights and Mine Exploration Costs
The application of the Group's accounting policy for mining rights and mine exploration costs requires judgment in determining whether it is likely that future economic benefits are certain. Mining rights and exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. Estimates and assumptions made may change if new information becomes available. The ability of the Group to recover its mine exploration costs would depend on the viability of ore reserves. If, after mining rights and mine exploration costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-off in the consolidated statements of comprehensive income in the period when the new information becomes available. An impairment loss is recognized when the carrying value of these assets do not exceed their fair value.

As at December 31, 2025 and 2024, mining rights amounted to ₱95.9 million and ₱102.7 million, respectively. Allowance for impairment losses on mining rights amounted to nil as at December 31, 2025 and 2024 (see Note 10).

As at December 31, 2025 and 2024, mine exploration costs amounted to ₱267.0 million and ₱264.3 million, respectively. Allowance for impairment losses on mine exploration costs amounted to nil as at December 31, 2025 and 2024 (see Note 11).

Estimating Allowance for Inventory Losses
The Group maintains allowance for inventory losses at a level considered adequate to effect the excess of cost of inventories over their NRV due to damage, physical deterioration, obsolescence, changes in price levels or other causes. NRV tests are performed annually and it represents the current replacement cost. Increase in NRV of inventories will increase the cost of inventories but only to the extent of their original costs.

As at December 31, 2025 and 2024, inventories amounted to ₱426.6 million and ₱609.3 million, respectively. Allowance for impairment losses on inventories amounted to ₱21.3 million and ₱10.8 millionas at December 31, 2025 and 2024, respectively (see Note 6).

Estimating Allowance for Impairment Losses on Other Nonfinancial Current and Noncurrent Assets
The Group provides allowance for impairment losses on other noncurrent assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease other noncurrent assets.

As at December 31, 2025 and 2024, other nonfinancial current and noncurrent assets amounted to ₱1,884.3 million and ₱2,506.4 million, respectively. Provision for impairment losses on nonfinancial other noncurrent assets amounted to ₱113.8 million, ₱77.2 million and ₱0.9 million in 2025, 2024 and 2023, respectively. Allowance for impairment losses on nonfinancial other current and noncurrent assets amounted to ₱308.3 million and ₱289.7 million as at December 31, 2025 and 2024, respectively (see Notes 7, 10, 11 and 12).

Estimating Provision for Mine Rehabilitation and Decommissioning
The Group assesses its provision for mine rehabilitation and decommissioning annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation and decommissioning as there are numerous factors that will affect the provision. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. In addition, the expected timing of expenditure can also change, for example in response to changes in mineral reserves or production rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognized in the consolidated statements of financial position by adjusting the rehabilitation asset and liability.

Provision for mine rehabilitation and decommissioning pertains to the estimated decommissioning costs to be incurred in the future on the mined-out areas of the Group. The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis on the development of mines or installation of those facilities. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future ore prices, which are inherently uncertain.

As at December 31, 2025 and 2024, the Group adjusted its provision for mine rehabilitation and decommissioning to reflect the current discount rates and expenditures required to settle the expected mined out areas of the Group, which resulted to a change in estimate amounting to decrease of ₱0.46 million and increase of ₱7.1 million, respectively. As at December 31, 2025 and 2024, provision for mine rehabilitation and decommissioning amounted to ₱342.9 million and ₱323.0 million, respectively (see Note 16).

Assessing Recoverability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred tax assets at each end of the reporting period and reduces deferred tax assets to the extent that it is probable that sufficient future taxable income will be available against which these can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of sufficient future taxable income together with future tax planning strategies.

The Group has deferred tax assets amounting to ₱282.6 million and ₱296.1 million as at December 31, 2025 and 2024, respectively. The Group's NOLCO amounted to ₱752.1 million, ₱536.6 million, and ₱323.3 million as at December 31, 2025, 2024 and 2023, respectively. The Group recognized deferred tax assets on NOLCO amounting to nil and ₱2.3 million as at December 31, 2025 and 2024 (see Note 31).

4. Cash and Cash Equivalents

	2025	2024
Cash on hand	**₱1,588**	₱1,523
Cash in banks	**2,118,648**	1,637,460
Short-term cash investments	**24,765**	23,859
	₱2,145,001	₱1,662,842

Interest income earned on cash in banks amounted to ₱9.5 million, ₱9.3 million and ₱8.9 million in 2025, 2024 and 2023, respectively (see Note 28).

Short-term cash investments earn interest at the respective short-term cash investment rates. These are made for varying periods of up to three (3) months, depending on the immediate cash requirements of the Group. Interest income earned on short-term cash investments amounting to ₱0.9 million, ₱1.4 million and ₱13.6 million was earned on short-term cash investments in 2025, 2024 and 2023, respectively (see Note 28).

The Group has US$-denominated cash and cash equivalents amounting to US$28.6 million and US$19.2 million as at December 31, 2025 and 2024, respectively; HK$-denominated cash and cash equivalents amounting to HK$6.6 million and HK$4.8 million as at December 31, 2025 and 2024, respectively, and CNY denominated cash and cash equivalents amounting to CN¥0.08 million as at December 31, 2025 and 2024 (see Note 32).

5. Trade and Other Receivables

	2025	2024
Trade receivables	**₱688,293**	₱579,651
Input VAT refund receivable	**504,967**	–
Interest receivable	**722**	–
Advances to:		
Contractors	**143,787**	285,769
Officers, employees and others	**48,489**	70,115
Income tax receivable	**6,598**	26,767
	1,392,856	962,302
Less: Allowance for ECL	**323,703**	323,703
	₱1,069,153	₱638,599

Trade Receivables
Trade receivables arising from shipment of nickel ore are noninterest-bearing and generally collectible within 30 to 90 days. The Group evaluates the recoverability of the trade and other receivables based on expected credit loss. Provision for ECL on trade receivables amounted to nil, ₱2.2 million and ₱4 thousand in 2025, 2024 and 2023, respectively. Allowance for ECL on trade receivables amounted to ₱239.4 million as at December 31, 2025 and 2024.

The Group has US$-denominated trade receivables as at December 31, 2025 and 2024 amounting to US$12.4 million and US$5.8 million, respectively (see Note 32).

Input VAT refund receivable
Input VAT refund receivable pertains to the approved claims for input VAT refund from BIR, which are expected to be collected within twelve (12) months after the end of the financial reporting period.

Advances to Contractors
Advances to contractors are cash advances to mining contractors which are collectible in cash or advanced payments for future contract hire fees. Advances to contractors which are collectible in cash amounted to

₱79.7 million as at December 31, 2025 and 2024. Advances to contractors which pertain to advanced payments for future contract billings amounted to ₱143.8 million and ₱285.7 million as at December 31, 2025 and 2024, respectively. No provision for ECL on advances to contractors was recognized in 2025, 2024 and 2023. Allowance for ECL on advances to contractors amounted to ₱79.7 million as at December 31, 2025 and 2024. For advances to contractors which can be offset against future billings of contractors, these are expected to be realized within 12 months after the reporting period.

Advances to Officers, Employees and Others
The Group provides cash advances to its officers and employees for various business-related expenses incurred which are subject for liquidation generally within 30 days. Other advances include advances to third party companies which are collectible upon demand. No provision for ECL on advances to third party companies was recognized in 2025, 2024 and 2023. Allowance for ECL on advances to third party companies amounted to ₱4.6 million as at December 31, 2025 and 2024.

Income Tax Receivable
The Group's subsidiary, PIL, makes advance payment for income taxes to the Hong Kong tax authorities based on the prior year's income tax liabilities. At year-end, when income before tax decreases, this results to lower income tax dues compared to the tax paid at the beginning of the year. As a result, the Group has recognized an income tax receivable. As at December 31, 2025 and 2024, the Group has an income tax receivable from Hongkong tax authorities amounted to ₱6.6 million and ₱26.8 million, respectively. This amount is expected to be refunded to the Group 12 months after the reporting period.

Allowance for ECL on trade and other receivables amounted to ₱323.7 million as at December 31, 2025 and 2024.

6. Inventories

	2025	2024
Beneficiated nickel ore (at cost)	**₱361,921**	₱526,998
Materials and supplies (at NRV)	**64,683**	82,329
	₱426,604	₱609,327

Beneficiated Nickel Ore
The amount of inventoriable cost charged to "Contract hire" under cost of sales in the consolidated statements of comprehensive income amounted to ₱2,339.1 million, ₱2,489.6 million, and ₱2,241.7 million in 2025, 2024 and 2023, respectively (see Note 22). No provision for inventory losses was recognized in 2025, 2024 and 2023. No allowance for inventory losses was recognized as at December 31, 2025 and 2024.

Materials and Supplies
Materials and supplies consist of tires, spare parts, and fuel and lubricants which were valued at NRV. Provision for inventory losses amounted to ₱10.5 million, ₱5.0 thousand and ₱1.9 million in 2025, 2024 and 2023, respectively.

Movement in allowance for inventory losses is as follows:

	2025	2024
Balances at the beginning of the year	**₱10,790**	₱13,466
Provision	**10,461**	5
Reversal of provision	**–**	(2,681)
	₱21,251	₱10,790

7. Prepayments and Other Current Assets

	2025	2024
Creditable Withholding Taxes (CWTs)	**₱21,696**	₱11,749
Prepaid insurance	**12,324**	13,482
Input VAT - current	**9,539**	11,966
Advances to suppliers	**8,653**	9,631
Prepaid taxes and licenses	**1,717**	16,130
Prepaid rent	**341**	503
Others	**3,351**	3,224
	57,621	66,685
Less allowance for impairment losses	**13,223**	15,650
	₱44,398	₱51,035

Prepayments and other current assets are expected to be realized within 12 months after the end of reporting period.

CWTs
CWTs pertain to the amount withheld by the Group which can be applied against income tax payable.

Prepaid Insurance
Prepaid insurance represents advance payments made for the insurance of the Group's property and equipment.

Input VAT
Input VAT pertains to VAT imposed on the PCSSC, a subsidiary, by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations, net of output tax liabilities, if any.

Advances to Suppliers
Advances to suppliers pertain to prepayments for services which is expected to be used against future billings. This is expected to be utilized within 12 months after the reporting period.

Prepaid Taxes and Licenses
Prepaid taxes and licenses represent advance payments made to the MGB and BIR for the processing of shipments.

Prepaid Rent
Prepaid rent represents the advance payment made for the rental of the properties classified as short-term lease.

Others
Others pertain to prepayments of utilities, barging and shipping expenses and others.

No provision for impairment losses on the prepayments and other current assets was recognized in 2025, 2024 and 2023. In 2025 and 2024, the Group applied portion of its input VAT previously provided with allowance for impairment loss against its output VAT payable amounting to ₱2.4 million and ₱4.8 million, respectively.

Movements in the allowance for impairment losses on other current assets are as follows:

	2025	2024
Beginning balance	**₱15,650**	₱20,437
Reversal (application against output VAT payable)	**(2,427)**	(4,787)
Ending balance	**₱13,223**	₱15,650

8. Property and Equipment

2025	Land	Building and Land/Leasehold Improvements	Machineries and Other Equipment	Office Furniture and Equipment	Mining Properties	Roads and Bridges	Right-of-Use Assets (Note 18)	CIP	Total
Cost:									
Beginning balances	**₱839,354**	**₱1,915,114**	**₱2,770,472**	**₱176,520**	**₱2,753,597**	**₱1,237,901**	**₱986,848**	**₱124,319**	**₱10,804,125**
Additions	**155,622**	**8,096**	**187,085**	**31,266**	**–**	**160,432**	**41,450**	**41,618**	**625,569**
Adjustment to capitalized cost of mine rehabilitation (Note 16)	**–**	**–**	**–**	**–**	**(463)**	**–**	**–**	**–**	**(463)**
Disposals	**–**	**–**	**(24,028)**	**–**	**–**	**–**	**–**	**–**	**(24,028)**
Reclassifications	**–**	**30,033**	**–**	**–**	**–**	**–**	**–**	**(30,033)**	**–**
Currency translation adjustment	**–**	**–**	**975**	**102**	**–**	**–**	**1,593**	**–**	**2,670**
Ending balances	**994,976**	**1,953,243**	**2,934,504**	**207,888**	**2,753,134**	**1,398,333**	**1,029,891**	**135,904**	**11,407,873**
Accumulated depreciation and depletion:									
Beginning balances	**–**	**246,909**	**1,454,546**	**83,004**	**1,517,905**	**586,537**	**352,948**	**–**	**4,241,849**
Depreciation and depletion	**–**	**69,399**	**286,937**	**41,630**	**64,093**	**87,112**	**85,027**	**–**	**634,198**
Disposals	**–**	**–**	**(14,678)**	**–**	**–**	**–**	**–**	**–**	**(14,678)**
Currency translation adjustment	**–**	**–**	**874**	**104**	**–**	**–**	**1,960**	**–**	**2,938**
Ending balances	**–**	**316,308**	**1,727,679**	**124,738**	**1,581,998**	**673,649**	**439,935**	**–**	**4,864,307**
Net book values	**₱994,976**	**₱1,636,935**	**₱1,206,825**	**₱83,150**	**₱1,171,136**	**₱724,684**	**₱589,956**	**₱135,904**	**₱6,543,566**

2024	Land	Building and Land/Leasehold Improvements	Machineries and Other Equipment	Office Furniture and Equipment	Mining Properties	Roads and Bridges	Right-of-Use Assets (Note 18)	CIP	Total
Cost:									
Beginning balances	₱802,446	₱1,804,813	₱2,312,290	₱141,137	₱2,746,459	₱989,942	₱980,324	₱332,331	₱10,109,742
Additions	36,908	53,760	776,328	34,953	–	83,070	–	19,218	1,004,237
Adjustment to capitalized cost of mine rehabilitation (Note 16)	–	–	–	–	7,138	–	–	–	7,138
Disposals	–	–	(322,293)	–	–	–	–	–	(322,293)
Reclassifications	–	62,341	–	–	–	164,889	–	(227,230)	–
Currency translation adjustment	–	–	4,147	430	–	–	7,368	–	11,945
Effect of modification of lease	–	–	–	–	–	–	577	–	577
Retirement	–	(5,800)	–	–	–	–	(1,421)	–	(7,221)
Ending balances	839,354	1,915,114	2,770,472	176,520	2,753,597	1,237,901	986,848	124,319	10,804,125
Accumulated depreciation and depletion:									
Beginning balances	–	178,588	1,448,583	55,879	1,414,918	508,999	263,718	–	3,870,685
Depreciation and depletion	–	74,121	234,468	26,770	102,987	77,538	84,847	–	600,731
Disposals	–	–	(231,193)	–	–	–	–	–	(231,193)
Currency translation adjustment	–	–	2,688	355	–	–	5,804	–	8,847
Retirement	–	(5,800)	–	–	–	–	(1,421)	–	(7,221)
Ending balances	–	246,909	1,454,546	83,004	1,517,905	586,537	352,948	–	4,241,849
Net book values	₱839,354	₱1,668,205	₱1,315,926	₱93,516	₱1,235,692	₱651,364	₱633,900	₱124,319	₱6,562,276

In 2025 and 2024, the Group disposed of various assets under “Machineries and other equipment” with total cost amounting to ₱24.0 million and ₱322.3 million, respectively, which resulted to a gain on disposals amounting to ₱0.6 million and ₱51.8 million, respectively (see Note 29).

In 2025, PGMC received two (2) parcels of land amounting to ₱105.69 million through a donation from a stockholder. The Group recognized a gain of ₱105.69 million from the said donation (see Note 29).

In 2024 the Group reclassified from “CIP” to “Buildings and land/leasehold improvements” and to “Roads and Bridges” amounting to ₱62.3 million and ₱164.8 million, respectively .

In 2025 the Group reclassified from “CIP” to “Buildings and land/leasehold improvements” and to “Roads and Bridges” amounting to ₱30.0 million.

As at December 31, 2025 and 2024, CIP of the Group amounting to ₱135.9 million and ₱124.3 million, respectively, pertains to the construction of staff house, causeway, guest house, water resource system, security quarters and land development in the mine and other sites. These are 40% and 38% completed as at December 31, 2025 and 2024, respectively.

On April 1, 2021, the Group and JSY6677 Landholdings, Inc. entered into a 10-year agreement to lease its office building located at Aseana Avenue corner Fuentes St., Aseana, Parañaque City. The monthly rental amounted to ₱5.3 million. The Group paid security deposits and advance rental amounting to ₱30.5 million and ₱15.2 million, respectively. As a result of the lease agreement, on April 1, 2021, the Group recognized right-of-use assets and lease liability amounting to ₱504.0 million and ₱492.3 million, respectively.

On March 1, 2022, the Group amended its lease agreement with JSY6677 Landholdings, Inc. adding more spaces as part of its leased premises. The group recognized additional right-of-use assets and lease liability amounting to ₱71.8 million as the result of the modification of lease (see Note 18).

The carrying amount of right-of-use assets related to the lease agreement with JSY6677 Landholdings, Inc. as at December 31, 2025 and 2024 amounted to ₱307.8 million and ₱364.4 million, respectively.

In 2024, the Group retired fully amortized right-of-use assets amounting to ₱1.4 million following the expiration of its lease term.

The rates used by the Group in computing depletion were:

PGMC
- For CAGA 1: ₱12.31 per WMT for the period from October 16, 2025 to December 31, 2025, ₱11.15 per WMT from January 1, 2025 to October 15, 2025, and ₱11.61 per WMT in 2024.
- For CAGA 2 and 4: ₱8.94 per WMT for the period from October 16, 2025 to December 31, 2025, ₱8.19 per WMT from January 1, 2025 to October 15, 2025, and ₱7.61 per WMT in 2024
- For CAGA 3: ₱15.33 per WMT for the period from October 16, 2025 to December 31, 2025, ₱12.61 per WMT from January 1, 2025 to October 15, 2025 and ₱13.32 per WMT in 2024.

INC
- ₱24.61 per WMT and ₱27.3 per WMT in 2025 and 2024, respectively.

The changes in the depletion rates were brought about by the change in ore reserves (see Note 3) resulting to lower depletion expenses in 2025 and higher depletion expenses in 2024 for PGMC and INC.

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

9. Investment in Associates

	2025	2024
Acquisition cost	**₱4,270,575**	₱4,270,575
Accumulated equity in net earnings:		
Beginning balance	**493,451**	196,882
Share in net income	**214,233**	296,569
	707,684	493,451
Ending balance	**₱4,978,259**	₱4,764,026

On September 30, 2022, the Group entered into a Share Purchase Agreement with the Seller wherein the latter agreed to sell her 2,222 shares, representing 22.22% ownership in GHGC, in exchange for a consideration amounting to US$75.0 million or ₱4,270.6 million. Out of the US$75.0 million or ₱4,270.6 million purchase price, US$23.2 million or ₱1,323.2 million was paid through offsetting of the Group's receivables from the Seller. The Group's remaining noninterest-bearing liability to the Seller amounting to US$51.8 million will be settled through annual installment payment amounting to US$10.0 million until fully paid. The Group recognized "Day 1" gain included in the "Other income (charges)" in the statement of comprehensive income amounting to ₱504.3 million resulting from the difference between the face value and discounted value of the noninterest-bearing liability (see Note 14). As at December 31, 2025 and 2024, the Group has 22.22% ownership interest in GHGC.

The transaction resulted in the Group owning 22.22% of GHGC. GHGC is a British Virgin Islands (BVI) business company incorporated in the British Virgin Islands which owns 90% of GCTN and does not have investment other than its shareholding in GCTN. GCTN is a Chinese company incorporated on May 19, 2011 and registered as a foreign-funded joint venture established in the Ligang Industrial Park of the High-tech Industrial Development Zone of Yangjiang City, Guangdong Province, People's Republic in China. Its main business is the processing of laterite nickel ore and the sale of nickel pig iron. The Group's 22.22% ownership interest in GHGC gives the Group 20% indirect ownership in GCTN.

Details of the summarized consolidated financial assets of GHGC and subsidiaries as at December 31, 2025 and 2024 are as follows (amounts in thousands):

	2025	2024
Current assets	**₱10,346,263**	₱10,917,798
Noncurrent assets	**6,245,522**	5,440,404
Total assets	**16,591,785**	16,358,202
Current liabilities	**3,556,001**	3,712,576
Noncurrent liabilities	**757,443**	479,634
Total liabilities	**4,313,444**	4,192,210
Net assets	**12,278,341**	12,165,992
Revenue	**18,834,895**	17,916,730
Cost and expenses	**(16,285,591)**	(16,532,119)
Net income	**2,549,304**	1,384,611
Other comprehensive income	**–**	–
Total comprehensive income	**₱2,549,304**	₱1,384,611

Details of the carrying amount of the investment in GHGC is as follows:

	2025	2024
Group's share in net assets – 22.22%	**₱3,331,306**	₱2,911,477
Fair value adjustment, net of deferred tax liability amounting to ₱134.2 million and ₱145.5 million, respectively	**760,679**	824,620
Currency translation adjustment	**(46,111)**	95,544
Goodwill	**932,385**	932,385
Carrying amount of the investment	**₱4,978,259**	₱4,764,026

The Group recognized total share in net income of investment in associates amounted to ₱214.2 million, ₱296.6 million and ₱158.9 million in 2025, 2024 and 2023, respectively.

10. Mining Rights

	2025	2024
Cost	**₱396,500**	₱396,500
Accumulated amortization:		
Beginning balance	**293,837**	285,568
Amortization	**6,733**	8,269
Ending balance	**300,570**	293,837
Net book value	**₱95,930**	₱102,663

Mining rights refer to the right of the Group as the holder of MPSA No. 007-92-X located in Cagdianao, Claver, Surigao del Norte, acquired through the assignment of the said MPSA from CMDC to SIRC, a wholly-owned subsidiary, under a Deed of Assignment executed on March 3, 2004. Pursuant to the Deed of Assignment, CMDC transferred to SIRC all its rights, interest and obligations relating to the MPSA.

The rates used by the Group in computing amortization were ₱2.19 per WMT for the period January 1, 2023 to May 31, 2023, ₱2.03 per WMT for the period June 1, 2023 to December 31, 2023, ₱2.02 per WMT in 2024 and for the period January 1, 2025 to October 15, 2025 and ₱1.99 per WMT for the period October 16, 2025 to December 31, 2025.

No provision for impairment losses on mining rights was recognized in 2025, 2024 and 2023. Allowance for impairment losses on mining rights amounted to nil as at December 31, 2025 and 2024.

11. Mine Exploration Costs

	2025	2024
Beginning balance	**₱264,319**	₱237,857
Exploration expenditures incurred	**2,661**	26,462
Ending balance	**₱266,980**	₱264,319

The Group operates the Cagdianao Nickel Expansion Project in Surigao Del Norte and the Ipilan Nickel Project in Palawan (see Notes 1 and 34).

