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

1. Check the appropriate box:

   [x] Preliminary Information Statement
   [ ] Definitive Information Statement

2. Name of Registrant as specified in its charter
   Global Ferronickel Holdings, Inc.

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

4. SEC Identification Number: **ASO94-003992**

5. BIR Tax Identification Code: **003-871-592**

6. Address of Principal Office:
   Penthouse, Platinum Tower, Asean Avenue cor. Fuentes St., Aseana, Parañaque City, Metro Manila, Philippines **Postal code 1701**

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

8. Date, time and place of the meeting of security holders:
   Date: 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: **June 24, 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	<u>Number of Shares of Common Stock Outstanding</u> 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 **June 24, 2025.**

Dissenters' Right of Appraisal

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

a. A stockholder will be entitled to exercise his appraisal right in case any of the following matters or actions occur:

   i. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any shareholder or any class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of the Company's corporate existence;

   ii. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;

   iii. In case of merger or consolidation of the Company with another corporation; and

   iv. In case of investment of corporate funds for any purpose other than the primary purpose of the Company.

b. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right;

c. The dissenting stockholder shall make a written demand on the Company for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken. The failure of the stockholder to make the demand within such period shall be deemed a waiver of his appraisal right;

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

e. Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

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

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

(a) No current director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year has had any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the agenda of the annual stockholders' meeting other than the election of directors.

(b) None of the incumbent directors has informed the Company in writing of an intention to oppose any action to be taken by the Company at the Annual Stockholders' Meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) The Company has 5,110,421,196 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 May 31, 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	1,613,061,389	31.56%
Common	PCD Nominee Corporation G/F Makati Stock Exchange Building, 6767 Ayala Avenue, Makati City Shareholder	Direct- Please see note below	Non-Filipino	1,483,333,466	29.03%
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 May 31, 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 May 31, 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 Prospectus, there are no arrangements which may result in a change in control of the Company.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

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

Name of Directors	**Age**	**Nationality**	**Position**
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 graduated 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 function of PGMC since 2011, with responsibilities in financial 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 Prospectus: (a) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two (2) -year period of that time; (b) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending proceeding in courts of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses except as those disclosed in the public domain; (c) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (d) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

There are no transactions during the past two (2) years to which the Company or any of its subsidiaries was or is to be a party, and in which a director, executive officer, stockholder owning ten percent (10%) or more and members of their immediate family had or are to have a direct or indirect material interest, except as mentioned in Note 30 of the audited consolidated financial statements for the period ended December 31, 2024 (Annex A) which provides information on the Company's significant transactions with related parties.

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

Disagreement with Director

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

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation

The following table identifies and summarizes the aggregate compensation of the Company's Chairman and its 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	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				
Noel B. Lazaro Senior Vice President for Legal and Regulatory Affairs and Corporate Information Officer	2026 estimated 2025	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 between any Directors and any members of the Company's senior management as of the date of this Information Statement.

Employment Contracts

a) There are no employment contracts between the Company and a named executive officer.

b) Neither is there a compensatory plan or arrangement, including payments to be received from the Company, with respect to a named executive officer, which plan or arrangement results or will result from the resignation, retirement or any other termination of such executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all periodic payments or installments, exceeding ₱2,500,000.

Warrants and Options Outstanding

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

CORPORATE GOVERNANCE

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

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

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

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

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

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

On January 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 **June 23, 2026**.

GLOBAL FERRONICKEL HOLDINGS, INC.
Issuer

EGPClaro

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	Effective Ownership 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.