The remaining mine exploration costs as at December 31, 2025 and 2024 pertains to PGMC's CAGA 5, 6, 7 and limestone areas, and INC's M1-S, M2 and M3 which are all still under exploration and evaluation phase.

12. Other Noncurrent Assets

	2025	2024
Input VAT	**₱653,265**	₱1,407,497
MRF	**652,794**	602,602
Advances to suppliers	**379,296**	367,699
Security deposits	**26,835**	25,887
Miscellaneous deposits	**3,015**	56,445
Financial asset at FVOCI	**1,560**	1,982

(Forward)

	2025	2024
Computer software	**₱19**	₱1,602
Restricted cash	**32**	32
Others	**43,984**	49,073
	1,760,800	2,512,819
Less allowance for impairment losses	**295,099**	274,092
	₱1,465,701	₱2,238,727

Input VAT
Input VAT represents the VAT paid on purchases of applicable goods and services and capital assets, net of output tax liabilities, if any, which may be recovered as tax credit against future tax liability of the Group upon approval by the BIR and/or the Philippine Bureau of Customs. Provision for impairment losses on input VAT amounted to ₱113.8 million, ₱77.2 million and ₱0.92 million in 2025, 2024 and 2023, respectively. Allowance for impairment losses on input VAT amounted to ₱274.3 million and ₱253.3 million as at December 31, 2025 and 2024, respectively.

MRF
Pursuant to Section 181 of the Implementing Rules and Regulations of the RA No. 7492, better known as the *Philippine Mining Act of 1995*, mining companies have to maintain MRF deposits with any government bank. The Group has deposits for MRF at the Development Bank of the Philippines. The funds are to be used for physical and social rehabilitation, reforestation and restoration of areas and communities affected by mining activities, pollution control and integrated community development. The funds earned interest based on the prevailing market rate. Interest income earned on MRF amounted to ₱3.7 million, ₱3.2 million and ₱2.7 million in 2025, 2024 and 2023, respectively (see Note 28).

Advances to Suppliers
Advances to suppliers pertain to progress payments made to various contractors for the purchase of landing craft tanks and deposits on the Group's purchase of goods and services from various suppliers.

Security Deposits
Security deposits pertain to the Company's rental deposits related to the lease of its office building which shall be refunded, after all valid claims, at the end of the lease term.

The table below shows the movement analysis of security deposits as at December 31, 2025 and 2024:

	2025	2024
Undiscounted security deposits:		
Balance at beginning and end of year	**₱34,011**	₱34,011
Discount on security deposits:		
Balance at beginning of year	**8,124**	9,072
Accretion of interest	**(948)**	(948)
Balance at end of year	**7,176**	8,124
Ending balance	**₱26,835**	₱25,887

Miscellaneous Deposits
Miscellaneous deposits refer to advance payments to various land owners for the procurement of land to be used for the road development of the Ipilan Nickel Project.

Financial Asset at FVOCI
As at December 31, 2025 and 2024, the Group holds 4,216,100 shares of stock of Oriental Peninsula Resources Group, Inc. (OPRGI), a publicly listed company in the Philippines. There was no disposal of shares in 2025 and 2024 and the shares are valued based on the exit market price amounting to ₱0.37 and ₱0.47 per share as at December 31, 2025 and 2024, respectively.

Movements in equity instrument are as follows:

	2025	2024
Beginning balance	**₱1,982**	₱2,656
Revaluation adjustment	**(422)**	(674)
Ending balance	**₱1,560**	₱1,982

Movements in the "Fair value reserve of financial asset at FVOCI" in equity instrument are as follows:

	2025	2024
Beginning balance	**₱6,872**	₱6,198
Fair value reserve	**422**	674
Ending balance	**₱7,294**	₱6,872

No dividend income was earned by the Group in 2025, 2024 and 2023 from the financial asset at FVOCI.

Computer Software
Computer software arises from the business acquisition of MHC.

Restricted Cash
Restricted cash pertains to the Debit Service Reserve Account (DSRA) with Taiwan Cooperative Bank Manila Offshore Banking Branch (TCB) which acts as collateral or security for the TCB loan. The amount maybe reduced proportionately as the Group pays the principal and its interest by express agreement of the parties.

The Group has US$-denominated restricted cash currently classified under "Other noncurrent assets" amounting to US$0.1 million and HK$-denominated restricted cash amounting to nil as at December 31, 2025 and 2024, respectively (see Note 32).

Interest income earned related to the restricted cash classified under "Other noncurrent assets" amounted to nil, ₱1.0 thousand and ₱0.1 million in 2025, 2024 and 2023, respectively.

Deferred input VAT
Deferred input VAT represents input VAT on the purchase of applicable services that are still outstanding at the end of the reporting period. Deferred input VAT is stated at its estimated net realizable value.

Others
Others represent claims for business tax refund and performance bond. No provision for impairment losses on claim for business tax refund were recorded in 2025, 2024 and 2023. Allowance for impairment losses on claim for business tax refund amounted to ₱20.8 million as at December 31, 2025 and 2024. For the performance bond, it pertains to the minimum amount required to be annually posted by the Group in a duly licensed bonding entity to guarantee compliance and implementation of the temporary revegetation and/or the progressive rehabilitation of the disturbed areas beyond the maximum disturbed limit in accordance with the Administrative Order No. 2018-19 issued by the DENR.

Movements in the allowance for impairment losses on other noncurrent assets are as follows:

	2025	2024
Beginning balance	**₱274,092**	₱196,908
Provision for impairment losses (Note 23)	**113,824**	77,184
Write off	**(92,817)**	–
Ending balance	**₱295,099**	₱274,092

13. **Trade and Other Payables**

	2025	2024
Trade	**₱244,181**	₱553,436
Accrued expenses and taxes	**382,653**	368,569
Dividends payable	**24,746**	24,893
Nontrade	**8,693**	8,844
Contract liabilities	**93,659**	–
	₱753,932	₱955,742

Trade
Trade payables are noninterest-bearing and generally settled within 30 days. These include payables to suppliers, contractors and other service providers for the goods delivered and/or services rendered to the Group in the ordinary course of business.

Accrued Expenses and Taxes
Details of the accrued expenses and taxes are as follows:

	2025	2024
Excise taxes and royalties payable (Note 24)	**₱120,943**	₱55,497
Accrued liabilities	**154,953**	178,429
Provision for Indigenous Cultural Communities (ICC)	**60,865**	89,227
Business and other taxes	**30,834**	22,620
Accrued payroll	**9,770**	16,763
Professional fees	**152**	141
Others	**5,136**	5,892
	₱382,653	₱368,569

Excise Taxes and Royalties Payable
Excise taxes and royalties are immediately payable upon receipt from the DENR-MGB of the Order of Payment and before every shipment of beneficiated nickel ores. Royalty fees to government, claim owners and indigenous are noninterest-bearing and payable within 30 calendar days after payment of the final invoice for the relevant shipment by the customers.

Accrued liabilities
Accrued liabilities include unbilled services of contractors in relation to the service contracts. These are noninterest-bearing, and generally payable within thirty (30) days from the receipt of billing.

Provision for ICC
Mining companies are mandated to pay royalty fees to ICC equivalent to a minimum of one percent (1%) of the gross revenue from its mining operations. The royalty shall form part of a trust fund for the socioeconomic well-being of the indigenous cultural community.

Breakdown of provision for ICC are as follows:

	2025	2024
Beginning balance	**₱89,227**	₱45,353
Additions	**47,284**	44,341
Payments	**(75,646)**	(467)
Ending balance	**₱60,865**	₱89,227

Business and Other Taxes
Business and other taxes pertain to government dues relating to withholding taxes.

Accrued Payroll
Accrued payroll pertains to the accrual related to the salaries and wages of the Group's employees which are noninterest-bearing, payable on demand and/or generally settled within 30 days.

Professional Fees
Professional fees pertain to legal and other consultation services incurred by the Group.

Others
Others include outside services such as purchases of supplies which are usual in the business operations of the Group.

Dividends Payable
On May 22, 2013, the BOD of the Group approved the declaration of cash dividends in the amount of ₱1.656 per outstanding common share or ₱10,500.0 million to stockholders of record as at June 5, 2013, payable on June 12, 2013. In 2014, cash dividends declared and paid to certain stockholders on May 22, 2013 amounting to ₱20.2 million, were returned as stale checks. The remaining balance of these cash dividends payable amounted to ₱24.7 million and ₱24.9 as at December 31, 2025 and 2024.

Nontrade
Nontrade payables pertain to payable to third party companies which are noninterest-bearing, payable on demand/or generally settled within 30 days.

Contract Liabilities
Contract liabilities pertain to deposits from customers which will be settled through future shipments of nickel ore. These are generally settled within 30 to 120 days. There are no revenue recognized in current year from prior year contract liabilities.

The Group has US$-denominated trade and other payables amounting to US$2.4 million and US$5.4 million as at December 31, 2025 and 2024, respectively, and HK$-denominated trade and other payables amounting to HK$0.2 million and HK$0.2 million as at December 31, 2025 and 2024, respectively (see Note 32).

14. Noninterest-Bearing Liability

On September 30, 2022, as a result of the acquisition of GCTN, the Group recognized a noninterest-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 (see Note 9).

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

	2022
Balance at the date of acquisition, undiscounted	₱2,947,352
Discount on noninterest-bearing liability:	
Day 1 gain (Note 9)	504,273
Accretion of interest	(35,099)
Ending balance	469,174
Net carrying value	₱2,478,178

Early Settlement of Noninterest-bearing Liability
The Parent Company had an outstanding noninterest-bearing long-term financial obligation with an original maturity date of December 2028. Under the original repayment terms, a payment of US$10.0 million (₱578.8 million) was due in 2025.

In December 2025, upon the Seller's request for early payment to address critical funding requirements for a separate business venture, the Parent Company made a total payment of US$20 million (₱1,164.3 million), including an early partial repayment of US$10 million. Management consented as it considered it advantageous to accelerate repayment given the robust liquidity position of the Company and to mitigate potential exposure to foreign exchange losses amid a continuing depreciation of our Philippine peso vis-a- vis the US dollar.

Immediately prior to the early partial settlement, the financial obligation had a carrying amount of US$29.7 million. The transaction resulted in the derecognition of a proportionate portion of the liability amounting to US$18.7 million and the recognition of a loss on early extinguishment of US$1.3 million (₱75.2 million). The loss represents the excess of the consideration paid over the carrying amount of the liability extinguished, in accordance with PFRS 9, which requires recognition of gains or losses upon settlement of financial obligations prior to their contractual maturity.

Following the partial settlement, the remaining carrying amount of the obligation was US$11.0 million (₱646.8 million) as of December 31, 2025.

In January 2026, the Parent Company fully settled the remaining balance ahead of its original maturity by paying US$11.8 million (₱692.2 million). This resulted in the derecognition of the remaining obligation and the recognition of an additional loss on early extinguishment of US$0.8 million (₱44.7 million), representing the difference between the carrying amount of the obligation immediately prior to settlement and the consideration transferred.

The Parent Company assessed the nature of these transactions and concluded that the early repayments constituted extinguishments rather than modifications, as there were no changes to the contractual terms of the financial obligation.

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

	2025	2024
Beginning balance	**₱1,630,982**	₱2,004,710
Payments	**(1,164,330)**	(564,030)
Accretion of interest	**87,080**	121,586
Loss on partial extinguishment of liability	**75,216**	–
Effect of changes in foreign currency exchange rates	**17,843**	68,716
Ending balance	**646,791**	1,630,982
Less: Current portion	**646,791**	482,683
Noninterest-bearing liability - net of current portion	**₱–**	₱1,148,299

Foreign exchange rates used on December 31, 2025, 2024 and 2023 are ₱58.79, ₱57.85, and ₱55.57 per US$ dollar, respectively.

15. Loans Payable

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

	2025	2024
Beginning balance	**₱–**	₱347,294
Payments	**–**	(347,294)
Ending balance	**₱–**	₱–

Long term loans (TCB)

On July 29, 2021, the Group settled its loan payable to TCB amounting to US$9.4 million or ₱450.3 million.

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 composed of Revolving loan amounting to US$5.0 million and Term Loan amounting to US$10.0 million with the following terms:

- Revolving loan shall be repaid at the maturity date of each loan but the tenor shall not exceed 180 days
- Term loan shall be repaid in four semi-annual installment repayments. First installment commences on the date falling 18 months from the first drawdown date as follows:

Months from the first drawdown date	Repayment installment from outstanding principal at the end of availability period (%)
18	12.50%
24	12.50%
30	12.50%
36	62.50%

The interest shall be payable quarterly in arrears. The interest rate for the loan is the aggregate of the reference rate plus spread of 3.25% per annum. The reference rate is the applicable London Interbank Offered Rates (LIBOR) displayed on the Bloomberg and Reuters' page for three month yield as stated in the loan agreement.

The other conditions of the agreement are as follows:

a. The Group shall maintain a waterfall account with TCB wherein all amounts collected from the buyers of nickel ore shall be deposited.
b. The security required by TCB shall consist of only three kinds, as follows:

    i. Accounts receivables from PGMC's customers or clients or Import letters of credit (LC) issued in favor of PGMC by its customers and clients. Provided, that the aggregate value, in combination, shall be at least twice (2x) the amount of the actual drawdown
    ii. Demand Deposit Account which shall be opened and set-up by the collateral provider acceptable to TCB (in this case PIL) amounting to at least 10% of the drawdown. The amount in said account maybe reduced proportionately as PGMC pays the principal and its interest by express agreement of TCB and PGMC.
    iii. Guarantee issued by any individual, juridical person such as corporations or any combination thereof that is acceptable to TCB.

c. TCB is irrevocably appointed as the collecting agent for the account receivables from PGMC's export orders of nickel ore and as a collecting and advising bank for the import LC opened by the buyers of the nickel ore of PGMC. All the amount collected by TCB shall be deposited in the Waterfall Account of PGMC.
d. The Group may, at its option, prepay the loan in part or in full, together with accrued interest thereon.
e. If the Group fails to make payment when due of any sum (whether at the stated maturity, by acceleration or otherwise), the Group shall pay penalty on such past due and unpaid amount/s at the rate of 18% per annum, in addition to the interest rate from due date until the date of payment in full. The penalty shall be payable from time to time and upon demand by the bank.

On July 30, 2021, the Group made a drawdown amounting to US$15.0 million of the loan. The Group did not avail additional loans as at December 31, 2025.

The Group has complied with the terms of the loan as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the loan has been fully settled. Interest expense related to TCB loan amounted to nil, ₱15.2 million and ₱59.5 million in 2025, 2024 and 2023, respectively (see Note 28).

16. Provision for Mine Rehabilitation and Decommissioning

	2025	2024
Beginning balance	**₱323,023**	₱296,814
Effect of change in estimate (Note 8)	**(463)**	7,138
Accretion interest (Note 28)	**20,380**	19,071
Ending balance	**₱342,940**	₱323,023

The provision for mine rehabilitation and decommissioning was adjusted in 2025 to reflect the latest discount rates and inflation rates used in the calculation of the estimate.

17. Retirement Obligation

The Group's Multiemployer Retirement Plan (the Retirement Plan) is jointly established by the PGMC, INC 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.

The latest actuarial valuation report of the retirement plan is as at December 31, 2025.

The following tables summarize the components of retirement benefits costs recognized in the consolidated statements of comprehensive income and the unfunded status and amounts recognized in the consolidated statements of financial position and other information about the plan.

Details of the retirement benefits costs in the consolidated statements of comprehensive income are as follows:

	2025	2024	2023
Current service cost (Note 26)	**₱12,155**	₱10,385	₱9,223
Interest cost on retirement obligation (Note 28)	**7,167**	6,107	5,620
Interest on the effect on asset ceiling (Note 28)	**1,250**	665	656
Interest income on plan assets (Note 28)	**(11,333)**	(9,906)	(9,748)
	₱9,239	₱7,251	₱5,751

Current and past service costs are recognized under "Retirement benefits costs".

In 2025 and 2024, there was no Retirement Plan amendment, curtailment nor settlement.

The Group has 279 and 276 regular employees covered under the Retirement Plan as at December 31, 2025 and 2024, respectively.

Changes in the present value of retirement obligation are as follows:

	2025	2024
Beginning balance	**₱115,805**	₱100,240
Current service cost (Note 26)	**12,155**	10,385
Interest cost on retirement obligation (Note 28)	**7,167**	6,107

(Forward)

	2025	2024
Remeasurement loss (gain) arising from:		
Financial assumptions	**(₱2,196)**	₱1
Experience adjustments	**(12,000)**	1,070
Demographic assumptions	**5,587**	(708)
Benefits paid	**(5,538)**	(1,290)
Ending balance	**₱120,980**	₱115,805

Changes in the fair value of plan assets are as follows:

	2025	2024
Beginning balance	**₱178,702**	₱154,725
Contributions	**5,775**	17,181
Actual return on plan assets:		
Interest income on plan assets	**11,333**	9,906
Remeasurement loss - return on plan assets excluding interest income	**(2,345)**	(1,820)
Benefits paid	**(5,538)**	(1,290)
Ending balance	**₱187,927**	₱178,702

Net retirement obligation (retirement plan asset) recognized in the consolidated statements of financial position are as follows:

	2025	2024
Present value of retirement obligation	**₱120,980**	₱115,805
Fair value of plan assets	**(187,927)**	(178,702)
Effect of asset ceiling	**12,290**	13,351
	(₱54,657)	(₱49,546)

The movements in remeasurement gain on retirement obligation, net of tax, of the Group are as follows:

	2025	2024	2023
Beginning balance	**₱41,996**	₱44,276	₱35,535
Remeasurement gain (loss) on retirement obligation	**8,125**	(3,940)	11,655
Income tax effect	**(2,031)**	1,660	(2,914)
	₱48,090	₱41,996	₱44,276

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	2025	2024
Cash and cash equivalents:		
Investment in:		
Government securities	**₱139,579**	₱138,623
Equity securities	**40,248**	29,415
Debt securities	**4,200**	6,200
Savings and time deposit	**4**	58
Others:		
Market gain (loss) on investment in:		
Equity securities	**3,011**	3,307
Government securities	**788**	(570)
Debt securities	**(95)**	(223)
Interest receivables - net of trust fees	**192**	1,892
	₱187,927	₱178,702

The main categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2025	2024
Investment in:		
Government securities	**74.27%**	77.25%
Equity securities	**22.19%**	18.31%
Debt securities	**2.18%**	3.35%
Cash and cash equivalents	**0.04%**	0.04%
Others	**1.05%**	1.05%
	100.00%	100.00%

Investment in government securities includes investment in treasury bills. Investment in equity securities pertains to unit investment trust funds. Investment in debt securities pertains to investment in bonds. Cash and cash equivalents consist of savings and time deposits. Others are in the form of interest receivables, net of accrued trust fees payable.

Details of the investment in equity securities are as follows:

	December 31, 2025			December 31, 2024		
	Carrying Amount	**Fair Value**	**Unrealized gain**	Carrying Amount	Fair Value	Unrealized gain
Investment in equity securities	**₱40,248**	**₱43,259**	**₱3,011**	₱29,415	₱32,722	₱3,307

The retirement trust fund assets are valued by the fund manager at fair value using market-to-market valuation. The principal assumptions used in determining retirement obligation for the defined retirement plan are shown below:

	PGMC	INC	PCSSC	MHC
Discount rate	6.33%	6.52%	6.26%	6.20%
Salary increase rate	4.32%	4.32%	4.32%	4.00%
Turnover rate	10.57% at age 19 decreasing to 1.22% at age 55	7.50% at age 18 decreasing to 1% at age 50	7.50% at age 18 decreasing to 1% at age 50	14.28% at age 18 decreasing to 12.04% at age 55

Assumptions regarding future mortality rate and disability rate are based on the 2017 Philippine Intercompany Mortality Table and The Disability Study, Period 2 Benefit 5, respectively, developed by the Society of Actuaries, which provides separate rates for males and females.

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

The sensitivity analyses below have been determined based on reasonably possible changes of each significant assumption on the defined retirement benefits obligation at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (Decrease)	**2025**	2024
Discount rate	+100 basis points	**(₱7,874)**	(₱6,905)
	-100 basis points	**9,022**	7,854
Salary increase rate	+100 basis points	**₱9,116**	₱7,915
	-100 basis points	**(6,746)**	(7,079)

The Group does not expect to contribute to the defined benefit plan in 2025.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2025 and 2024:

	2025	2024
Less than one (1) year	**₱333,655**	₱11,243
More than one (1) year to five (5) years	**38,648**	62,779
More than five (5) years	**95,113**	59,544

The weighted average duration of the defined retirement benefits obligation as at December 31, 2025 and 2024 is as follows.

	PGMC	INC	PCSSC	MHC
2025	**6.70**	**12.70**	**5.90**	**6.40**
2024	6.70	12.40	8.50	7.80

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 (2) years (see Note 8). The Group also has lease contracts for various parcels of land with a term of twenty-five (25) 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 the approval of lessor.

The Group also has certain lease of office spaces and machineries and equipment with lease terms of twelve (12) months or less. The Group applies the "short term lease" recognition exemptions for these leases.

The following are the amounts recognized in consolidated statements of comprehensive income:

	2025	2024
Depreciation expense of right-of-use assets included in property and equipment (Note 8)	**₱85,027**	₱84,847
Interest expense on lease liabilities (Note 28)	**46,994**	49,423
Expenses relating to short-term leases (Note 23)	**991**	946
	₱133,012	₱135,216

The roll forward analysis of lease liabilities are as follows:

	2025	2024
Beginning balance	**₱764,604**	₱823,342
Interest expense	**46,994**	49,423
Payments:		
Principal	**(23,954)**	(58,738)
Interest	**(46,994)**	(49,423)
Ending balance	**₱740,650**	₱764,604

The current and noncurrent portion of the lease liabilities as at December 31, 2025 and 2024, discounted using incremental borrowing rate are as follows:

	2025	2024
Current portion	**₱104,243**	₱85,669
Noncurrent portion	**636,407**	678,935
	₱740,650	₱764,604

Shown below is the maturity analysis of the undiscounted lease payments as at December 31, 2025 and 2024:

	2025	2024
One (1) year	**₱93,984**	₱91,081
More than one (1) year to two (2) years	**96,842**	93,984
More than two (2) years to three (3) years	**99,836**	96,842
More than three (3) years to four (4) years	**101,931**	99,836
More than five (5) years	**1,715,449**	1,817,380

In April 2021, the Group recognized lease liability amounting to ₱502.6 million attributable to the Group's lease agreement with JSY6677 Landholdings, Inc. for its new office space for a period of 10 years starting April 1, 2021 (see Note 8).

On March 1, 2022, the Group amended its lease agreement with JSY6677 Landholdings, Inc. adding more spaces as part of its leased premises. The Group recognized additional right-of-use assets and lease liability amounting to ₱71.8 million as the result of the modification of lease.

As at December 31, 2025 and 2024, the noncurrent portion of the lease liabilities related to the agreement with JSY6677 Landholdings, Inc., after lease modification in 2022, amounted to ₱295.8 million and ₱354.7 million, respectively. Interest expense incurred amounted to ₱20.4 million, ₱22.9 million and ₱25.3 million in 2025, 2024 and 2023, respectively.

19. Other Current and Noncurrent Liabilities

Payable to Previous Stockholders of CNMEC and BNVI

In 2016, the Parent Company, SPNVI and the stockholders of SPNVI executed a Deed of Assignment wherein SPNVI assigned its payable to the previous stockholders of CNMEC and BNVI to the Parent Company amounting to ₱522.0 million. This is pursuant to the Contract to Sell executed on August 6, 2015 (see Note 1). This is noninterest-bearing and payable on the first shipment of INC.

On October 26, 2022, the Group and the previous stockholders of CNMEC amended the Share Purchase Agreement executed on June 9, 2014, specifically related to the schedule of payment and equivalent shares.

As agreed with the parties, the remaining balance amounting to ₱522.0 million will be paid in US$8.2 million and in 15 installments, as follows:

- Fixed amount of US$0.5 million due on the settlement date (generally at the end of each month), for three months starting October 2022.
- The remaining balance shall be payable in 12 equal installments due on settlement date until fully paid.

As at December 31, 2024, the Group fully settled the payable to the previous stockholders of CNMEC. As at December 31, 2025 and 2024, the remaining balance pertain to advances from BNVI amounted to ₱28,176.

	2025	2024
Beginning balance	**₱28,176**	₱301,699
Payments	**–**	(276,128)
Effect of changes in foreign currency exchange rates (Note 29)	**–**	2,605
Ending balance	**28,176**	28,176
Less: Current portion	**28,176**	28,176
Noncurrent portion	**₱–**	₱–

Other noncurrent liabilities
Other noncurrent liabilities pertain to liabilities to Toledo Mining Corporation, PLC (TMC) and stockholders of NLRI related to SPNVI's acquisition of NLRI in 2014. Other noncurrent liabilities amounted to ₱0.2 million as at December 31, 2025 and 2024.

20. Equity

Capital Stock
The Parent Company's authorized and issued capital stock as at December 31, 2025 and 2024 are as follows:

	2025	2024
Par value	**₱1.05**	₱1.05
Authorized shares	**11,957,161,906**	11,957,161,906
Total authorized capital stock	**₱12,555,020,001**	₱12,555,020,001
Issued shares	**6,072,357,151**	6,072,357,151
Total capital stock (amounts in thousand)	**₱6,375,975**	₱6,375,975

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

Increase in Authorized Capital Stock
In 2014, 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 (see Note 1).

As discussed in Note 1, 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 ₱20,000.4 divided into 19,048 common shares at a par value of ₱1.05.

Follow-on Offering
On July 20, 2018, the Parent Company completed its follow-on offering of 250,000,000 common shares which resulted in an increase in capital stock amounting to ₱262.5 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 following table summarizes the track record of registrations of securities under the SRC:

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

APIC
The completion of the Parent Company's follow-on offering of 250,000,0000 common shares resulted in the recognition of APIC amounting to ₱255.0 million. The offer price and par value per share amounted to

₱2.07 and ₱1.05, respectively. The transaction costs directly attributable to the issuance of new common shares from the follow-on offering amounting to ₱16.0 million were deducted from the APIC.

Special Stock Grant
The stock grant agreement in relation to the Employee Stock Option Master Plan was executed on December 28, 2018 and December 27, 2017, the grant dates, between the Parent Company and the grantees. The fair value of the shares on December 28, 2018 and December 27, 2017 was ₱1.67 and ₱2.62, respectively, taking into consideration the terms and conditions of the stock grant. A total of 20,000,000 treasury shares of the Parent Company consisting of 9,900,000 and 10,100,000 treasury shares was granted to PGMC in 2018 and 2017, respectively. The treasury shares were subsequently issued 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 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.

No stock grant expense was recognized in 2025, 2024 and 2023.

Retained Earnings
On May 16, 2023, the BOD of the Parent Company approved the declaration of cash dividends at ₱0.10 per share, subject to the Parent Company's withholding of applicable taxes, for stockholders of record as of June 1, 2023. The cash dividends amounting to ₱524.2 million was taken out of the unrestricted earnings of the Parent Company as at December 31, 2022.

In 2023, PGMC's, a subsidiary, BOD and stockholders approved the declaration of cash dividends, subject to PGMC's withholding of applicable taxes, as outlined below:

Date of Declaration	Stockholders of Record As At	Settlement Date	Cash Dividends Declared	Dividend Income Earned*	Dividend Receivable*
June 9, 2023	June 15, 2023	July 15, 2023	₱21.65 per share	₱560,639	₱–
December 29, 2023	January 15, 2024	February 15, 2024	30.00 per share	776,866	292,889

On December 2, 2024, PGMC's, a subsidiary, BOD and stockholders approved the declaration of cash dividends amounting to ₱11.50 per share, subject to PGMC's withholding of applicable taxes, for stockholders of record as at December 15, 2024. The dividend income earned by the Parent Company in 2024 in relation to the cash dividends amounted to ₱297.8 million. As at December 31, 2024, PGMC settled its dividend payable to the Parent Company from the dividends declared in 2023 and 2024.

In 2025, PGMC's, BOD and stockholders approved the declaration of cash dividends, subject to PGMC's withholding of applicable taxes, as outlined below:

Date of Declaration	Stockholders of Record As At	Settlement Date	Cash Dividends Declared	Dividend Income Earned*	Dividend Receivable*
October 6, 2025	October 6, 2025	March 31, 2026	₱3.77 per share	₱97,626	₱6,542
November 28, 2025	December 1, 2025	December 31, 2025	39.17 per share	1,014,328	–

As at December 31, 2025 and 2024, retained earnings include the accumulated equity in undistributed net earnings of subsidiaries and associates amounting to ₱5,616.5 million and ₱5,284.5 million which is not available for dividend declaration by the Parent Company until declared by the investee companies.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

In accordance with Revised SRC 68, Annex 68-C, the Parent Company's retained earnings available for dividend declaration amounted to ₱7,380.0 million and ₱6,383.2 million as at December 31, 2025 and 2024, respectively.

	2025			
	MHC	**SPNVI**	**PGMC**	**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	**40,969**	**325,124**	**524**	**366,617**
Total comprehensive income (loss) attributable to NCI	**(10,794)**	**521**	**505**	**(9,768)**
Cash dividend	**–**	**–**	**(192)**	**(192)**
Total	**₱131,604**	**₱684**	**₱1,283**	**₱133,571**

	2024			
	MHC	SPNVI	PGMC	Total
Percentage of ownership	11.99%	0.00%	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	324,961	527	376,781
Total comprehensive income attributable to NCI	(10,324)	163	48	(10,113)
Cash Dividend	–	–	(51)	(51)
Total	₱142,398	₱163	₱970	₱143,531

The dividend declared attributable to PGMC's NCI in relation to its dividend declaration amounted to ₱0.19 million and ₱0.05 million as at December 31, 2025 and 2024, respectively.

Acquisition of NCI
On March 2, 2023, the Parent Company acquired an additional 23.98% interest in MHC from Seasia Logistics Philippines, Inc. for ₱192.0 million, resulting in 88.01% ownership interest in the subsidiary.

On June 1, 2023, the Parent Company, through PGMC, acquired the interest held by Five Stockholders of SPNVI in exchange of consideration amounting to ₱53.6 million. The acquisition resulted to 99.98% interest owned by the Parent Company through PGMC.

The effect on equity for the acquired is as follows:

	MHC	SPNVI	Total
Consideration paid for the additional interest acquired	₱192,000	₱53,595	₱245,595
Carrying amount of acquired NCI	(328,507)	(331,464)	(659,971)
Retained Earnings	₱136,507	₱277,869	₱414,376

Material NCI
As at December 31, 2025 and 2024, accumulated balance of material NCI amounted to ₱131.6 million and ₱142.4 million, respectively, which represents 11.99% equity interest in MHC. Loss allocated to material NCI amounted to ₱9.8 million and ₱10.3 million in 2025 and 2024, respectively.

The summarized financial information of MHC as at December 31, 2025 and 2024 is provided below:

	2025	2024
Current assets	**₱27,915**	₱53,645
Noncurrent assets	**1,216,157**	1,244,722
Total assets	**1,244,072**	1,298,367
Current liabilities	**87,423**	59,056
Noncurrent liabilities	**324,986**	324,477
Total liabilities	**412,409**	383,533
Net assets	**831,663**	914,834
Attributable to:		
Equity holders of parent	**₱731,947**	₱772,436
NCI	**99,716**	142,398

	2025	2024
Revenue	**₱12,290**	₱18,409
Cost and expenses	**67,613**	84,375
Other charges	**26,767**	20,138
Net loss after tax	**82,090**	86,104
Other comprehensive income	**–**	–
Total comprehensive loss	**82,090**	86,104
Attributable to:		
Equity holders of parent	**₱72,334**	₱75,780
NCI	**9,756**	10,324

Treasury Shares

In 2025 and 2024, the Parent Company purchased a total of 14,754,491 and nil common shares amounting to ₱17.7 million and nil, respectively. 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 ten percent (10%) and an additional five percent (5%) of the total outstanding shares of the Parent Company, respectively. On December 22, 2020, the BOD approved to buy back an additional five percent (5%) of the Parent Company's outstanding shares for three (3) years at market price. On September 12, 2024, the BOD approved to continue the Parent Company's previously approved buyback program and to acquire up to 2% of its outstanding common shares at market price over the next three (3) years. As at December 31, 2025 and 2024, the Parent Company repurchased about 19% of its total outstanding shares.

In 2023, the Parent Company sold a total of 51,897,858 common shares amounting to ₱129.7 million at market value of ₱2.50 per share. These treasury shares have a total cost amounting to ₱133.9 million, resulting to a loss of ₱4.1 million that is to be charged against the "Retained earnings". No treasury shares were sold in 2025 and 2024.

The Parent Company has 961,935,955 and 947,181,464 treasury shares in 2025 and 2024 respectively. The total value of the treasury shares in the books amounted to ₱2,147.5 million and ₱2,129.8 million as at December 31, 2025 and 2024, respectively.

Equity Reserve

As at July 1, 2013, as a result of the reverse acquisition, the "Equity reserve" account represents the difference between the legal capital (i.e., the number and type of "Capital stock" issued, "APIC" and "Treasury shares") of the legal acquirer (FNI) and accounting acquirer (PGMC). Subsequent to July 1, 2013 up to the date of the Share Swap transaction, the movements of the equity accounts of PGMC Group are adjusted to "Equity reserve".

Below is the summary of the movements of the "Equity reserve" account:

Legal capital of PGMC (Accounting acquirer):	
Capital stock, net of NCI of ₱192	₱700,184
Legal capital of FNI (legal acquirer):	
Capital stock	(2,257,472)
APIC	(127,171)
Issuance of stock by FNI	(193,900)
Treasury shares	18
Balance as at June 30, 2013	(1,878,341)
Movement	–
Balance as at June 30, 2014	(1,878,341)
Issuance of stock by FNI through Share Swap	(5,357,204)
Assumption and cancellation of FNI receivables	(2,589,722)
Acquisition of net assets of the accounting acquiree (FNI)	2,605,460
Application of equity reserve to APIC and retained earnings	7,210,807
Issuance of stock by PGMC	9,000
Balance as at December 31, 2014	₱–

21. EPS

The following reflects the income and share data used in the basic and diluted EPS computations:

	2025	2024	2023
Net income attributable to common shareholders (amounts in thousands)	**₱1,421,744**	₱743,896	₱1,544,144
Weighted average number of common shares outstanding for basic EPS	**5,124,973,015**	5,125,175,687	5,108,984,612
Basic/diluted EPS	**₱0.28**	₱0.15	₱0.30

As at December 31, 2025, 2024 and 2023, there are no potentially dilutive common shares.

22. Cost of Sales

	2025	2024	2023
Contract hire	**₱2,339,127**	₱2,489,616	₱2,241,695
Depreciation, depletion and amortization (Note 27)	**511,368**	463,012	409,789
Personnel costs (Note 26)	**463,359**	466,419	402,782
Fuel, oil and lubricants	**130,460**	154,328	175,775
Environmental protection costs	**129,883**	86,308	45,425
Community relations	**81,642**	112,827	93,678
Repairs and maintenance	**61,885**	62,079	55,567
Operations overhead	**53,118**	102,664	65,792
Manning services	**42,057**	34,188	25,980
Assaying and laboratory	**29,308**	38,657	28,341
Power and utilities	**23,267**	19,454	12,580
Health and safety	**22,002**	10,912	6,797
Others	**12,878**	29,070	28,030
	₱3,900,354	₱4,069,534	₱3,592,231

Contract hire pertains to the services offered by the contractors related to the mining operating activities of the Group. The services include, but are not limited to, ore extraction and beneficiation, hauling and equipment rental.

Operations overhead include, but are not limited to, materials and supplies, travel and transportation expenses and other miscellaneous charges.

Others pertain to insurance, rent expense, materials, supplies and spare parts, agency fees, license, and service fees.

23. General and Administrative

	2025	2024	2023
Personnel costs (Note 26)	**₱330,303**	₱313,409	₱289,906
Outside services	**204,162**	211,348	185,332
Taxes and licenses	**188,673**	240,939	227,978
Depreciation (Note 27)	**134,713**	151,121	150,283
Provision for impairment losses on			
Other noncurrent assets (Notes 7 and 12)	**113,824**	77,184	922
Inventories (Note 6)	**10,461**	5	1,861
Consultancy fees	**72,838**	66,528	53,018
Marketing and entertainment	**66,802**	69,841	95,254
Repairs and maintenance	**34,809**	31,286	36,339
Travel and transportation	**19,950**	18,733	28,112
Fuel, oil and lubricants	**12,507**	13,333	14,087
Office supplies	**9,766**	7,048	5,295
Membership and subscription	**9,626**	6,870	8,062
Communication	**6,474**	6,496	6,063
Insurance	**3,312**	5,082	6,705
Rentals (Note 18)	**991**	946	1,398
Legal cost	**–**	147,818	–
Provision for ECL on trade receivables (Note 5)	**–**	2,202	4
Others	**36,429**	41,771	36,387
	₱1,255,640	₱1,411,960	₱1,147,006

Legal Cost
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 in 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 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. On April 15, 2024, INC recognized legal cost related to the settlement agreement with BIIL in the amount of ₱147.8 million or US$2.6 million, of which a US$1.0 million balance as at December 2024 will be paid in two equal installments, due on June 15, 2025, and December 15, 2025. As at December 31, 2025, INC has fully settled its remaining obligations to BIIL.

Others
Others pertain to utilities, communication, sponsorship, freight and delivery charges, and other miscellaneous expenses.

24. Excise Taxes and Royalties

	2025	2024	2023
Excise taxes	**₱318,938**	₱301,643	₱337,125
Royalties to:			
Government	**236,404**	230,874	223,895
Claim-owners (Note 34)	**206,243**	184,005	189,930
ICC	**79,735**	75,411	100,218
	₱841,320	₱791,933	₱851,168

The Group is paying royalty fees to CMDC equivalent to two percent (2%) to five percent (5%) of gross receipts in 2025, 2024 and 2023. The Group is also paying royalty fees to ICC equivalent to a minimum of one percent (1%) of the gross output from the mining operations.

The Group, in accordance with DENR Administrative Order No. 96-40, Series 1996, on the Revised Implementing Rules and Regulations of RA No. 7942, is required to pay to the Philippine Government the following:

- A royalty tax of five percent (5%) of the market value of the gross output of the minerals/mineral products extracted or produced from its Surigao mines to the DENR-MGB
- An excise tax of four percent (4%) of the market value of the gross output of the minerals/mineral products extracted or produced from its Surigao mines to the BIR

As at December 31, 2025 and 2024, excise taxes and royalties payable amounted to ₱120.9 million and ₱55.5 million, respectively (see Note 13).

25. Shipping and Distribution

	2025	2024	2023
Stevedoring charges and shipping expenses	**₱453,038**	₱80,699	₱158,980
Barging charges	**192,193**	210,836	162,079
Fuel, oil and lubricants	**35,733**	30,965	25,827
Government fees	**34,326**	29,385	24,241
Personnel costs (Note 26)	**29,796**	30,512	23,538
Supplies	**1,975**	1,384	1,099
Repairs and maintenance	**818**	622	1,670
	₱747,879	₱384,403	₱397,434

Barging charges pertain to expenses incurred from services provided by external shipping companies to transport nickel ore from the Group's causeway (barge) to the foreign vessels.

26. Personnel Costs

	2025	2024	2023
Salaries and wages	**₱675,347**	₱692,742	₱600,222
Retirement benefits costs (Note 17)	**12,155**	10,385	9,222
Other employee benefits	**135,956**	107,213	106,782
	₱823,458	₱810,340	₱716,226

Other employee benefits pertain to various benefits given to employees which are individually immaterial.

Personnel costs were distributed as follows:

	2025	2024	2023
Cost of sales (Note 22)	**₱463,359**	₱466,419	₱402,782
General and administrative (Note 23)	**330,303**	313,409	289,906
Shipping and distribution (Note 25)	**29,796**	30,512	23,538
	₱823,458	₱810,340	₱716,226

27. Depreciation, Depletion and Amortization

The amounts of depreciation, depletion and amortization expense are distributed as follows:

	2025	2024	2023
Cost of sales (Notes 8, 10, 12 and 22)	**₱511,368**	₱463,012	₱409,789
General and administrative (Notes 8 and 23)	**134,713**	151,121	150,283
	₱646,081	₱614,133	₱560,072

Amortization of mining rights and intangible assets under "Other noncurrent assets" amounted to ₱5.1 million 2025, 2024 and 2023.

28. Finance Costs and Finance Income

Finance costs

	2025	2024	2023
Accretion interest on noninterest-bearing liability (Note 14)	**₱87,080**	₱121,586	₱142,266
Interest expense (Notes 15 and 18)	**46,994**	64,669	111,621
Accretion interest on provision for mine rehabilitation and decommissioning (Note 16)	**20,380**	19,071	17,542
Bank charges	**2,668**	1,530	4,143
	₱157,122	₱206,856	₱275,572

Finance income

	2025	2024	2023
Interest income from:			
Cash and cash equivalents (Note 4)	**₱10,416**	₱10,712	₱22,529
MRF (Note 12)	**3,656**	3,213	2,659
Interest income on plan assets, net of interest cost on retirement obligation (Note 17)	**2,916**	3,134	3,472
Accretion of interest on security deposit (Note 12)	**948**	948	948
	₱17,936	₱18,007	₱29,608

29. **Other Income (Charges)** - net

	2025	2024	2023
Gain from donation (Note 8)	**₱105,691**	₱–	₱–
Despatch (demurrage)- net	**(83,708)**	(7,885)	26,762
Loss on partial extinguishment of liability (Note 14)	**(75,216)**	–	–
Foreign exchange gains (losses) - net	**49,764**	(92,228)	(111,068)
Gain on disposal of property and equipment (Note 8)	**568**	51,780	4
Others	**944**	16,446	1,099
	(₱1,957)	(₱31,887)	(₱83,203)

Gain from donation pertains to a parcel of land received by PGMC through a donation from a stockholder amounting to ₱105.7 million (see Note 8).

Net demurrage represents the amount paid/received by the Group to/from the buyer when the shipment loading is delayed/ahead of the allowable laytime.

Breakdown of net foreign exchange gains (losses) is as follows:

	2025	2024	2023
Net realized foreign exchange gains (losses)	**₱57,474**	(₱48,821)	(₱27,921)
Unrealized foreign exchange gains (losses) on:			
Noninterest-bearing liability	**(17,843)**	(68,716)	14,343
Cash	**10,373**	30,129	(35,920)
Trade and other payables	**(552)**	(104)	154
Trade and other receivables	**312**	(4,208)	25,110
Other noncurrent assets	**–**	(508)	–
Advances from related parties	**–**	–	(62,384)
Other current liabilities	**–**	–	(42,464)
Advances to related parties	**–**	–	14,688
Loans payable	**–**	–	3,326
	₱49,764	(₱92,228)	(₱111,068)

Others also include insurance claims.

30. **Related Party Disclosures**

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such a relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors or its stockholders.

Set out on the next page are the Group's transactions with related parties in 2025, 2024 and 2023, including the corresponding assets and liabilities arising from the said transactions as at December 31, 2025 and 2024. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Category	Amount/ Volume	Sale of nickel ore	Advances to related parties	Advances from related parties	Noninterest-bearing liability	Terms	Conditions
Stockholders							
2025	**₱183**	**₱–**	**₱615**	**₱–**	**₱646,791**	**(A), (B)**	**(C)**
2024	₱–	₱–	₱433	₱–	₱1,630,982	(A), (B)	(C)
Affiliates with common officers, directors and stockholders							
2025	**4,504**	**–**	**12,108**	**2,807**	**–**	**(A), (B)**	**(C)**
2024	–	–	7,603	4,210	–	(A), (B)	(C)
Associates							
2025	**4,230,391**	**4,230,391**	**–**	**–**	**–**	**(A)**	**(C)**
2024	1,476,109	1,476,109	–	–	–	(A)	(C)
Totals		**₱4,230,391**	**₱12,723**	**₱2,807**	**₱646,791**		
Totals		₱1,476,109	₱8,036	₱4,210	₱1,630,982		

(A) On demand; noninterest-bearing; collectible in cash
(B) On demand; noninterest-bearing; payable in cash
(C) Unsecured

Intercompany transactions below are eliminated in the consolidated financial statements.

Category	Amount/ Volume	Trade and other payables	Barging services	Sale of nickel ore	Trade and other receivables	Advances to related parties	Advances from related parties	Rent income	Declaration of dividend	Terms	Conditions
Subsidiaries											
PGMC											
2025	**₱2,916,111**	**₱-**	**₱–**	**₱1,804,156**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,111,955**	**(A)**	**(C)**
2024	₱1,644,234	₱-	₱–	₱679,148	₱–	₱667,287	₱–	₱–	₱297,799	(A)	(C)
PCSSC											
2025	**142,109**	**–**	**130,253**	**–**	**11,856**	**–**	**–**	**–**	**–**	**(B)**	**(C)**
2024	72,239	–	72,339	–	11,010	–	–	–	–	(B)	(C)
SIRC											
2025	**1,571**	**–**	**–**	**–**	**–**	**1,571**	–	**–**	**–**	**(B)**	**(C)**
2024	–	–	–	–	–	1,918	–	–	–	(B)	(C)
PIL											
2025	**–**	**–**	**–**	**–**	–	**–**	**–**	**–**	**–**	**(A)**	**(C)**
2024	90,158	–	–	–	90,158	–	–	–	–	(A)	(C)
FSC											
2025	**3**	**–**	**–**	**–**	**–**	**–**	**174,628**	**–**	**–**	**(B)**	**(C)**
2024	30,727	–	–	–	–	–	174,625	–	–	(B)	(C)

(Forward)

Category	Amount/ Volume	Trade and other payables	Barging services	Sale of nickel ore	Trade and other receivables	Advances to related parties	Advances from related parties	Rent income	Declaration of dividend	Terms	Conditions
FSLC											
2025	**₱11,300**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱295,457**	**₱–**	**₱–**	**(B)**	**(C)**
2024	₱46,852	₱–	₱–	₱–	₱–	₱–	₱284,157	₱4,800	₱–	(B)	(C)
MHC											
2025	**7,394**	**5,152**	**–**	**–**	**–**	–	**7,129**	**–**	**–**	**(B)**	**(C)**
2024	4,887	–	–	–	–	–	4,887	–	–	(B)	(C)
SPNVI											
2025	**–**	**–**	**–**	**–**	**–**	**418**	**9,604**	**–**	**–**	**(B)**	**(C)**
2024	–	–	–	–	–	–	980,045	–	–	(B)	(C)
INC											
2025	**248,027**	**–**	**–**	**1,320**	**–**	**9,495**	**4,605**	**–**	**565,801**	**(B)**	**(C)**
2024	392,442	–	–	–	–	59,248	–	–	333,194	(B)	(C)
Totals		**₱5,152**	**₱130,253**	**₱1,805,476**	**₱11,586**	**₱11,484**	**₱316,795**	**₱–**	**₱1,677,756**		
Totals		₱–	₱72,339	₱679,148	₱101,168	₱728,453	₱1,443,714	₱4,800	₱630,993		

(A) On demand; noninterest-bearing; collectible in cash
(B) On demand; noninterest-bearing; payable in cash
(C) Secured; with guarantee

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

a. PIL, a subsidiary, entered into several ore supply sales agreements with PGMC for the purchase of nickel ore amounting to ₱1,804.2 million, ₱679.1 million and ₱1,932.8 million in 2025, 2024 and 2023, respectively.

   GCTN and GHL, associates, entered into an ore supply sale agreement with PGMC and INC for the purchase of nickel ore amounting to ₱3,208.6 million, ₱1,479.2 million and ₱4,960.9 million in 2025, 2024 and 2023, respectively.

   The sale of ore within the group amounted to ₱3,769.1 million, ₱2,158.3 million and ₱6,519.4 million, in 2025, 2024 and 2023, respectively.

b. In the first quarter of 2024, PGMC entered into an eight-month Time Charter Agreement with PCSSC, for LCTs 1 to 5, wherein the latter will render barging services to the former for a monthly charter fee amounting to ₱2.0 million per LCT, subject to renewal upon mutual agreement of the parties.

   In August 2024, PGMC entered into a three-month Time Charter Agreement with PCSSC, for LCTs 6 to 8, wherein the latter will render barging services to the former for a monthly charter fee of ₱3.0 million per LCT, subject to renewal upon mutual agreement of the parties.

   The charter fee incurred amounting to ₱24.0 million, ₱24.0 million and ₱5.6 million in 2025, 2024 and 2023, respectively.

   In 2023, INC entered into a one-year Time Charter Agreement with PCSSC, for LCTs 1 to 5, wherein the latter will render barging services to the former for a monthly charter fee amounting to ₱2.0 million per LCT, subject to renewal upon mutual agreement of the parties.

   In August 2024, INC entered into a one-year Time Charter Agreement with PCSSC wherein the latter will render barging services to the former for a monthly charter fee of P3.0 million per LCT, subject to renewal upon mutual agreement of the parties.

   The charter fee incurred amounted to ₱91.0 million, ₱48.4 million and ₱82.1 million in 2025, 2024 and 2023, respectively.

   Total charter fee incurred amounted to ₱130.3 million, ₱72.3 million and ₱87.7 million in 2025, 2024 and 2023, respectively. Charter fee eliminated amounted to ₱130.3 million, ₱72.3 million and ₱87.7 million in 2025, 2024 and 2023, respectively.

c. On January 21, 2020, FSLC and FSC entered into a lease agreement which allows FSC to occupy FSLC's parcel of land located in Mariveles, Bataan for a period of 25 years, renewable upon mutual agreement of both parties, and for a monthly consideration amounting to ₱5.0 per square meter. The lease period will commence upon the start of commercial operations of FSC. Rental revenue eliminated amounted to nil and ₱4.8 million in 2025 and 2024. 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.

d. On December 31, 2022, PGMC's BOD and stockholders approved the declaration of cash dividends amounting to ₱12.50 per share for stockholders of record as at December 31, 2022 to be paid not later than May 31, 2023. The dividend income earned by the Parent Company in 2022 in relation to the cash dividends amounting to ₱323.7 million. As at December 31, 2023, PGMC settled its dividend payable to FNI.

e. On June 9, 2023, PGMC's BOD and stockholders approved the declaration of cash dividends amounting to ₱21.65 per share for stockholders of record as at June 15, 2023 to be paid not later than July 15, 2023.

   On December 29, 2023, PGMC's BOD and stockholders approved the declaration of cash dividends amounting to ₱30 per share for stockholders of record as at January 15, 2024 to be paid not later than February 15, 2024.

   The dividend income earned by the Parent Company in 2024 in relation to the cash dividends amounting to ₱1,337.5 million. As at December 31, 2023, the cash dividends payable eliminated amounted to ₱292.9 million.

f. On May 16, 2023, PIL declared a cash dividend amounting to US$1,000 per share for stockholders of record as at May 31, 2023 to be paid not later than June 19, 2023.

   On December 18, 2023, PIL declared a cash dividend amounting to US$520 per share for stockholders of record as at December 29, 2023 to be paid not later than January 31, 2024.

   The total dividend income earned by PGMC in 2023 in relation to the cash dividends amounted to ₱849.6 million. As at December 31, 2023, the cash dividends payable eliminated amounted to ₱289.6 million.

g. On December 2, 2024, PGMC's BOD and stockholders approved the declaration of cash dividends of ₱11.50 per share, to be paid no later than January 15, 2025. The dividend income earned by the Parent Company in 2024 in relation to the cash dividends amounted to ₱297.8 million.

h. 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 short-term benefits of key management personnel of the Group in 2025, 2024, and 2023 amounted to ₱106.6 million, ₱91.2 million and ₱88.9 million, respectively. The post-employment benefits of key management personnel of the Group amounted to ₱75.2 million, ₱67.3 million and ₱61.5 million in 2025, 2024 and 2023, respectively.

31. Income Taxes

Current and Deferred Taxes
The current provision for income tax represents RCIT in 2025, 2024 and 2023. It also represents amounts which are expected to be paid to different taxation authorities, the BIR and the Inland Revenue Department (IRD) in HK.

For the BIR and IRD in HK, the reconciliation between income before income tax computed at the statutory income tax rate and the provision for income tax at the effective income tax rate as shown in the consolidated statements of comprehensive income is as follows:

	2025	2024	2023
Income before tax computed at statutory income tax rate	**₱487,663**	₱288,543	₱662,702
Add (deduct) tax effects of:			
Nontaxable income:			
Share in net income of investment in associates	**(53,558)**	(74,142)	(39,729)
Nontaxable income	**(25,874)**	–	–
Interest income already subjected to final tax	**(3,173)**	(2,551)	(4,044)
(Forward)			

	2025	2024	2023
Nondeductible expenses:			
Expiration of deferred tax asset on NOLCO	**₱20,642**	₱–	₱–
Loss on partial extinguishment of liability	**18,804**	–	–
Provision for impairment losses on input VAT	**15,377**	9,992	230
Change in income tax rate	**5,666**	–	–
Accretion expense	**5,082**	12,185	16,138
Operating loss under GIT	**2,866**	2,498	5,298
Change in unrecognized deferred tax assets	**(2,626)**	44,048	₱168,078
Nondeductible taxes	–	8,012	1,977
Interest expense	–	230	241
Others	–	6,334	3,342
	₱470,869	₱295,149	₱814,233

For the IRD, the reconciliation between income before income tax computed at HK profit tax rate and the provision for income tax at the effective income tax rate as shown in the consolidated statements of comprehensive income is as follows:

	2025	2024	2023
Income before tax computed at HK profits tax rates* of:			
8.25% (First HK$ 2.0 million)	**₱1,214**	(₱6,532)	₱1,171
16.5% (Over HK$ 2.0 million)	**29,698**	–	25,149
Add (deduct) tax effects of:			
Nondeductible expenses	**2,372**	6,837	1,927
Nontaxable income	**(224)**	(305)	(2,776)
Provision for income taxes	**₱33,060**	₱–	₱25,471

**The two-tiered profits tax rates regime was implemented by the IRD commencing from the year of assessment 2018/19. Under the regime, the first HK$ 2.0 million of profits has been taxed at 8.25% while the remaining profits continued to be taxed at the existing 16.5% tax rate.*

The components of the Group's net deferred tax assets are as follows:

	2025	2024
Deferred tax assets:		
Recognized through profit or loss		
Right-of-use assets	**₱96,891**	₱105,003
Provision for mine rehabilitation and decommissioning	**85,735**	78,058
Allowance for ECL on trade and other receivables	**66,428**	66,428
Allowance for impairment loss on:		
Input VAT	**14,070**	8,107
Inventories	**4,963**	2,348
Retirement obligation recognized in profit or loss	**5,283**	5,351
Accrued taxes	**2,172**	9,085
NOLCO	**–**	2,298
	275,542	276,678
Deferred tax liabilities:		
Recognized through profit or loss		
Lease liabilities	**(82,262)**	(91,601)
Undepleted asset retirement obligation	**(19,764)**	(18,052)
Unrealized foreign exchange gains - net	**(1,674)**	(8,402)
Retirement obligation recognized in profit or loss	**(176)**	(4,937)
Recognized through OCI		
Remeasurement on retirement obligation	**(15,331)**	(12,849)
	(119,207)	(135,841)
Deferred tax assets – net	**₱156,335**	₱140,837

The components of the Group's net deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets:		
Recognized through profit or loss		
Right-of-use assets	**₱7,003**	₱18,950
Allowance for impairment losses on inventories	**74**	204
Retirement obligation recognized in profit or loss		275
	7,077	19,429
Deferred tax liabilities:		
Recognized through profit or loss		
Valuation of property and equipment	**(82,950)**	(85,192)
Accretion of interest income	**(62,954)**	(79,406)
Retirement obligation recognized in profit or loss	**(50)**	–
Lease liabilities	**–**	(18,949)
Recognized through OCI		
Currency translation adjustment	**(68,136)**	(62,909)
Remeasurement on retirement obligation	**(216)**	(266)
	(214,306)	(246,722)
Deferred tax liabilities – net	**(₱207,229)**	(₱227,293)

The Group did not recognize deferred tax liabilities on temporary difference related to undistributed profits of its subsidiaries as the Group believes that it is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

On September 30, 2020, the BIR issued Revenue Regulations (RR) No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. As a result of the enactment of CREATE, the Group's deferred tax assets and deferred tax liabilities were lowered by ₱51.0 million and ₱8.0 million, respectively, in 2021.

As of December 31, 2025, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next applicable taxable years, as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2020	2021-2025	₱162,677	₱7,391	₱155,286	₱–	₱–
2021	2022-2026	70,935	2,703	–	–	68,232
2022	2023-2025	471,957	–	471,957	–	–
2023	2024-2026	260,046	–	–	–	260,046
2024	2025-2027	213,252	–	–	–	213,252
2025	2026-2028	210,595	–	–	–	210,595
		₱1,389,462	₱10,094	₱627,243	₱–	₱752,125

The Group have excess MCIT amounted to ₱0.11 million that can be claimed as deduction from income tax due as at December 31, 2025 and 2024.

The Group did not recognize certain deferred tax assets of certain subsidiaries since management believes that it may not be reasonably probable that taxable profit will be available against which the deductible temporary differences, NOLCO and excess MCIT can be utilized.

The Group has availed of the itemized deductions method in claiming its deductions in 2025, 2024 and 2023.

32. Financial Risk Management Objectives and Policies and Capital Management

The Group's financial instruments mainly consist of cash equivalents, trade receivables, advances to contractors and interest receivables under "Trade and other receivables", advances to related parties and restricted cash under "Other noncurrent assets", trade and other payables (excluding statutory payables), loans payable, lease liabilities under PFRS 16, advances from related parties and payable to BNVI and previous stockholders of CNMEC which are under "Other noncurrent liabilities". The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group. The Group has other financial assets and liabilities such as trade receivables and interest receivable under "Trade and other receivables", restricted cash previously under "Prepayments and other current assets" and currently under "Other noncurrent assets", trade and other payables and advances from related parties, which directly arise from its operations.

The main risks arising from the Group's financial instruments are market, credit and liquidity risk. The BOD and management review and agree on the policies for managing each of these risks which are summarized below.

<u>Market Risk</u>
Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchange rates, interest rates and equity prices.

Foreign Exchange Risk
Foreign exchange risk is the risk to earnings arising from changes in foreign exchange rates.

The Group has transactional currency exposures. The Group's exposure to foreign currency risk pertains to US$-denominated and HK$-denominated financial assets and liabilities which primarily arise from export sales of mineral products, loan with TCB and other loans payable.

To mitigate the effects of foreign currency risk, the Group seeks to accelerate the collection of foreign currency-denominated receivables and the settlement of foreign currency-denominated payables, whenever practicable. Also, foreign exchange movements are monitored on a daily basis via Bankers Association of the Philippines for US$-denominated accounts and Bangko Sentral ng Pilipinas for HK$-denominated accounts.

The Group's foreign currency-denominated financial assets and liabilities and their Philippine Peso equivalents as at December 31, 2025 and 2024 are as follows:

	2025			2024		
	US$ Amount	**HK$ Amount**	**Peso Equivalent**	US$ Amount	HK$ Amount	Peso Equivalent
Financial Assets:						
Cash in banks	**US$28,600**	**HK$6,569**	**₱1,731,101**	US$19,189	HK$4,773	₱1,145,642
Trade receivables	**12,405**	**–**	**729,264**	5,787	–	334,723
Restricted cash previously under "Prepayment and other current assets" and currently under "Other noncurrent assets"	**1**	**–**	**32**	1	–	32
	US$41,006	**HK$6,569**	**₱2,460,397**	US$24,977	HK$4,773	₱1,480,397

	2025			2024		
	US$ Amount	**HK$ Amount**	**Peso Equivalent**	US$ Amount	HK$ Amount	Peso Equivalent
Financial Liabilities:						
Trade and other payables	**US$2,440**	**HK$177**	**₱144,758**	US$5,439	HK$214	₱316,188
Noninterest-bearing liability	**28,195**	**–**	**646,791**	28,195	–	1,630,982
Other current liabilities	**487**	**–**	**28,176**	487	–	28,176
	US$31,122	**HK$177**	**₱819,725**	US$34,121	HK$214	₱1,975,346
Net Financial Assets (Liabilities)	**US$9,884**	**HK$6,392**	**(₱1,640,672)**	(US$9,144)	HK$4,559	(₱494,949)

The exchange rates used for the conversion of US$1.00 to peso equivalent were ₱58.79 and ₱57.85 as at December 31, 2025 and 2024, respectively. The exchange rates used for the conversion of HK$1.00 to peso equivalent were ₱7.57 and ₱7.47 as at December 31, 2025 and 2024, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US$ and HK$ exchange rates, with all other variables held constant, of the Group's income before income tax (due to changes in revaluation of financial assets and liabilities) for the years ended December 31, 2025, 2024 and 2023.

	US$ Appreciates/ Depreciates by	Effect on Income Before Income Tax US$	HK$ Appreciates/ Depreciates by	Effect on Income Before Income Tax HK$
December 31, 2025	**0.55**	**₱5,436**	**(0.07)**	**(₱447)**
	(0.59)	**(5,832)**	**0.09**	**575**
December 31, 2024	0.68	(₱6,218)	0.16	₱729
	(0.79)	7,224	(0.16)	(729)
December 31, 2023	0.62	(₱22,462)	0.01	₱1,666
	(0.59)	21,453	(0.05)	(7,181)

There is no other effect on the Group's equity other than those already affecting the consolidated statements of comprehensive income.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in interest primarily relates to cash in banks, short-term cash investments and mine rehabilitation fund subject to prevailing market interest rates.

The Group regularly monitors interest rates movements to assess exposure impact. Management believes that cash generated from operations is sufficient to pay its obligations as they fall due.

The terms and maturity profile of the interest-bearing financial assets and liabilities as at December 31, 2025, 2024 and 2023, together with their corresponding nominal interest rate and carrying values are shown in the following table:

2025	**Nominal Interest Rate**	**Less than 6 Months**	**6 to 12 Months**	**1 to 2 Years**	**More than 2 Years**	**Total**
Cash in banks	**Various**	**₱2,118,648**	**₱–**	**₱–**	**₱–**	**₱2,118,648**
Short-term cash investments	**5.13%**	**24,765**	**–**	**–**	**–**	**24,765**
Mine Rehabilitation Fund	**Various**	**–**	**–**	**–**	**652,794**	**652,794**

2024	Nominal Interest Rate	Less than 6 Months	6 to 12 Months	1 to 2 Years	More than 2 Years	Total
Cash in banks	Various	₱1,637,460	₱–	₱–	₱–	₱1,637,460
Short-term cash investments	5.88%	23,859	–	–	–	23,859
Mine Rehabilitation Fund	Various	–	–	–	602,602	602,602

The following table sets forth, for the year indicated, the impact of a reasonably possible change in interest rate for the years ended December 31, 2025, 2024 and 2023 in the consolidated statements of comprehensive income (through the impact of floating rate borrowings):

	Increase/Decrease in Basis Points	Effect on Income Before Income Tax
December 31, 2025	**+100**	**(₱27,962)**
	-100	**27,962**
December 31, 2024	+100	(₱22,639)
	-100	22,639
December 31, 2023	+100	(₱15,995)
	-100	15,995

There is no other effect on the Group's equity other than those already affecting the consolidated statements of comprehensive income.

Equity Price Risk
Equity price risk is the risk to earnings or capital arising from changes in stock prices relating to the Group's quoted equity instrument in OPRGI which is traded in the PSE and classified as "Financial asset at FVOCI" under "Other noncurrent assets".

The Group's policy is to maintain the risk to an acceptable level. Movement in share price is regularly monitored to determine the effect on the Group's financial position.

The table below shows the sensitivity to a reasonably possible change in equity prices on quoted equity instrument as at December 31, 2025 and 2024. The equity impact arrived using the reasonably possible change of the relevant market indices and the specific adjusted beta of each stock the Group holds. Adjusted beta is the forecasted measure of the volatility of a security or a portfolio in comparison to the market as a whole.

	Average Change in Market Indices	Sensitivity to Equity
2025	**16.63%**	**₱110**
	(16.63%)	**(110)**
2024	15.30%	₱128
	(15.30%)	(128)

<u>Credit Risk</u>
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits in banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group only trades with recognized, reputable and creditworthy third parties and/or only transacts with institutions and/or banks which have demonstrated financial soundness. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, export buyers are required to pay via LC issued by reputable banks with the result that Group's exposure to bad debts is not significant. Also, the Group, in some circumstances, requires advances from customers. Since the Group only trades with recognized third parties, there is no requirement for collateral.

Credit Risk Exposure
With respect to credit risk arising from cash and cash equivalents, trade and other receivables, advances to related parties, restricted cash and financial assets at FVOCI under "Other noncurrent assets", the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash and Cash equivalents, Restricted cash, MRF and Financial assets at FVOCI under "Other noncurrent asset"
In determining the credit risk exposure for cash and cash equivalents, restricted cash, MRF and financial assets at FVOCI under "Other noncurrent assets, the Group has established probability of default rates based on available credit ratings published by third-party credit rating agencies. The credit ratings already considered the forward-looking information. When a counterparty does not have published credit ratings, the Group benchmarks the credit ratings of comparable companies, adjusted to account for the difference in size and other relevant metrics. While cash in banks and short-term cash investments are also subject to the impairment requirements of PFRS 9, the identified impairment loss was immaterial.

Trade and Other Receivables
For trade and other receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Allowance for ECL on trade and other receivables amounted to ₱323.7 million as at December 31, 2025 and 2024.

Below is the ECL for trade and other receivables:

2025	**Current**	**Less than 30 days**	**Less than 60 days**	**Less than 90 days**	**More than 90 days**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**100%**	
Estimated total gross carrying amount as default	**₱1,069,153**	**₱–**	**₱–**	**₱–**	**₱323,703**	**₱1,392,856**
ECL	**₱–**	**₱–**	**₱–**	**₱–**	**₱323,703**	**₱323,703**

2024	Current	Less than 30 days	Less than 60 days	Less than 90 days	More than 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount as default	₱638,599	₱–	₱–	₱–	₱323,703	₱962,302
ECL	₱–	₱–	₱–	₱–	₱323,703	₱323,703

Advances to Related Parties
ECL on advances to related parties are assessed based on either 12-month or lifetime ECL. The Group considers reasonable and supportable information such as historical experience and forward-looking information available at each reporting period to determine whether there has been a significant increase in credit risk since initial recognition. The Group determines the realizable amount of advances to related parties based on cashflow forecast, which includes the use of projected sales volume, commodity prices, production costs and foreign exchange rates. The allowance for ECL on related parties is nil since the Group's expected cash flows to be received exceeds the contractual cash flows due.

Credit Quality of Financial Assets
The credit quality of financial assets is managed by the Group using credit ratings and is classified into three: High grade, which has no history of default; Standard grade, which pertains to accounts with history of one or two defaults; and Substandard grade, which pertains to accounts with history of at least three payment defaults or no repayment dates.

Accordingly, the Group has assessed the credit quality of the following financial assets:

- Cash, short-term cash investments, interest receivable, MRF and restricted cash are considered high grade since these are deposited in/or to be received from local and foreign banks.
- Trade receivables, which mainly pertain from sale of nickel ore, are assessed as high grade since the customers have good financial capacity. Trade receivables which are not foreseen to be collected have already been impaired and are classified as substandard grade.
- Advances to contractors are currently assessed as substandard grade since these have no repayment dates and these have already been impaired.
- Amounts owed by related parties are advances that are due and demandable. Management assesses the quality of these assets as high grade.
- Financial asset at FVOCI under "Other noncurrent assets" is an investment that can be traded to and from companies with good financial capacity, making the investment secured and realizable. Management assessed the quality of this asset as high grade.

The Group has no significant concentration of credit risk in relation to its financial assets. The Group's maximum exposure to credit risk for its financial assets as at December 31, 2025 and 2024 is the carrying amounts as per the statement of financial position.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments.

The Group's objective is to maintain sufficient funding to finance mining activities through internally generated funds and availment of existing credit lines with banks. The Group considers its available funds and its liquidity in managing its long-term financial requirements. For its short-term funding, the Group's policy is to ensure that there are sufficient capital inflows to match repayments of short-term debts. The Group regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments.

2025	**On Demand**	**Less than 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**1 to 2 Years**	**More than 2 Years**	**Total**
Trade and other payables:							
Trade	**₱–**	**₱244,181**	**₱–**	**₱–**	**₱–**	**₱–**	**₱244,181**
Accrued expenses*	**–**	**225,740**	**–**	**–**	**–**	**–**	**225,740**
Nontrade	**8,693**	**–**	**–**	**–**	**–**	**–**	**8,693**
Dividends payable	**24,746**	**–**	**–**	**–**	**–**	**–**	**24,746**
Advances from related parties	**2,807**	**–**	**–**	**–**	**–**	**–**	**2,807**
Lease liabilities	**–**	**22,774**	**23,424**	**47,696**	**96,842**	**1,917,216**	**2,107,952**
Noninterest-bearing liability	**–**	**103,559**	**–**	**–**	**–**	**–**	**103,559**
Other current liabilities	**28,176**	**–**	**–**	**–**	**–**	**–**	**28,176**
Total	**₱64,422**	**₱596,254**	**₱23,424**	**₱47,696**	**₱96,842**	**₱1,917,216**	**₱2,745,854**

**Excluding payables to government*

2024	On Demand	Less than 3 Months	3 to 6 Months	6 to 12 Months	1 to 2 Years	More than 2 Years	Total
Trade and other payables:							
Trade	₱–	₱553,436	₱–	₱–	₱–	₱–	553,436
Accrued expenses*	–	284,560	–	–	–	–	284,560
Nontrade	8,844	–	–	–	–	–	8,844
Dividends payable	24,893	–	–	–	–	–	24,893
Advances from related parties	4,210	–	–	–	–	–	4,210
Lease liabilities	–	22,295	22,839	45,947	93,894	2,014,058	2,199,033
Noninterest-bearing liability	–	–	–	578,450	578,450	680,344	1,837,244
Other current liabilities	28,176	–	–	–	–	–	28,176
Total	₱66,123	₱860,291	₱22,839	₱624,397	₱672,344	₱2,694,402	₱4,940,396

**Excluding payables to government*

The tables below summarize the maturity profile of the financial assets used by the Group to manage its liquidity risk as at December 31, 2025 and 2024.

2025	**On Demand**	**Less than 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**1 to 2 Years**	**More than 2 Years**	**Total**
Cash and cash equivalents:							
Cash on hand	**₱1,588**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,588**
Cash in banks	**2,118,648**	**–**	**–**	**–**	**–**	**–**	**2,118,648**
Short-term cash investments	**–**	**24,765**	**–**	**–**	**–**	**–**	**24,765**
Trade and other receivables:							
Trade receivables	**–**	**793,827**	**–**	**–**	**–**	**–**	**793,827**
Interest receivable	**–**	**722**	**–**	**–**	**–**	**–**	**722**
Advances to contractors	**143,787**	**–**	**–**	**–**	**–**	**–**	**143,787**
Advances to officers, employees, and others	**245,233**	**–**	**–**	**–**	**–**	**–**	**245,233**
Advances to related parties:							
Affiliates with common officers, directors and stockholders	**7,603**	**–**	**–**	**–**	**–**	**–**	**7,603**
Mine rehabilitation fund under "Other noncurrent assets"	**–**	**–**	**–**	**–**	**–**	**652,794**	**652,794**
Restricted cash under "Other noncurrent assets"	**–**	**–**	**–**	**–**	**–**	**32**	**32**
Financial asset at FVOCI under "Other noncurrent assets"	**–**	**–**	**–**	**–**	**–**	**1,560**	**1,560**
Total	**₱2,516,859**	**₱819,314**	**₱–**	**₱–**	**₱–**	**₱654,386**	**₱3,990,559**

2024	On Demand	Less than 3 Months	3 to 6 Months	6 to 12 Months	1 to 2 Years	More than 2 Years	Total
Cash and cash equivalents:							
Cash on hand	₱1,523	₱–	₱–	₱–	₱–	₱–	₱1,523
Cash in banks	1,637,460	–	–	–	–	–	1,637,460
Short-term cash investments	–	23,859	–	–	–	–	23,859
Trade and other receivables:							
Trade receivables	–	579,651	–	–	–	–	579,651
Advances to contractors	285,769	–	–	–	–	–	285,769
Advances to officers, employees, and others	70,115	–	–	–	–	–	70,115
Advances to related parties:							
Affiliates with common officers, directors and stockholders	7,603	–	–	–	–	–	7,603
Mine rehabilitation fund under "Other noncurrent asset"	–	–	–	–	–	602,602	602,602
Restricted cash under "Other noncurrent assets"	–	–	–	–	–	32	32
Financial asset at FVOCI under "Other noncurrent assets"	–	–	–	–	–	1,982	1,982
Total	₱2,002,470	₱603,510	₱–	₱–	₱–	₱604,616	₱3,210,596

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains sufficient cash balances and strong credit rating to support its business and to maximize stockholders' value.

The Group manages its capital structure and makes adjustments to it after carefully considering changes in the economic environment. To maintain or adjust the capital structure, the Group may utilize the following: (a) obtain additional stockholders' advances to augment capital, (b) issue new shares, and (c) return capital to stockholders if and when feasible. No changes were made in the objectives, policies or processes in 2025 and 2024.

The Group monitors capital using the monthly cash flows and financial statements. It is the policy of the Group to maintain a positive cash flow from operations. The Group determines the inflows from operations for the analysis of its cash position in order to pay currently maturing obligations. The Group places reliance on sales projections and cost management in addressing cash flow concerns.

The Group likewise monitors certain ratios respective of the loan covenants it signed for credit facility obtained for the Surigao mining operations financing as well as for capital expenditure purposes.

33. Fair Value Measurement

Cash and cash equivalents, Trade receivables, Advances to contractors and Interest receivables under "Trade and other receivables" and Trade and other payables
The carrying amounts of cash and cash equivalents, trade receivables, advances to contractors and interest receivable 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 Payable to previous stockholders of CNMEC and BNVI under "Other noncurrent liabilities"
Advances to and from related parties and payable to previous stockholders of CNMEC and BNVI 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 EIR ranging from 2.5% to 7.3%. The computed fair value approximates its carrying amount.

Fair Value Hierarchy
All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy as follows:

2025	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Asset measured at fair value:					
Financial asset at FVOCI	**₱1,560**	**₱1,560**	**₱–**	**₱–**	**₱1,560**
Liabilities for which fair values are disclosed:					
Lease liabilities	**₱740,650**	**–**	**–**	**₱740,650**	**₱740,650**
Noninterest-bearing liabilities	**646,791**	**–**	**646,791**	**–**	**646,791**
	₱1,387,441	**₱–**	**₱646,791**	**₱740,650**	**₱1,387,441**

2024	Carrying Amount	Level 1	Level 2	Level 3	Total
Asset measured at fair value:					
Financial asset at FVOCI	₱1,982	₱1,982	₱–	₱–	₱1,982
Liabilities for which fair values are disclosed:					
Lease liabilities	764,604	₱–	–	₱764,604	764,604
Noninterest-bearing liabilities	1,630,982	–	1,630,982	–	1,630,982
Other current liabilities	28,176	–	28,176	–	28,176
	₱2,423,762	₱–	₱1,659,158	₱764,604	₱2,423,762

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

34. **Significant Agreements**

Ore Supply Agreements

Revenue from contracts with customers is recognized when the Group satisfies an identified performance obligation by transferring the promised goods to a customer. The performance obligation is satisfied at point in time when the beneficiated nickel ore passes the rail of the vessel since all risk of loss, damage and/or destruction to the ore delivered is borne by the customer upon loading. Revenue from contracts with Chinese customers excluding the net demurrage amounted to ₱8,542.7 million, ₱7,592.5 million and ₱8,766.0 million in 2025, 2024 and 2023, respectively.

Operating Agreements

SIRC

On September 15, 2006, PGMC entered into an operating agreement with SIRC, subsidiary and holder of rights to the mining tenements located in the Surigao provinces. SIRC grants PGMC exclusive privilege and right to occupy, explore, develop, utilize, mine, mill, beneficiate and undertake activities within the areas in the Cagdianao mining tenement covered under MPSA No. 007-92-X for a period of 25 years.

For purposes of royalty obligation, PGMC adopts the royalty agreement entered into by SIRC with CMDC. PGMC shall pay CMDC royalty fees of 3% to 7% of gross receipts determined through freight on board price from the sale of nickel ore mined and produced from the Cagdianao mining properties.

On April 17, 2018, the BOD approved the renegotiation of royalty fees as agreed under the Royalty Agreement dated November 17, 2010, executed by and between CMDC and the Group, with conformity of SIRC. This resulted into an Amended Royalty Agreement, by mutual consent of both parties, containing the lower royalty base rates equivalent to 2% to 5%.

Total royalty fees incurred to CMDC amounted to ₱206.2 million, ₱183.0 million and ₱189.9 million in 2025, 2024 and 2023, respectively (see Note 24).

CNMEC

On August 25, 2005, INC entered into an operating agreement with CNMEC, a stockholder and holder of rights to the mining tenements located in Brooke's Point, Palawan. CNMEC grants INC the exclusive right to occupy, explore, develop, utilize, mine, mill, beneficiate and undertake activities within Brooke's Point, Palawan which has a total area of 2,835 hectares covered under MPSA No. 017-93-IV - as Amended - 2000 for a period of 25 years.

Service Contract - CAGA 1, 2, 3 and 4

PGMC

In 2024, the Group entered into service contracts with Alonzo Construction, Anseca Dev't Corporation, Best Trucking & Transport Phil. Inc., Cean Construction, Cagdianao Konstruct Development, Inc., CTB Engineering Construction, EZM Movers, Inc., MRMJ Earth Movers Corporation, Pazifik Ventures Trucking Service, Inc., and and 2S Development Construction Corp. to operate the mining activities within CAGA 1, 2, 3 and 4 in Surigao, wherein the Company will pay the contractors for every tonne of ore shipped based on activities described in the Independent Mining Contractor Agreement and classification of ore.

Total contract hire incurred for CAGA 1, 2, 3 and 4 amounted to ₱1,235.9 million, ₱1,626.2 million and ₱1,358.7 million and in 2025, 2024 and 2023, respectively.

INCs

In 2025, the Company entered into service contracts with Cagdianao Konstruct Development, Inc. and Anseca Development Corporation to operate the mining activities within the Company's mining tenement located in Palawan, wherein the Company will pay the contractors for every WMT of ore shipped based on activities described in the Independent Mining Contractor Agreement and classification of ore.

Total contract hire incurred related to this service contract amounted to ₱1,102.9 million, ₱860.0 million, ₱883.0 million in 2025, 2024 and 2023 respectively.

Disaggregation of revenue for the years ended are as follows:

	2025	2024	2023
Revenue from sale of ore	**₱8,542,658**	₱7,592,520	₱8,766,001
Revenue from services	**12,290**	18,409	19,461
	₱8,554,948	₱7,610,929	₱8,785,462

35. **Other Matters**

Mercantile Insurance Co., Inc. (MIC)
On November 6, 2017, the Regional Trial Court (RTC) of Makati ordered MIC to pay ₱183.3 million in relation to the insurance policy covering the Company's property and equipment which were destroyed and deemed totally lost on October 3, 2011, due to an armed group which simultaneously raided and seized control of the Company's mining premises. On December 11, 2017, the Company and MIC filed a Motion for Partial Reconsideration and a Motion for Reconsideration, respectively. On December 18, 2017, MIC filed a Motion to Inhibit which was granted on January 11, 2018.

In a Resolution dated May 9, 2018, the trial court: (a) affirmed the Decision dated November 6, 2017, which ordered MIC to pay the Company the amount of ₱183.3 million; (b) denied MIC's Motion for Reconsideration; and (c) granted the Company's Motion for Partial Reconsideration, ordering MIC to pay the following additional amounts: (i) interest at 6% per annum from the date of filing of the case on August 30, 2013 until the obligation is fully paid; (ii) ₱18.0 million by way of attorney's fees; and (iii) ₱4.5 million as costs of suit.

MIC has filed a Notice of Appeal, which was approved by the trial court. In a Decision dated December 4, 2019, the Court of Appeals granted MIC's Appeal, setting aside the decision of the trial court and thereafter denied the Company's Motion for Reconsideration.

On November 20, 2020, the Company filed a Petition for Review on Certiorari with the Supreme Court. On November 22, 2023, the Company received from the Supreme Court its Decision denying the Company's Petition and affirming the dismissal of the complaint for breach of obligation against MIC on the ground that an excepted peril caused the loss of or damage to the insured trucks. On December 7, 2023, the Company filed a Motion for Partial Reconsideration with Motion to Refer the Case to the Supreme Court En Banc.

On July 22, 2024, the Supreme Court issued a resolution requiring MCI to submit a Comment on PGMC's Motion. As of December 31, 2025, PGMC has not yet received MCI's Opposition.

Enhanced Fiscal Regime for Large-Scale Metallic Mining Act or RA 12253
On September 4, 2025, RA 12253, otherwise known as the "Enhanced Fiscal Regime for Large-Scale Metallic Mining Act", was signed into law. It took effect fifteen (15) days after its complete publication in the Official Gazette and in newspapers of general circulation or September 20, 2025. The Implementing Rules and Regulations (IRR) of RA 12253 were promulgated on December 18, 2025, although the transitory clause provides that large-scale metallic mining contractors and/or operators shall immediately be subject to the fiscal regime provided therein after one hundred fifty days (150) days from the date of effectivity or February 17, 2026.

RA 12253 applies to large-scale metallic mining operations, or the exploration, development and utilization of metallic minerals under a mineral agreement or Financial or Technical Assistance Agreement (FTAA). Patented mining claims validly located and perfected under the Philippine Bill of L902, which have thereby been segregated from the public domain and vested with private ownership, and which have been expressly excluded from the coverage of any mineral agreement or FTAA, shall not be subject to the taxes imposed under Section 15L-A of the National Internal Revenue Code, as amended by RA 12253, except as may be otherwise determined by the Supreme Court of Philippines.

The following, among others, are the salient provisions of RA 12253:

- Income from metallic mining operations is defined as gross output less deductions directly attributable to mining operations, which include:
  - Mining, milling, transporting, and handling expenses together with smelting and refining costs incurred, which refer to ordinary and necessary costs incurred in the extraction and processing of minerals
  - General and administrative expenses actually incurred by the metallic mining contractor or operator
  - Environmental expenses of the metallic mining contractor or operator,
  - Expenses for the development of host and neighboring communities and of geosciences and mining technology
  - Lease and royalty payments which shall refer to necessary payments made by the contractor or operator to claim owners, or surface landowners, and/or Indigenous Cultural Community or Indigenous People relating to the contract area during the operating period
  - Continuing exploration and development expenses, which shall refer to costs incurred within the contract area after the pre-operating period for further exploration and development of the mining project
  - Interest expenses which shall refer to amounts paid or incurred on loans that are necessary for mining operations, subject to the financing requirement under the mineral agreement or FTAA, provided that interest incurred on related-party debts of metallic mining contractors or operators, in excess of a quarterly related-party debt-to-equity ratio of 2:1 at any time during a taxable year shall not be allowed as a deduction under Section 3a(B) of the Tax Code, as amendedtDepreciation, depletion, or amortization, which shall refer to deductions representing the systematic allocation of the cost of tangible and intangible mining assets over their useful life or productive period
  - Duties, fees, charges, and taxes, which shall refer to compulsory payments imposed under existing laws and regulations, other than royalty as provided in this Section 151-A and the windfall profits tax under Section 151-B of the Tax Code, as amended

- Margin, for purposes of calculating the royalty tax, is defined as the ratio of income from large-scale metallic mining operations to gross output while for purposes of calculating the windfall profits tax, 'windfall' or 'margin' is defined as the ratio of 'net income from large-scale metallic mining operations' to gross output. Royalty of 5% on the gross output of the minerals or mineral products extracted or produced by large-scale metallic mineral operations within mineral reservations.
- Margin-based royalty ranging from 1% to 5% on income of large-scale metallic operations outside mineral reservations. If the margin of large-scale metallic mining operations outside mineral reservations is less than or equal to 0%, a minimum royalty of 1/10 of 1% of the gross output of the minerals or mineral products extracted or produced shall be imposed
- Large-scale metallic mining operations shall be subject to a windfall profits tax on net income from metallic mining operations. The windfall profits tax rate is based on margin and ranges from 1% to 10%. For purposes of calculating the windfall profits tax, windfall or margin refers to the ratio of net income from large-scale metallic mining operations to gross output except that allowable tax deductions shall include corporate income tax and royalty tax. Further, for the purpose of computing the windfall or margin, the optional standard deduction shall not be used. The windfall profits tax shall not be deductible from taxable income as defined in Section 31 of the Code.
- For purposes of computing and paying the royalty tax and windfall profits tax, the following shall be treated as a separate taxable entity:
  - A metallic mining contractor, with respect to each mineral agreement or FTAA that it holds and/or operates
  - Where there is more than one (1) valid mining operator under the same mineral agreement or FTAA, each mining operator shall be deemed a separate taxable entity for its respective mining operations under each mineral agreement or FTAA

- The fiscal regime and revenue-sharing arrangement provided under RA 12253 shall accordingly be embodied, as appropriate, in the mineral agreements and FTAA on metallic mineral production entered into by the Philippines government. This fiscal regime and revenue-sharing arrangement shall continue to be in force and effect for the entire duration of the contracts so entered and executed after the enactment of RA 12253. Valid mineral agreements and FTAA existing prior to the effectivity of the IRR shall continue to be governed by their respective terms and conditions until the expiration of their periods, except if said agreements provide that terms and conditions resulting from the repeal or amendment of existing laws or regulations or from the enactment of new laws or regulations shall be considered written into and part of said mineral agreements and FTAAs.

As of December 31, 2025, the revenue regulations implementing changes to the Tax Code, as amended by RA 12253, have not yet been issued by the BIR.

RA 12253 is not considered substantively enacted as of December 31, 2025, because the transitory clause in the IRR provides that large-scale metallic mining contractors and/or operators shall be subject to the fiscal regime provided therein only on February 17, 2026.

The Group is currently assessing the impact of the amendments introduced by RA 12253 on its December 2026 financial statements based on the provisions of the IRR. The Group will reassess the impact of RA 12253 on its financial statements after the relevant revenue regulations have been issued by the BIR.

<u>Impact of Middle East Conflict</u>
Ongoing geopolitical tensions arising from the conflict in Iran have contributed to increased volatility in global energy and commodity markets, particularly affecting oil, sulfur, and base metals. As a fuel-intensive, export-oriented nickel ore producer, the Group remains exposed to fluctuations in diesel and bunker fuel prices, which directly impact mining operations, hauling, and shipping logistics. In addition, tightening supply conditions for sulfuric acid—an essential input in downstream nickel processing—have contributed to cost pressures across the value chain. These conditions, together with supply-side constraints such as production quota reductions in Indonesia, have driven raw nickel ore prices to near two-year highs.

While the prevailing market environment may support improved revenue realization for upstream exporters, margin volatility remains a risk, particularly if input cost pressures persist.

These factors highlight the Group’s continued exposure to external geopolitical developments and underscore the importance of disciplined cost management, operational efficiency, and flexible logistics strategies to support production stability and export performance.

Management has evaluated these developments and determined that the conflict constitutes a non-adjusting event in accordance with PAS 10, *Events after the Reporting Period*, as it does not provide evidence of conditions that existed at the reporting date. As of May 20, 2026 the potential financial impact of these developments on the Group’s operations cannot be reliably estimated.

36. Supplemental Disclosure to Consolidated Statements of Cash Flows

The following table summarizes the changes in liabilities arising from financing activities:

	January 1, 2025	**Payments**	**Interest expense**	**Reclassification**	**Foreign exchanges**	**Others**	**December 31, 2025**
Lease Liability							
Current	**₱85,669**	**(₱70,948)**	**₱46,994**	**₱42,528**	**₱–**	**₱–**	**₱104,243**
Noncurrent	**678,935**	**–**	**–**	**(42,528)**	**–**	**–**	**636,407**
Noninterest-bearing liability							
Current	**482,683**	**(1,164,330)**	**87,080**	**1,148,299**	**17,843**	**75,216**	**646,791**
Noncurrent	**1,148,299**	**–**	**–**	**(1,148,299)**	**–**	**–**	**–**
Other current liabilities							
Current	**28,176**	**–**	**–**	**–**	**–**	**–**	**28,176**
Noncurrent	**232**	**–**	**–**	**–**	**–**	**–**	**232**
Total liabilities from financing activities	**₱2,423,994**	**(₱1,235,278)**	**₱134,074**	**₱–**	**₱17,843**	**₱75,216**	**₱1,415,849**

	January 1, 2024	Availments/ Additions	Payments	Interest expense	Reclassification	Foreign exchanges	December 31, 2024
Loans payable							
Current	₱347,294	₱–	(₱347,294)	₱–	₱–	₱–	₱–
Lease Liability							
Current	75,881	–	(108,161)	49,423	68,526	–	85,669
Noncurrent	747,461	–	–	–	(68,526)	–	678,935
Noninterest-bearing liability							
Current	437,958	–	(564,030)	121,586	418,453	68,716	482,683
Noncurrent	1,566,752	–	–	–	(418,453)	–	1,148,299
Other current liabilities							
Current	301,699	–	(276,128)	–	–	2,605	28,176
Noncurrent	232	–	–	–	–	–	232
Total liabilities from financing activities	₱3,477,277	₱–	(₱1,295,613)	₱171,009	₱–	₱71,321	₱2,423,994

	January 1, 2023	Availments/ Additions	Payments	Interest expense	Reclassification	Foreign exchanges	December 31, 2023
Loans payable							
Current	₱315,675	₱–	(₱491,180)	₱–	₱526,125	(₱3,326)	₱347,294
Noncurrent	526,125	–	–	–	(526,125)	–	–
Lease Liability							
Current	57,823	–	(62,984)	50,741	30,301	–	75,881
Noncurrent	777,762	–	–	–	(30,301)	–	747,461
Noninterest-bearing liability							
Current	561,200	–	(544,290)	148,816	307,730	(35,498)	437,958
Noncurrent	1,874,482	–	–	–	(307,730)	–	1,566,752
Other current liabilities							
Current	572,179	–	(270,480)	–	–	–	301,699
Noncurrent	232	–	–	–	–	–	232
Total liabilities from financing activities	₱4,685,478	₱–	(₱1,368,934)	₱199,557	₱–	(₱38,824)	₱3,477,277

Noncash financing and investing activities as at December 31, 2025 pertain to the following:

a. Increase in investment in associates due to the share in net income during the year amounted to ₱296.6 million.

b. Acquisition of treasury shares on account amounting to ₱17.7 million.

c. Net increase in property and equipment as a result of the following transactions:

- Change in estimated cost of asset retirement obligation due to change in interest and inflation rate amounting to ₱7.1 million.
- Depreciation and depletion and amortization of property and equipment and mining rights amounting to ₱600.7 million.
- Currency translation adjustment on property and equipment amounting to ₱3.1 million

- Additions of land through a donation from a stockholder amounting to ₱105.7 million.
- Reclassification from advances to suppliers to land amounting to ₱50.0 million.

d. The net increase in other noncurrent assets was due to the following:

   - Amortization of the intangible assets amounting to ₱5.1 million.
   - Accretion of interest income from security deposits amounting to ₱0.9 million.
   - Revaluation loss adjustment on financial assets at FVOCI amounting to ₱0.4 million.
   - Reclassification from advances to suppliers to land amounting to ₱50.0 million
   - Provision for impairment loss on input VAT amounting to ₱113.8 million.

e. Increase in advances to related parties related to disposal of operating assets amounting to ₱7.4 million.

Noncash financing and investing activities as at December 31, 2024 pertain to the following:

a. Net decrease in property and equipment as a result of the following transactions:

   - Change in estimated cost of asset retirement obligation due to change in interest and inflation rate amounting to ₱7.1 million.
   - Depreciation and depletion and amortization of property and equipment and mining rights amounting to ₱600.7 million.
   - Currency translation adjustment on property and equipment amounting to ₱3.1 million.

b. Increase in investment in an associate amounting to ₱214.2 million pertains to the share in net income for the year ended December 31, 2025.

c. The net increase in other noncurrent assets was due to the following:

   - Amortization of the intangible assets amounting to ₱5.1 million.
   - Accretion of interest income from security deposits amounting to ₱0.9 million.
   - Revaluation loss adjustment on financial assets at FVOCI amounting to ₱0.7 million.
   - Provision for impairment loss on input VAT amounting to ₱77.2 million.
   - Unrealized foreign exchange loss amounting to ₱0.5 million.

Noncash financing and investing activities as at December 31, 2023 pertain to the following:

a. Net increase in property and equipment as a result of the following transactions:

   - Change in estimated cost of asset retirement obligation due to change in interest and inflation rate amounting to ₱18.2 million.
   - Depreciation and depletion and amortization of property and equipment and mining rights amounting to ₱548.7 million.
   - Currency translation adjustment on property and equipment amounting to ₱0.2 million.

b. Unrealized foreign exchange loss recognized on the following:

   - ₱62.4 million unrealized loss on advances from related party
   - ₱14.7 million unrealized gain on advances to related parties

c. Increase in investment in associate amounting to ₱158.9 million pertains to the share in net income for the year ended December 31, 2023.

d. The increase in other noncurrent assets was due to the following:

- Amortization of the intangible assets amounting to ₱5.0 million.
- Accretion of interest income from security deposits amounting to ₱0.9 million.
- Revaluation adjustment on financial assets at FVOCI amounting to ₱0.4 million
- Provision for impairment loss on input VAT amounting to ₱0.9 million.

e. The increase in advances to related parties was due to the following:

- Sale of treasury shares on account amounting to ₱129.7 million

37. **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 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 99.9%, 99.8% and 99.8% of the Group's total revenue in 2025 and 2024 and 2023, respectively. Accordingly, the Group's mining segment operates in two (2) geographical locations, Philippines and Hong Kong, China. The Group's manufacturing segment is incorporated to build a rebar steel rolling plant in Bataan, Philippines (see Note 1 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 and Hong Kong, China.

Almost all revenues of the Group in 2025 and 2024 and 2023 are generated from external customers located in China. China is a top importer of nickel ore worldwide, as raw material for intermediate products for the manufacture of stainless steel, nickel pig iron, nickel cathodes, among others. Any slowdown in these sectors in China or in China's economy or outlook in general could result in lower Chinese demand for the Group's product. In the event that the demand for the Group's nickel ore from the Chinese customers materially decreases and the Group is unable to find new customers to replace the Chinese customers, the Group's business, results of operations, and financial condition could be materially and adversely affected.

Revenues from the major external customers of the Group are covered by ore supply agreement

	2025	2024	2023
Guangdong Century Tsingshan Nickel Company Limited	**₱3,884,647**	₱1,369,197	₱4,326,678
Viva Global Group, Ltd.	**1,957,489**	4,991,858	1,780,941
Wu Hua Holding Limited	**1,294,159**	562,463	494,909
GHGC Holdings Ltd.	**349,959**	106,479	634,182
Deep Source Pte Ltd	**388,524**	–	–
	₱7,874,778	₱7,029,997	₱7,236,710

Financial information on the operation of the various business segments for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025				
	Mining	**Manufacturing**	**Services**	**Elimination**	**Total**
External customers	**₱8,542,658**	**₱–**	**₱12,290**	**₱–**	**₱8,554,948**
Intersegment revenues	**3,120,732**	**–**	**130,254**	**(3,250,986)**	**–**
Total revenues	**11,663,390**	**–**	**142,544**	**(3,250,986)**	**8,554,948**
Cost of sales	**6,823,620**	**–**	**168,792**	**(3,092,058)**	**3,900,354**
Excise taxes and royalties	**841,320**	**–**	**–**	**–**	**841,320**
Shipping and distribution	**878,133**	**–**	**–**	**(130,254)**	**747,879**
Segment operating earnings	**3,120,317**	**–**	**(26,248)**	**(28,674)**	**3,065,395**
General and administrative	**1,203,789**	**11,466**	**40,385**	**–**	**1,255,640**
Finance costs	**(196,494)**	**–**	**(26,433)**	**65,805**	**(157,122)**
Share in net income of investment in associates	**214,687**	**–**	**–**	**(454)**	**214,233**
Finance income	**17,908**	**1**	**27**	**–**	**17,936**
Other income (charges) - net	**43,849**	**25**	**269**	**(46,100)**	**(1,957)**
Provision for (benefit from) income tax	**470,584**	**–**	**2,527**	**(2,242)**	**470,869**
Segment net income (loss)	**1,525,894**	**(11,440)**	**(95,297)**	**(7,181)**	**1,411,976**
Net income (loss) attributable to NCI	**1,026**	**–**	**(10,794)**	**–**	**(9,768)**
Segment net income (loss) attributable to equity holders	**1,524,868**	**(11,440)**	**(84,503)**	**(7,181)**	**1,421,744**
Segment assets	**30,833,458**	**1,008,181**	**2,080,301**	**(16,818,968)**	**17,102,972**
Deferred tax assets – net	**156,335**	**–**	**–**	**–**	**156,335**
Total assets	**30,989,793**	**1,008,181**	**2,080,301**	**(16,818,968)**	**17,259,307**
Segment liabilities	**4,276,784**	**470,248**	**545,470**	**(2,722,797)**	**2,569,705**
Deferred tax assets – net	**–**	**–**	**207,229**	**–**	**207,229**
Total liabilities	**4,276,784**	**470,248**	**752,699**	**(2,722,797)**	**2,776,934**
Capital expenditures	**572,044**	**–**	**53,523**	**–**	**625,567**
Depreciation, depletion and amortization	**₱524,663**	**₱38**	**₱112,412**	**₱8,968**	**₱646,081**

	2024				
	Mining	Manufacturing	Services	Elimination	Total
External customers	₱7,592,520	₱ –	₱18,409	₱–	₱7,610,929
Intersegment revenues	679,149	4,800	72,339	(756,288)	–
Total revenues	8,271,669	4,800	90,748	(756,288)	7,610,929
Cost of sales	4,600,472	–	147,118	(678,056)	4,069,534
Excise taxes and royalties	791,933	–	–	–	791,933
Shipping and distribution	456,742	–	–	(72,339)	384,403
Segment operating earnings	2,422,522	4,800	(56,370)	(5,893)	2,365,059
General and administrative	1,363,496	6,975	41,489	–	1,411,960
Finance costs	(181,053)	–	(25,803)	–	(206,856)
Share in net income of investment in associates	296,569	–	–	–	296,569
Finance income	17,969	2	36	–	18,007
Other income (charges) - net	31,222	59	16,604	(79,772)	(31,887)
Provision for (benefit from) income tax	298,074	1,200	(1,904)	(2,221)	295,149
Segment net income (loss)	925,659	(3,314)	(105,118)	(83,444)	733,783
Net income (loss) attributable to NCI	211	–	(10,324)	–	(10,113)
Segment net income (loss) attributable to equity holders	925,448	(3,314)	(94,794)	(83,444)	743,896
Segment assets	29,927,604	1,008,284	2,140,885	(16,125,377)	16,951,396
Deferred tax assets - net	140,837	–	–	–	140,837
Total assets	30,068,441	1,008,284	2,140,885	(16,125,377)	17,092,233
Segment liabilities	5,029,587	458,911	822,066	(2,285,386)	4,025,178
Capital expenditures	423,855	36,908	543,473	–	1,004,236
Depreciation, depletion and amortization	₱523,176	₱334	₱90,623	–	₱614,133

	2023				
	Mining	Manufacturing	Services	Elimination	Total
External customers	₱8,766,001	₱–	₱19,461	₱–	₱8,785,462
Intersegment revenues	1,945,163	4,800	87,721	(2,037,684)	–
Total revenues	10,711,164	4,800	107,182	(2,037,684)	8,785,462
Cost of sales	5,356,680	–	159,407	(1,923,856)	3,592,231
Excise taxes and royalties	851,168	–	–	–	851,168
Shipping and distribution	485,155	–	–	(87,721)	397,434
Segment operating earnings	4,018,161	4,800	(52,225)	(26,107)	3,944,629
General and administrative	1,101,462	7,325	38,219	–	1,147,006
Finance costs	(250,474)		(25,098)	–	(275,572)
Share in net income of investment in associates	158,917	–	–	–	158,917
Finance income	29,499	18	91	–	29,608
Other income (charges) – net	829,568	4,339	(2,182)	(914,928)	(83,203)
Provision for (benefit from) income tax	695,980	437	(951)	118,767	814,233
Segment net income (loss)	2,988,229	1,395	(116,682)	(1,059,802)	1,813,140
Net income attributable to NCI	283,694	–	(14,698)	–	268,996
Segment net income (loss) attributable to equity holders	2,704,535	1,395	(101,984)	(1,059,802)	1,544,144
Segment assets	31,961,768	989,019	2,072,306	(17,744,742)	17,278,351
Deferred tax assets - net	134,092	–	2,298	–	136,390
Total assets	32,095,860	989,019	2,074,604	(17,744,742)	17,414,741
Segment liabilities	8,058,771	417,438	415,256	(3,757,075)	5,134,390
Capital expenditures	500,370	353,605	15,020	–	868,995
Depreciation, depletion and amortization	₱451,083	₱520	₱108,469	₱–	₱560,072

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
ANNUAL AUDITED FINANCIAL REPORT
TABLE OF CONTENTS
DECEMBER 31, 2025

GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2025

SUPPLEMENTARY SCHEDULES

SCHEDULE I
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
PURSUANT TO THE REVISED SRC RULE 68 AND SEC MEMORANDUM CIRCULAR NO. 11
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands)

Unappropriated Retained Earnings, beginning of reporting period			₱6,383,181
Add:	Category A: Items that are directly credited to Unappropriated Retained Earnings	–	
	Reversal of Retained Earnings Appropriation/s	–	
	Effect of restatements or prior-period adjustments	–	
	Others (describe nature)	–	–
Less:	Category B: Items that are directly debited to Unappropriated Retained Earnings		
	Dividend declaration during the reporting period	–	
	Retained Earnings appropriated during the reporting period	–	
	Effect of restatements or prior-period adjustments	–	
	Others (describe nature)	–	–
Unappropriated Retained Earnings, as adjusted			6,383,181
Add/Less: Net Income for the current year			1,174,940
Less:	Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
	Equity in net income of associate/joint venture, net of dividends declared	160,675	
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
	Unrealized fair value gain of Investment Property	–	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
	Subtotal		160,675
Add:	Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
	Realized foreign exchange gain, except those attributable to Cash and Cash Equivalents	–	
	Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
	Realized fair value gain of Investment Property	–	
	Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
	Subtotal		–

(Forward)

Add:	Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
	Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	₱–	
	Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
	Reversal of previously recorded fair value gain of Investment Property	–	
	Reversal of other unrealized gains or adjustments to the retained Earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	–	
	Subtotal		–
Adjusted Net Income/Loss			1,014,265
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
	Depreciation on revaluation increment (after tax)	–	
	Subtotal		–
Add/Less:	Category E: Adjustments related to relief granted by the SEC and BSP		
	Amortization of the effect of reporting relief	–	
	Total amount of reporting relief granted during the year	–	
	Others (describe nature)	–	
	Subtotal		–
Add/Less:	Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
	Net movement of treasury shares (except for reacquisition of redeemable shares)	(17,705)	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use assets and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	230	
	Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
	Others (describe nature)	–	
	Subtotal		(17,475)
Total Retained Earnings, end of the reporting period available for dividend			₱7,379,971

SCHEDULE II
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-E
PURSUANT TO REVISED SRC RULE 68
AS AT DECEMBER 31, 2025
(Amounts in Thousands; Except Number of Shares)

Schedule A. Financial Assets

Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Income Received and Accrued
Cash on hand and in banks	N/A	₱2,120,236	₱13,167
Short-term cash investments	N/A	24,765	905
Trade and other receivables:			
Trade receivables	N/A	688,293	–
Advances to contractors	N/A	143,787	–
Restricted cash under “Other noncurrent assets”	N/A	32	–
Financial asset at FVOCI under “Other noncurrent assets”	4,216,100 shares	1,560	–
Advances to related parties	N/A	12,723	–
		₱2,991,396	₱14,072

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected/ assigned	Amounts written-off/offset /reclass	Current	Non current	Balance at end of period
Officer/Director	₱50	₱16	₱–	₱–	₱66	₱–	₱66
Bravo Cement, Inc.	7,563	6	–	–	7,569	–	7,569
Giantlead Prestige, Inc	–	22	–	–	22	–	22
Swift Glory Int’l Holdings, Inc.	81	1	–	–	82	–	82
Cagdianao Lateritic Nickel Mining, Inc.	–	16	–	–	16	–	16
Antares Nickel Capital, Inc.	171	22	–	–	193	–	193
Blue Eagle Elite Ventures, Inc.	18	25	–	–	43	–	43
Great Ally Holdings, Inc.	–	1	–	–	1	–	1
Sohoton Synergy, Inc.	58	22	–	–	80	–	80
The Chamber of Phils-China Economy & Trade Promotion Inc.	–	11	–	–	11	–	11
Ultimate Horizon Capital, Inc.	18	19	–	–	37	–	37
Great South Group Ventures, Inc.	37	–	–	–	37	–	37
Ferrochrome Resources, Inc.	40	4,448	–	–	4,488	–	4,488
Bellatrix Star Inc.	–	18	–	–	18	–	18
Alpha Centauri Fortune Group Inc.	–	19	–	–	19	–	19
Red Lion Fortune Group, Inc.	–	19	–	–	19	–	19
Regulus Best Nickel Holdings, Inc.	–	22	–	–	22	–	22
	₱8,036	₱4,687	₱–	₱–	₱12,723	₱–	₱12,723

Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts reclassed	Current	Non current	Amount eliminated
Southeast Palawan Nickel Ventures, Inc.	₱980,045	₱65,805	₱162,208	₱–	₱883,642	₱–	₱883,642
Ipilan Nickel Corporation	–	15,414	–	–	15,414	–	15,414
FNI Steel Landholdings Corporation	229,068	288	–	–	229,356	–	229,356
PGMC-CNEP Shipping Services Corp.	–	1,812	–	–	1,812	–	1,812
FNI Steel Corporation	229,713	212	–	–	229,925	–	229,925
Platinum Group Metals Corporation	82,977	–	29,381	53,596	–	–	–
Celestial Nickel Mining Exploration Corporation	18,525	154	–	–	18,679	–	18,679
Surigao Integrated Resources Corporation	1,918	–	–	347	1,571	–	1,571
Global Ferronickel Holdings, Inc.	30,534	–	30,534	–	–	–	–
Camarines Nickel Ore Mining Corporation	2,086	186	–	–	2,272	–	2,272
Eastern Samar Nickel Mining Corporation	1,507	270	–	–	1,777	–	1,777
Northern Luzon Nickel Edge Corporation	11,478	–	16	–	11,462	–	11,462
Worldlink EV Power Philippines Corporation	6,221	–	–	–	6,221	–	6,221
Nickel Laterite Resources, Inc.	1,583	–	–	1,165	418	–	418
Mariveles Harbor Corporation	4,887	2,276	–	–	7,163	–	7,163
	₱1,600,542	₱86,417	₱222,139	₱55,108	₱1,409,712	₱–	₱1,409,712

Schedule D. Intangible Assets – Other Assets

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other charges additions (deductions)	Ending balance
Mining rights	₱102,663	₱–	₱6,733	₱–	₱–	₱95,930
Golf membership	21,778	–	5,017	–	–	16,761
Computer software	1,602	–	1,583	–	–	19

Schedule E. Long-Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown as Current	Amount shown as Noncurrent
Gu Zhifang	₱–	₱646,791	₱–

Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Beginning balance	Ending balance

Not Applicable

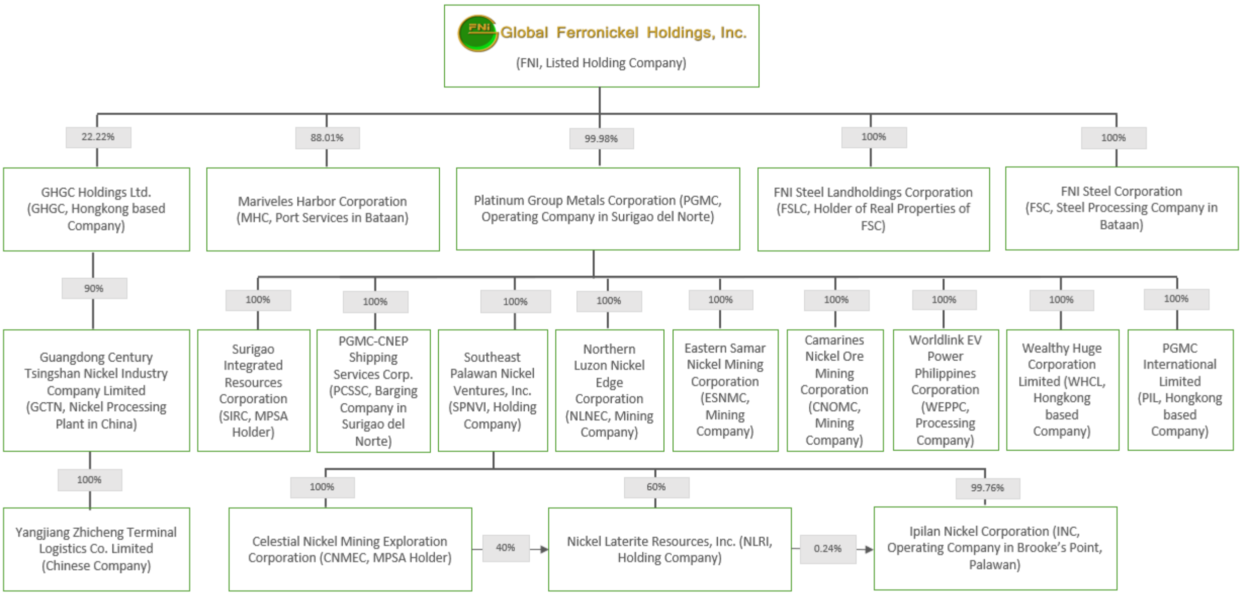
Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
		Not Applicable		

Schedule H. Capital Stock

				No. of shares held by		
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption	Number of shares reserved for options, warrants, conversion and other rights	Affiliates	Directors and Officers	Others
Common shares	11,957,161,906	5,110,421,196	–	–	50,845,799	5,070,315,490

SCHEDULE III
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
MAP OF THE RELATIONSHIPS OF THE COMPANIES
WITHIN THE GROUP
PURSUANT TO REVISED SRC RULE 68
AS AT DECEMBER 31, 2025



SCHEDULE IV
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS
PURSUANT TO REVISED SRC RULE 68
FOR THE YEAR ENDED DECEMBER 31, 2025

	Years Ended December 31		
	2025	2024	2023
Profitability ratios:			
Return on assets	8.2%	4.3%	10.2%
Return on equity	10.3%	5.8%	15.3%
Net profit margin	16.5%	9.6%	20.6%
Solvency and liquidity ratios:			
Current ratio	2.33:1	1.80:1	1.72:1
Debt to equity ratio	0.19:1	0.31:1	0.42:1
Quick ratio	2.02:1	1.40:1	1.51:1
Asset to equity ratio	1.19:1	1.31:1	1.42:1

SCHEDULE V
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Current Year (2025)	Prior Year (2024)
Total Audit Fees *(Section 2.1a)*	**₱5,000**	₱9,697
Non-audit services fees:		
Tax services	₱–	₱2,411
All other services	–	–
Total Non-audit fees *(Section 2.1b)*	**₱–**	₱2,411
Total Audit and Non-audit fees	**₱5,000**	₱12,108

Audit and Non-audit fees of other related entities *(Section 2.1c)*

	Current Year (2025)	Prior Year (2024)
Audit fees	₱–	₱–
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Audit and Non-Audit Fees of other related entities	**₱–**	**₱–**

AS094039992

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	(632) 85118229
(Contact Person)	(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

S T A M P S

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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, 2026**

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 [ ]

Global Ferronickel Holdings, Inc.

17-Q QUARTERLY REPORT
MARCH 31, 2026

Table of Contents **Page Number**

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

The Unaudited Interim Consolidated Financial Statements as at March 31, 2026 and for the three-month period ended March 31, 2026 and 2025 (with Comparative Audited Consolidated Statement of Financial Position as at December 31, 2025) are hereto attached.

The following tables set forth the summary financial information for the three-month period ended March 31, 2026 and 2025 and as at March 31, 2026 and December 31, 2025:

1.a. Summary Consolidated Statements of Financial Position

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	Increase/ (Decrease)	Percent Inc. (Dec.)
	(in Thousands Pesos)			
ASSETS				
Current Assets	**₱3,916,321**	₱3,697,879	₱218,442	5.9%
Noncurrent Assets	**13,513,109**	13,561,428	(48,319)	-0.4%
TOTAL ASSETS	**₱17,429,430**	₱17,259,307	₱170,123	1.0%
LIABILITIES AND EQUITY				
Current Liabilities	**₱1,271,636**	₱1,590,126	(₱318,490)	-20.0%
Noncurrent Liabilities	**1,181,891**	1,186,808	(4,917)	-0.4%
TOTAL LIABILITIES	**2,453,527**	2,776,934	(323,407)	-11.6%
Equity				
Equity Attributable to the Parent Company	**14,844,688**	14,348,802	495,886	3.5%
Non-controlling Interests	**131,215**	133,571	(2,356)	-1.8%
Total Equity	**14,975,903**	14,482,373	493,530	3.4%
TOTAL LIABILITIES AND EQUITY	**₱17,429,430**	₱17,259,307	₱170,123	1.0%

1.b. Summary Consolidated Statements of Comprehensive Income

	For the Quarter Ended March		Increase (Decrease)	Percent Inc. (Dec.)
	2026	2025		
	(in Thousand Pesos)			
Revenues	₱1,645,687	₱1,209,789	₱435,898	36.0%
Cost and Expenses	(1,074,374)	(965,641)	108,733	11.3%
Finance Costs	(16,349)	(40,617)	(24,268)	-59.7%
Share in Net Income of Investment in Associates	58,533	42,869	15,664	36.5%
Finance and Other Income (Charges) - net	(21,433)	8,689	(30,122)	-346.7%
Income Before Income Tax - net	592,064	255,089	336,975	132.1%
Provision for Income Tax - net	116,380	80,034	36,346	45.4%
Net Income	475,684	175,055	300,629	171.7%
Other Comprehensive Income (Loss)	17,846	(8,863)	26,709	-301.4%
Total Comprehensive Income	₱493,530	₱166,192	₱327,338	197.0%
Basic and Diluted Income Per Share	₱0.0935	₱0.0346	₱ 0.0589	170.4%
Net Income (Loss) Attributable To:				
Equity Holders of the Parent	₱478,040	₱177,330	₱300,710	169.6%
Non-controlling Interests	(2,356)	(2,275)	(81)	3.6%
	₱475,684	₱175,055	₱300,629	171.7%

1.c. Summary Consolidated Statements of Changes in Equity

	For the Period Ended March 31		For the Year Ended December 31
	2026	2025	2025
	(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	(6,893)	(7,104)	(7,294)
Remeasurement Gain on Retirement Obligation	48,090	42,364	48,090
Cumulative Translation Adjustment	221,739	179,728	204,294
Retained Earnings	10,114,273	8,391,819	9,636,233
Treasury Shares - at cost	(2,147,508)	(2,129,803)	(2,147,508)
Non-controlling Interest	131,215	141,256	133,571
Total Equity	₱14,975,903	₱13,233,247	₱14,482,373

1.d. Summary Consolidated Statements of Cash Flows

	For the Quarter Ended March 31	
	2026	2025
	(in Thousand Pesos)	
NET CASH FLOWS FROM (USED IN):		
Operating Activities	₱554,085	₱191,747
Investing Activities	(744,651)	(513,360)
Financing Activities	(24,877)	(22,141)
NET DECREASE IN CASH	(215,443)	(343,754)
Effect of Exchange Rate Changes on Cash	35,297	(4,120)
CASH AT BEGINNING OF PERIOD	2,145,001	1,662,842
CASH AT END OF PERIOD	₱1,964,855	₱1,314,968

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, 2026 and December 31, 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the periods ended March 31, 2026 and 2025 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, 2026, the Group's total assets stood at ₱17,429.4 million, reflecting an increase of ₱170.1 million or 1.0%% from ₱17,259.3 million as of December 31, 2025. This movement is primarily due to an increase in current assets by ₱218.4 million (5.9%) and a minimal decrease in noncurrent assets by ₱48.3 million (0.4%).

The net increase in current assets as of March 31, 2026, was primarily driven by the following factors:
- Cash and cash equivalents declined by ₱180.1 million or 8.4%, from ₱2,145.0 million to ₱1,964.8 million. This reduction was mainly due to the final settlement of non-interest-bearing liability amounting to ₱691.5 million, partially offset by cash generated from operations.
- Trade and other receivables increased by ₱181.1 million or 16.9%.
- Advances to related parties increased by ₱32.3 million or 253.8%.
- Inventories rose by ₱183.2 million or 42.9%.

The net decrease in noncurrent assets as of March 31, 2026, is attributable to the following:
- Property and equipment posted a net decrease of ₱142.1 million or 2.2%. This was primarily due to depreciation and depletion expenses of ₱157.7 million, partially offset by acquisitions totaling ₱14.6 million during the period.
- Deferred tax assets increased by ₱40.7 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 ₱58.5 million.
- Other noncurrent assets decreased by ₱4.1 million or 0.3%, primarily due to input value-added tax (VAT) claimed by the Group during the period.

As of March 31, 2026, the Group's total liabilities stood at ₱2,453.5 million, representing a decrease of ₱323.4 million or 11.6% from ₱2,776.9 million as of December 31, 2025. This net decrease is primarily attributable to the following:
- Settlement of a non-interest-bearing liability amounting to ₱691.5 million.
- Trade and other payables increased by ₱141.3 million or 18.7%, mainly due to payments made during the period.
- Income tax payable increased by ₱185.6 million, primarily as a result of taxable income earned during the period.

Results of Operations

For the quarter ended March 31, 2026, the Group reported a consolidated net income of ₱475.7 million, a significant increase from the ₱175.1 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 ₱478.0 million, up from ₱177.3 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.

<u>*Revenues*</u>
During the three months ended March 31, 2026, the Group's total revenues amounted to ₱1,645.7 million, reflecting an increase of ₱435.9 million or 36.0% compared to ₱1,209.8 million in the same period of the previous year. The majority of the Group's revenues, approximately 99.9%, were derived from its mining operations, with the remainder generated from services rendered to customers.

Nickel Ore Export Revenues
During the first quarter of 2026, the Group's mining operations generated total nickel ore export revenues of ₱1,644.0 million, reflecting a significant increase of ₱438.9 million or 36.4% compared to ₱1,205.1 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. Supporting elevated nickel ore prices are tighter ore supply conditions amid quota restrictions in Indonesia, and periodic cost increases arising from geopolitical tensions in the Middle East.

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, 2026, nickel ore exports from our Palawan mine reached 0.551 million wet metric tons (WMT), an increase of 0.046 million WMT or 8.9% from the 0.505 million WMT recorded in the same period of the previous quarter. The Group completed ten (10) nickel ore shipments during the current quarter compared to nine (9) ore shipments in the same period of last year. Shipments for the current quarter consisted of medium-grade and low-grade nickel ore, while shipments for the same period of last year consisted entirely of medium-grade nickel ore. All shipments for both periods were sold exclusively to customers in China.

For the quarter ended March 31, 2026, the overall average realized price of medium-grade nickel ore was US$49.29 per WMT, representing a significant increase of US$8.16 per WMT or 19.8% compared to US$41.13 per WMT in the same period of the previous year. In addition, the overall average realized price of low-grade nickel ore was US$50.88 per WMT in the current period.

The average realized exchange rate for the quarter ended March 31, 2026, was ₱59.04 to US$1, compared to ₱57.97 to US$1 in the same period of the previous year.

Service Revenues
For the quarter ended March 31, 2026, the Group's service income totaled ₱1.7 million, down from ₱4.7 million in the same period of 2025. This income was generated from port services provided by MHC, a subsidiary, to its customers.

In addition, the Group recognized service income of ₱35.8 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 an increase from ₱31.4 million in the same period the previous year. However, this intercompany income is fully eliminated in the consolidated financial statements.

Cost and Expenses
For the three months ended March 31, 2026, total costs and expenses—including cost of sales, excise taxes and royalties, general and administrative expenses, and shipping and distribution expenses—amounted to ₱1,074.4 million. This represents an increase of ₱108.7 million or 11.2% compared to ₱965.7 million during the same period in 2025.

The average cash operating cost per WMT sold rose to ₱1,732.85 per WMT for the quarter, up from ₱1,615.45 per WMT in the prior year, reflecting an increase of ₱117.40 per WMT or 7.3%.

For the quarter ended March 31, 2026, total aggregate cash costs amounted to ₱954.8 million, with total sales volume of 0.551 million WMT. In comparison, the same quarter in 2025 saw aggregate cash costs of ₱815.8 million and a sales volume of 0.505 million WMT.

Cost of Sales
For the quarter ended March 31, 2026, cost of sales totaled ₱544.2 million, an increase of ₱11.9 million or 2.2% compared to ₱532.3 million in the same period in 2025. This rise was primarily driven by higher depreciation and depletion expense and personnel cost, resulting from increased production and shipment volumes during the quarter. Additionally, repairs and maintenance expenses rose by ₱10.5 million.

General and Administrative
For the period ended March 31, 2026, general and administrative expenses amounted to ₱308.9 million, a decrease of ₱58.4 million or 15.9% compared to ₱367.3 million in the same period in 2025. The increase was primarily driven by:
- A ₱20.6 million rise in taxes and licenses, mainly from the Palawan Mine, due to the timing of payment of business taxes. Higher business taxes were incurred in 2026 for the Palawan Mine, reflecting the stronger revenue base in 2025.
- A ₱46.1 million decrease in provision for impairment losses on input VAT.
- Lower consultancy fees by ₱16.2 million.
- An increase in marketing and entertainment expenses amounting to ₱3.9 million.

Excise Taxes and Royalties
For the periods ended March 31, 2026, and 2025, excise taxes and royalties amounted to ₱67.8 million and ₱57.7 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, 2026, shipping and loading costs amounted to ₱153.4 million, representing an increase of ₱145.1 million or 1,737.8% compared to ₱8.4 million in the same period last year. The increase was primarily driven by freight costs associated with cost and freight (CFR) shipments undertaken through PIL, a subsidiary, during the current year, compared to none in the previous year.

Finance Costs
Finance costs amounted to ₱16.3 million for the three months ended March 31, 2026, compared to ₱40.6 million in the same period last year—a decrease of ₱24.3 million or 59.7%. This decline was primarily due to lower interest expenses resulting from the settlement of a 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 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, 2026, the Group's share in the net income of its associates amounted to ₱58.5 million, an increase from ₱42.9 million in the same period last year.

Other Income (Charges) - net
For the period ended March 31, 2026, net other charges totaled (₱23.9) million, down from net other income of ₱6.3 million in the same period last year—a decrease of ₱30.2 million or 477.4%. The decline was primarily due to the loss on early and final settlement of noninterest-bearing liability of ₱44.7 million compared to nil in the prior period.

Provision for Income Tax - net
For the three months ended March 31, 2026, the net provision for income tax amounted to ₱116.4 million, in contrast to the ₱80.0 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, 2026, amounted to ₱475.7 million, a significant increase from ₱175.1 million in the same period last year—an improvement of ₱300.6 million or 171.7%. After accounting for non-controlling interests, net income attributable to equity holders of the Parent Company totaled ₱478.0 million, compared to ₱177.3 million in the corresponding period of the previous year.

Cumulative Translation Adjustment
The Group has recognized cumulative translation adjustments, net of tax, amounting to ₱17.4 million and (₱9.0 million) million for the periods ended March 31, 2026 and 2025, 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 operating activities amounted to ₱554.1 million and ₱191.7 for the periods ended March 31, 2026 and 2025, respectively. The net movement 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, 2026 and 2025 were ₱744.6 million and ₱513.4 million, respectively.

In 2026, the net cash outflows were primarily driven by: (1) Payment of non-interest bearing liability related to the acquisition of an associate amounting to ₱691.5 million; (2) Acquisition of property and equipment, totaling ₱14.6 million; and (3) Increase in advances to related parties by ₱32.3 million.

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.

Cash Flows from Financing Activities
For the three-month periods ended March 31, 2026 and 2025, the net cash utilization in financing activities totaled ₱24.9 million and ₱22.1 million, respectively. The negative cash flows from financing activities in both periods primarily resulted from the settlement of lease obligations.

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, 2026.

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, 2026 and 2025:

Indicators	Formula	2026	2025
Earnings Per Share	Profit for the Period/Weighted Average Number of Shares Outstanding	0.0935	0.0346
Debt-to-Equity Ratio	Total Liabilities/Total Equity	0.16:1	0.25:1
Asset-to-Equity Ratio	Total Assets/Total Equity	1.16:1	1.25:1
Current Ratio	Current Assets/Current Liabilities	3.08:1	1.68:1

PART III - OTHER INFORMATION

Exploration Updates

There were no new exploration results for the period ended March 31, 2026, beyond those previously disclosed in the Company's 2025 Annual Report (SEC Form 17-A).

Other Information

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

Date	Description
January 29, 2026	Press Release: Ipilan Nickel Corporation commences 2026 operations with first nickel ore shipment to China
January 29, 2026	Press Release: FNI earns global legal honors for governance and corporate social responsibility; SVP for Legal and Regulatory Affairs makes Top Tier In-House Counsel List
March 10, 2026	Press Release: INC Reaffirms Commitment to Responsible Mining and Regulatory Compliance Following Senate Hearing on March 9, 2026
March 27, 2026	The Board of Directors of Global Ferronickel Holdings, Inc. (PSE: FNI) approved the engagement of Yu Villar Tadeja & Co — Forvis Mazars for the calendar year ending

	December 31, 2025, as endorsed by the Audit Committee, which regularly evaluates the Company's audit arrangements to ensure continued adherence to the highest standards of independence and transparency. The appointment of the new external auditor will be submitted for ratification by the stockholders at the next scheduled Annual Stockholders' Meeting.
May 7, 2026	The Board of Directors of FNI, during its meeting held on 7 May 2026, approved the postponement of the Company's 2026 Annual Stockholders' Meeting ("ASM"), to be conducted virtually, to 29 July 2026 from its usual June schedule. The Board likewise fixed 01 July 2026 as the record date for stockholders entitled to notice of, and to vote at, the ASM. The postponement will allow sufficient time for the inclusion of the required information in the Information Statement to be filed prior to the ASM. Further details regarding the ASM shall be disclosed in due course.

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 20, 2026

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

Date: May 20 2026

Annex A

Aging of Trade and Other Receivables
As at March 31, 2026
(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	603,414	-	-	-	243,992	847,406
Advances to Contractors	202,606	-	-	-	79,711	282,317
VAT Refund Receivable	394,391	-	-	-	-	394,391
Advances to Officers, Employees and Others	42,393	-	-	-	-	42,393
Interest Receivable	722	-	-	-	-	722
Total	**1,250,267**	**-**	**-**	**-**	**323,703**	**1,573,970**
Less: Allowance for Expected Credit Losses						323,703
NET RECEIVABES						**1,250,267**

GLOBAL FERRONICKEL HOLDINGS, INC.
SEC FORM 17-Q
INDEX TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2026

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱1,964,855**	₱2,145,001
Trade and other receivables (Note 5)	**1,250,267**	1,069,153
Advances to related parties (Note 29)	**45,017**	12,723
Inventories (Note 6)	**609,829**	426,604
Prepayments and other current assets (Note 7)	**46,353**	44,398
Total Current Assets	**3,916,321**	3,697,879
Noncurrent Assets		
Property and equipment (Note 8)	**6,401,501**	6,543,566
Investment in associates (Note 9)	**5,036,792**	4,978,259
Mine exploration costs (Note 11)	**267,162**	266,980
Mining rights (Note 10)	**95,930**	95,930
Deferred tax assets - net (Note 30)	**197,059**	156,335
Retirement plan asset - net (Note 16)	**53,092**	54,657
Other noncurrent assets (Note 12)	**1,461,573**	1,465,701
Total Noncurrent Assets	**13,513,109**	13,561,428
TOTAL ASSETS	**₱17,429,430**	₱17,259,307
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱895,238**	₱753,932
Non-interest bearing liability (Note 17)	**–**	646,791
Current portion of loans payable (Note 14)	**–**	–
Advances from related parties (Note 29)	**522**	2,807
Current portion of lease liabilities (Note 18)	**107,903**	104,243
Income tax payable	**239,797**	54,177
Other current liabilities	**28,176**	28,176
Total Current Liabilities	**1,271,636**	1,590,126
Noncurrent Liabilities		
Non-interest bearing liability - net of current portion (Note 17)	**–**	–
Provision for mine rehabilitation and decommissioning (Note 15)	**347,815**	342,940
Lease liabilities - net of current portion (Note 18)	**621,361**	636,407
Deferred tax liabilities - net (Note 30)	**212,483**	207,229
Other noncurrent liabilities	**232**	232
Total Noncurrent Liabilities	**1,181,891**	1,186,808
Total Liabilities	**2,453,527**	2,776,934
Equity		
Capital stock (Note 19)	**6,375,975**	6,375,975
Additional paid-in capital	**239,012**	239,012
Remeasurement gain on retirement obligation	**48,090**	48,090
Cumulative translation adjustment	**221,739**	204,294
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	**(6,893)**	(7,294)
Retained earnings	**10,114,273**	9,636,233
Treasury shares (Note 19)	**(2,147,508)**	(2,147,508)
Equity attributable to the Parent Company	**14,844,688**	14,348,802
Non-controlling interests (NCI) (Note 19)	**131,215**	133,571
Total Equity	**14,975,903**	14,482,373
TOTAL LIABILITIES AND EQUITY	**₱17,429,430**	₱17,259,307

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, 2026 AND 2025
(Amounts in Thousands, Except Earnings per Share)

	2026	2025
REVENUE FROM CONTRACTS WITH CUSTOMERS	**₱1,645,687**	₱1,209,789
COST OF SALES (Note 21)	**544,198**	532,328
GROSS PROFIT	**1,101,489**	677,461
OPERATING EXPENSES		
Excise taxes and royalties (Note 22)	**67,854**	57,670
General and administrative (Note 23)	**308,905**	367,295
Shipping and distribution (Note 24)	**153,417**	8,348
	530,176	433,313
SHARE IN NET INCOME OF INVESTMENT IN ASSOCIATES (Note 9)	**58,533**	42,869
FINANCE COSTS (Note 27)	**(16,349)**	(40,701)
FINANCE INCOME	**2,427**	2,451
OTHER INCOME - net (Note 28)	**(23,860)**	6,322
INCOME BEFORE INCOME TAX	**592,064**	255,089
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)		
Current	**157,665**	121,170
Deferred	**(41,285)**	(41,136)
	116,380	80,034
NET INCOME	**475,684**	175,055
Items that may be reclassified to profit or loss in subsequent periods:		
Currency translation adjustment	**23,260**	(11,999)
Income tax effect	**(5,815)**	3,000
	17,445	(8,999)
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on retirement obligation	**–**	491
Income tax effect	**–**	(123)
	–	368
Fair value reserve of financial asset at fair value through other comprehensive income (Note 12)	**401**	(232)
	17,846	(8,863)
TOTAL COMPREHENSIVE INCOME	**₱493,530**	₱166,192
Net Income (Loss) Attributable To:		
Equity holders of the Parent Company	**₱478,040**	₱177,330
Non-controlling interests in consolidated subsidiaries	**(2,356)**	(2,275)
	₱475,684	₱177,055
Total Comprehensive Income (Loss) Attributable To:		
Equity holders of the Parent Company	**₱495,886**	₱168,467
Non-controlling interests in consolidated subsidiaries	**(2,356)**	(2,275)
	₱493,530	₱166,192
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 20)	**₱0.0935**	₱0.0346

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, 2026 AND 2025
(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 (Note 12)	Remeasurement Gain on Retirement Obligation	Cumulative Translation Adjustment	Retained Earnings	Total	NCI	Total Equity
Balances at December 31, 2025 (Audited)	₱ 6,375,975	₱ 239,012	₱ (2,147,508)	₱ (7,294)	₱ 48,090	₱ 204,294	₱ 9,636,233	₱ 14,348,802	₱ 133,571	₱ 14,482,373
Net inccome for the period	-	-	-	-	-	-	478,040	478,040	(2,356)	475,684
Other comprehensive income (loss) - net of tax	-	-	-	401	-	17,445	-	17,846	-	17,846
Total comprehensive income (loss) - net of tax	-	-	-	401	-	17,445	478,040	495,886	(2,356)	493,530
Balances at March 31, 2026 (Unaudited)	₱ 6,375,975	₱ 239,012	₱ (2,147,508)	₱ (6,893)	₱ 48,090	₱ 221,739	₱ 10,114,273	₱ 14,844,688	₱ 131,215	₱ 14,975,903
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

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, 2026 AND 2025
(Amounts in Thousands)

	2026	2025
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱592,064**	₱255,089
Adjustments for:		
Depreciation, depletion and amortization (Note 26)	**110,115**	94,261
Share in net income of investment in associates (Note 9)	**(58,533)**	(42,869)
Loss on early and final extinguishment of non-interest bearing liability	**44,718**	-
Interest expense (Note 27)	**13,024**	13,704
Unrealized foreign exchange gains - net	**(13,009)**	(7,379)
Provision for impairment losses on other noncurrent assets	**9,459**	55,580
Interest income	**(2,190)**	(2,214)
Current service cost (Note 16)	**1,570**	1,792
Accretion interest expense on:		
Non-interest bearing liability	**–**	23,436
Provision for mine rehabilitation and decommissioning (Note 27)	**4,875**	4,997
Accretion interest income on security deposit under “Other noncurrent assets” (Note 27)	**(237)**	(237)
Operating income before changes in working capital	**701,856**	396,160
Decrease (increase) in:		
Trade and other receivables	**(183,169)**	(12,663)
Inventories	**(133,161)**	24,670
Prepayments and other current assets	**(1,955)**	719
Decrease in trade and other payables	**169,261**	(216,548)
Net cash flows from operations	**552,832**	192,338
Interest paid	**–**	(84)
Interest received	**1,253**	(507)
Net cash flows from operating activities	**554,085**	191,747
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property and equipment	**(14,654)**	(23,848)
Mine exploration costs	**(182)**	(8)
Decrease (increase) in:		
Advances to related parties	**(32,294)**	(6)
Other noncurrent assets	**(6,012)**	89,332
Payment of non-interest bearing liability related to the acquisition of an associate	**(691,509)**	(578,830)
Net cash flows used in investing activities	**(744,651)**	(513,360)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease Liabilities	**(22,592)**	(22,500)
Increase (decrease) in advances from related parties	**(2,285)**	359
Net cash flows used in financing activities	**(24,877)**	(22,141)
NET DECREASE IN CASH	**(215,443)**	(343,754)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**35,297**	(4,120)
CASH AT BEGINNING OF PERIOD	**2,145,001**	1,662,842
CASH AT END OF PERIOD	**₱1,964,855**	₱1,314,968

See accompanying Notes to Unaudited Consolidated Financial Statements.

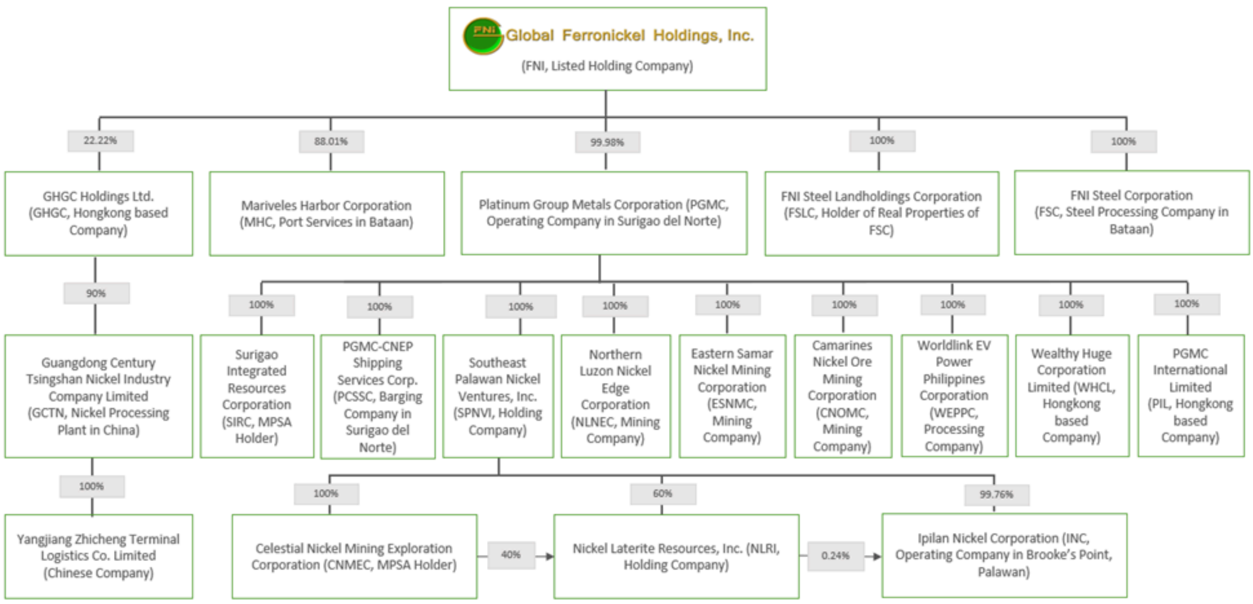
GLOBAL FERRONICKEL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2026 are as follows:

List of Top 20 Stockholders

Name	Citizenship	Holdings	Percentage
PCD NOMINEE CORP. - FILIPINO	Filipino	1,612,719,136	31.56%
PCD NOMINEE CORP. - NON-FILIPINO	Foreign	1,483,675,7	29.03%
SOHOTON SYNERGY, INC.	Filipino	634,109,345	12.41%
REGULUS BEST NICKEL HOLDINGS INC.	Filipino	523,154,841	10.24%
ULTIMATE HORIZON CAPITAL, INC.	Filipino	355,651,698	06.96%
BLUE EAGLE ELITE VENTURE INC.	Filipino	348,769,779	06.82%
RED LION FORTUNE GROUP INC.	Filipino	57,588,866	01.13%
BELLATRIX STAR, INC.	Filipino	48,143,529	00.94%
ALPHA CENTAURI FORTUNE GROUP INC.	Filipino	16,623,402	00.33%
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, 2026.

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, 2026 and for the three months period ended March 31, 2026 and 2025 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, 2025.

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.

	Principal Place		Effective Ownership	
Subsidiaries	of Business	Principal Activities	**March 31, 2026**	December 31, 2025
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 2026. 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 18, *Presentation and Disclosure in Financial Statements*. The standard replaces PAS 1, Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of income
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

The Group is currently assessing the impact of adopting this standard on its financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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 financial statements 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, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	₱1,577	₱1,588
Cash in banks	1,938,513	2,118,648
Short-term cash investments	24,765	24,765
	₱1,964,855	₱2,145,001

5. Trade and Other Receivables

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade	₱847,406	₱688,293
VAT refund receivable	394,391	504,967
Advances to:		
Contractors	282,317	143,787
Officers, employees and others	42,393	48,489
Income tax receivable	6,741	6,598
Interest receivable	722	722
	1,573,970	1,392,856
Less allowance for expected credit losses (ECL)	323,703	323,703
	₱1,250,267	₱1,069,153

There was no provision for ECL on trade and other receivables for the periods ended March 31, 2026 and 2025.

6. Inventories

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Beneficiated nickel ore	₱517,400	₱361,921
Materials and supplies	92,429	64,683
	₱609,829	₱426,604

No provision for inventory losses was recognized for the periods ended March 31, 2026 and 2025. The balance of the allowance for inventory losses on materials and supplies amounted to ₱21.2 million as at March 31, 2026 and December 31, 2025.

7. Prepayments and Other Current Assets

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Prepaid taxes and licenses	₱8,382	₱1,717
Prepaid insurance	12,239	12,324
Input VAT	11,573	9,539
Creditable withholding taxes (CWT)	14,893	21,696
Advances to suppliers	9,004	8,653
Prepaid rent	334	341
Others	3,151	3,351
	59,576	57,621
Less allowance for impairment losses	13,223	13,223
	₱46,353	₱44,398

No provision for impairment losses on other current assets was recognized in 2026 and 2025.

8. Property and Equipment

As at March 31, 2026 and December 31, 2025, property and equipment amounted to ₱6,401.5 million and ₱6,543.6 million, respectively. During the three-month period ended March 31, 2026 and 2025, the Group acquired assets with a cost of ₱14.6 million and ₱23.8 million, respectively, including construction in-progress.

Depreciation and depletion expenses for the three-month period ended March 31, 2026 and 2025 amounted to ₱157.7 million and ₱143.6 million, respectively. As at March 31, 2026 and December 31, 2025, total accumulated depreciation and depletion amounted to ₱5,021.1 million and ₱4,858.7 million, respectively.

The property and equipment includes right-of-use assets amounted to ₱569.3 million and ₱590.0 million as at March 31, 2026 and December 31, 2025, respectively. As at March 31, 2026 and December 31, 2025, accumulated depreciation of the right-of-use assets amounted to ₱458.7 million and ₱434.3 million, respectively. Depreciation expense of right-of-use assets for the three-month period ended March 31, 2026 and 2025 amounted to ₱21.3 million and ₱21.2 million, respectively.

No property and equipment were pledged as at March 31, 2026 and December 31, 2025.

9. Investment in Associates

As at March 31, 2026 and December 31, 2025, investment in associates amounted to ₱5,036.8 million and ₱4,978.2 million, respectively.

The Group recognized total share in net income of investment in associates amounted to ₱58.5 million for the three months ended March 31, 2026 and ₱42.9 million in the same period last year.

10. Mining Rights

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost	₱396,500	₱396,500
Accumulated amortization:		
Beginning balance	300,570	293,837
Amortization	–	6,733
Ending balance	300,570	300,570
Net book value	₱95,930	₱95,930

No provision for impairment losses on mining rights was recognized for the periods ended March 31, 2026 and 2025.

11. Mine Exploration Costs

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning balance	₱266,980	₱264,319
Exploration expenditures incurred	182	2,661
Ending balance	₱267,162	₱266,980

12. Other Noncurrent Assets

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Input VAT	₱654,042	₱653,265
Mine rehabilitation fund (MRF)	653,757	652,794
Advances to suppliers	383,196	379,296
Miscellaneous deposit	3,065	3,015
Security deposits	27,072	26,835
Financial asset at FVOCI	1,961	1,560
Computer software	12	19
Others	43,026	44,016
	1,766,131	1,760,800
Less allowance for impairment losses	304,558	295,099
	₱1,461,573	₱1,465,701

During the first quarter of this year, the Group received a VAT refund from the Bureau of Internal Revenue (BIR) for the second to fourth quarter of 2023, amounting to ₱109.6 million. The denied portion 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, 2026 and 2025 from the financial asset at FVOCI.

13. Trade and Other Payables

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade	₱195,411	₱244,182
Contract liabilities	402,291	93,659
Accrued expenses and taxes	264,268	382,652
Dividends payable	24,575	24,746
Nontrade	8,693	8,693
	₱895,238	₱753,932

Details of the accrued expenses and taxes are summarized below:

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Accrued liabilities	₱151,517	₱154,953
Provision for Indigenous Cultural Communities (ICC)	60,806	60,865
Business and other taxes	19,634	30,834
Excise taxes and royalties payable	28,449	120,943
Accrued payroll and others	3,862	15,057
	₱264,268	₱382,652

14. Loans Payable

As at March 31, 2026 and December 31, 2025, the carrying amount of the loan was nil.

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 for the periods ended March 31, 2026 and 2025, 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, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning balance	₱342,940	₱323,023
Accretion interest	4,875	20,380
Effect of change in estimate	–	(463)
Ending balance	₱347,815	₱342,940

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, 2026 and December 31, 2025.

The latest actuarial valuation report of the retirement plan is as at December 31, 2025.

As at March 31, 2026, 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, 2026 and December 31, 2025, the retirement plan asset, net of retirement obligation, amounted to ₱53.1 million and ₱54.6 million, respectively. The current service cost amounted to ₱2.7 million and ₱3.1 million for the three months period ended March 31, 2026 and 2025, respectively. The interest cost on retirement obligation amounted to ₱1.8 million for the three months period ended March 31, 2026 and 2025. The interest income on plan assets amounted to ₱3.0 million and ₱2.7 million for the three months period ended March 31, 2026 and 2025, 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, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning balance	₱646,791	₱1,630,982
Payments	(691,509)	(1,164,330)
Accretion of interest	–	87,080
Loss on partial extinguishment of liability	44,718	75,216
Effect of changes in foreign currency exchange rates	–	17,843
Ending balance	–	646,791
Less: Current portion	–	646,791
Non-interest bearing liability - net of current portion	₱–	₱–

Early and Final Settlement of Noninterest Bearing Liability
The Parent Company had an outstanding noninterest bearing long-term financial liability with an original maturity date of December 2028.

In December 2025, the Seller requested early settlement of the obligation to address funding requirements for a separate business venture. Accordingly, the Parent Company made a full and final payment of US$11.76 million (₱691.5 million) in January 2026. Management agreed to the early settlement considering the Company's strong liquidity position and the potential benefit of reducing exposure to foreign exchange risk arising from the continued depreciation of the Philippine peso against the US dollar.

The early settlement resulted in the recognition of a loss on extinguishment of US$0.76 million (₱44.7 million), representing the excess of the consideration paid over the carrying amount of the financial liability at the settlement date. In accordance with PFRS 9 *Financial Instruments*, gains or losses arising from the extinguishment of financial liabilities prior to contractual maturity are recognized in profit or loss.

The Parent Company assessed the transaction and concluded that the early settlement constituted an extinguishment of the financial liability rather than a modification, as there were no changes to the existing contractual terms prior to settlement.

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, 2026 and December 31, 2025, discounted using incremental borrowing rate are as follows:

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Lease liabilities	₱729,264	₱740,650
Less current portion	107,903	104,243
Noncurrent portion	₱621,361	₱636,407

The rollforward analysis of lease liabilities follows:

Amount in thousands	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning balance	₱740,650	₱764,604
Interest expense	11,206	46,994
Payments	(22,592)	(70,948)
Ending balance	₱729,264	₱740,650

19. Equity

Capital Stock

The Parent Company has 11,957,161,906 authorized shares at ₱1.05 par value as at March 31, 2026 and December 31, 2025. 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, 2026 and December 31, 2025.

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

NCI

March 31, 2026

	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	**30,175**	**837**	**325,645**	**356,657**
Total comprehensive income (loss) attributable to NCI	**(2,899)**	**267**	**276**	**(2,356)**
Cash dividend	**-**	**-**	**-**	**-**
Total	**₱128,705**	**₱1,550**	**₱960**	**₱131,215**

December 31, 2025

	MHC	PGMC	SPNVI	
Percentage of ownership	11.99%	0.02%	0.02%	Total
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	(10,794)	505	521	(9,768)
Cash dividend	-	(192)	-	(192)
Total	₱131,604	₱1,283	₱684	₱133,571

Material NCI
As at March 31, 2026 and December 31, 2025, the accumulated balance of material NCI amounted to ₱128.7 million and ₱131.6 million, respectively, which represents 11.99% equity interest in MHC. Net loss allocated to material NCI amounted to ₱2.9 million and ₱2.4 million for the periods ended March 31, 2026 and 2025, respectively.

Treasury Stock
The Parent Company has 961,935,955 shares amounting to ₱2,147.5 million in treasury as at March 31, 2026 and December 31, 2025.

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:

	2026	2025
	(Unaudited)	
Net income attributable to common shareholders (amounts in thousands)	₱478,040	₱177,330
Weighted average number of common shares outstanding for basic EPS	5,110,421,196	5,125,175,687
Basic/diluted EPS	₱0.0935	₱0.0346

As at March 31, 2026 and 2025, there are no potentially dilutive common shares.

21. Cost of Sales

	For the three months period ended March 31	
Amount in thousands	2026	2025
	(Unaudited)	
Contract hire	₱278,778	₱313,695
Depreciation and depletion (see Note 26)	76,401	60,340
Personnel costs (see Note 25)	62,862	48,656
Operation overhead	47,004	44,736
Environmental protection costs	20,461	20,394
Fuel, oil and lubricants	18,042	17,010
Manning services	9,168	10,637
Community relations	9,409	5,395
Assaying and laboratory	3,376	3,536
Repairs and maintenance	12,545	2,071
Others	6,152	5,858
	₱544,198	₱532,328

22. Excise Taxes and Royalties

Excise taxes amounted to ₱67.9 million and ₱57.7 million for the periods ended March 31, 2026 and 2025, respectively.

23. General and Administrative

	For the three months period ended March 31	
Amount in thousands	2026	2025
	(Unaudited)	
Taxes and licenses	₱93,726	₱73,102
Personnel costs (see Note 25)	62,004	73,070
Provision for impairment losses on other noncurrent assets (see Note 12)	9,459	55,580
Outside services	43,963	55,426
Depreciation and amortization (see Note 26)	33,714	33,921
Consultancy fees	10,318	26,524
Marketing and entertainment	23,443	19,580
Travel and transportation	6,760	5,750
Repairs and maintenance	7,451	5,615
Membership and subscription	2,120	3,395
Fuel, oil and lubricants	1,627	2,306
Communication	1,355	1,589
Other charges	12,965	11,437
	₱308,905	₱367,295

24. Shipping and Distribution

	For the three months period ended March 31	
Amount in thousands	2026	2025
	(Unaudited)	
Stevedoring charges and shipping expenses	₱139,842	₱7,698
Fuel, oil and lubricants	8,655	87
Personnel costs (see Note 25)	276	262
Repairs and maintenance and others	666	101
Supplies	306	170
Government fees	3,672	30
	₱153,417	₱8,348

25. Personnel Costs

	For the three months period ended March 31	
Amount in thousands	2026	2025
	(Unaudited)	
Salaries and wages	₱114,549	₱112,273
Retirement benefits costs (see Note 16)	1,570	1,792
Other employee benefits	9,023	7,923
	₱125,142	₱121,988

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 2026	2025
	(Unaudited)	
Cost of sales (see Note 21)	₱62,862	₱48,656
General and administrative (see Note 23)	62,004	73,070
Shipping and distribution (see Note 24)	276	262
	₱125,142	₱121,988

26. Depreciation, Depletion and Amortization

Amount in thousands	For the three months period ended March 31 2026	2025
	(Unaudited)	
Cost of sales (see Note 21)	₱76,401	₱60,340
General and administrative (see Note 23)	33,714	33,921
	₱110,115	₱94,261

27. Finance Costs

Amount in thousands	For the three months period ended March 31 2026	2025
	(Unaudited)	
Interest expense	₱11,206	₱11,934
Accretion interest on non-interest bearing liability	–	23,436
Accretion interest on provision for mine rehabilitation and decommissioning	4,875	4,997
Bank charges	268	334
	₱16,349	₱40,701

28. Other Income (Loss) - net

Amount in thousands	For the three months period ended March 31 2026	2025
	(Unaudited)	
Foreign exchange gains - net	₱16,939	₱2,094
Despatch (demurrage) - net	3,602	4,200
Gain/loss on extinguishment of liability	(44,718)	
Others	317	28
	(₱23,860)	₱6,322

Breakdown of net foreign exchange gains is as follows:

Amount in thousands	For the three months period ended March 31 2026	2025
	(Unaudited)	
Net realized foreign exchange gains (losses)	₱2,656	(₱5,285)
Unrealized foreign exchange gains (losses) on:		
Cash and cash equivalents	13,009	7,379
Trade and other receivables	5,123	–
Trade and other payables	(3,849)	–
	₱16,939	₱2,094

29. Related Party Disclosures

Set out below are the Group's transactions with related parties for the three-month periods ended March 31, 2026, including the corresponding assets and liabilities arising from the said transactions as at March 31, 2026 (Unaudited) and December 31, 2025 (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, 2026	₱32,275	₱–	₱32,891	₱–	₱–	On demand; noninterest-bearing; collectible in cash	Unsecured; without guarantee
December 31, 2025	₱183	–	₱616	₱–	₱646,791		
Affiliates with common officers, directors and stockholders							
March 31, 2026	19	–	12,126	522	–	On demand; noninterest-bearing; collectible or payable in cash	Unsecured; without guarantee
December 31, 2025	4,504	–	12,107	2,807	–		
Associate							
March 31, 2026	899,275	899,275	–	–	–	On demand; noninterest-bearing; collectible in cash	Unsecured; without guarantee
December 31, 2025	4,230,391	4,230,391	–	–	–		
Total		₱899,275	₱45,017	₱522	₱–		
Total		₱4,230,391	₱12,723	₱2,807	₱646,791		

* 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 ₱1,124.8 million and ₱260.4 million for the periods ended March 31, 2026 and 2025, respectively.

b. GCTN, an associate, entered into ore supply sales agreements with the Group for the purchase of nickel ore amounting to ₱899.3 and ₱458.4 million for the periods ended March 31, 2026 and 2025, 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, 2026 and 2025 amounted to ₱21.5 million.

30. Income Taxes

The Group recognized net provision for income tax amounted to ₱116.4 million and ₱80.0 million for the period ended March 31, 2026 and 2025, respectively, 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, 2026 and 2025.

As at March 31, 2026 and December 31, 2025, the Group's net deferredtax assets amounted to ₱197.1 million and ₱156.3 million, respectively. As at March 31, 2026 and December 31, 2025, the Group's net deferredtax liabilities amounted to ₱212.5 million and ₱207.2 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.

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, 2026 and December 31, 2025, 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, 2026 and December 31, 2025.

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 99.9% and 99.6% of the Group's total revenue for the periods ended March 31, 2026 and 2025, 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, 2025 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:

	For the three months period ended March 31	
Amount in thousands	2026	2025
Country of Domicile	(Unaudited)	
China	₱1,643,967	₱1,205,137
Local	1,720	4,652
	₱1,645,687	₱1,209,789

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, 2026 (Unaudited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
External customers	₱1,643,967	₱1,720	₱–	₱–	₱1,645,687
Intersegment revenues	1,124,809	35,844	–	(1,160,653)	–
Total revenues	2,768,776	37,564	–	(1,160,653)	1,645,687
Cost of sales	1,708,808	42,117	–	(1,206,727)	544,198
Excise taxes and royalties	67,854	–	–	–	67,854
Shipping and distribution	189,262	–	–	(35,845)	153,417
Segment operating earnings	802,852	(4,553)	–	81,919	880,218
General and administrative	298,258	7,715	2,932	–	308,905
Finance income	2,429	(2)	–	–	2,427
Finance costs	(24,801)	(6,375)	–	14,827	(16,349)
Share in net income of investment in associates	58,519	–	–	14	58,533
Loss on extinguishment of liability	(44,721)	–	–	–	(44,721)
Other income - net	31,960	1	–	(11,100)	20,861
Provision for income tax - net	116,941	–	–	(561)	116,380
Net income (loss)	411,039	(18,644)	(2,932)	86,221	475,684
Net income (loss) attributable to NCI	543	(2,899)	–	–	(2,356)
Net income (loss) attributable to equity holders of FNI	₱410,496	(₱15,745)	(₱2,932)	₱86,221	₱478,040
Segment assets	₱32,396,948	₱2,065,281	₱1,008,736	(₱18,238,594)	₱17,232,371
Deferred tax assets - net	197,059	–	–	–	197,059
Total assets	₱32,594,007	₱2,065,281	₱1,008,736	(₱18,238,594)	₱17,429,430
Segment liabilities	₱5,500,183	₱632,047	₱473,736	(₱4,364,922)	₱2,241,04
Deferred tax liabilities - net	63,184	(7,005)	–	156,778	212,957
Total liabilities	₱5,563,367	₱625,043	₱473,736	(₱4,208,144)	₱2,454,002
Capital expenditures	₱11,600	₱3,054	₱–	₱–	₱14,654
Depreciation and depletion	₱126,050	₱31,641	₱–	₱–	₱157,691

	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
Benefit from 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

	December 31, 2025 (Audited)				
Amount in thousands	Mining	Services	Manufacturing	Elimination	Total
Segment assets	₱30,833,458	₱2,080,301	₱1,008,181	(₱16,818,968))	₱17,102,972
Deferred tax assets - net	156,335	–	–	–	156,335
Total assets	₱30,989,793	₱2,080,301	₱1,008,181	(₱16,818,968)	₱17,259,307
Segment liabilities	₱4,276,784	₱545,470	₱470,248	(₱2,722,797)	₱2,569,705
Capital expenditures	₱572,044	₱53,523	₱–	₱–	₱625,567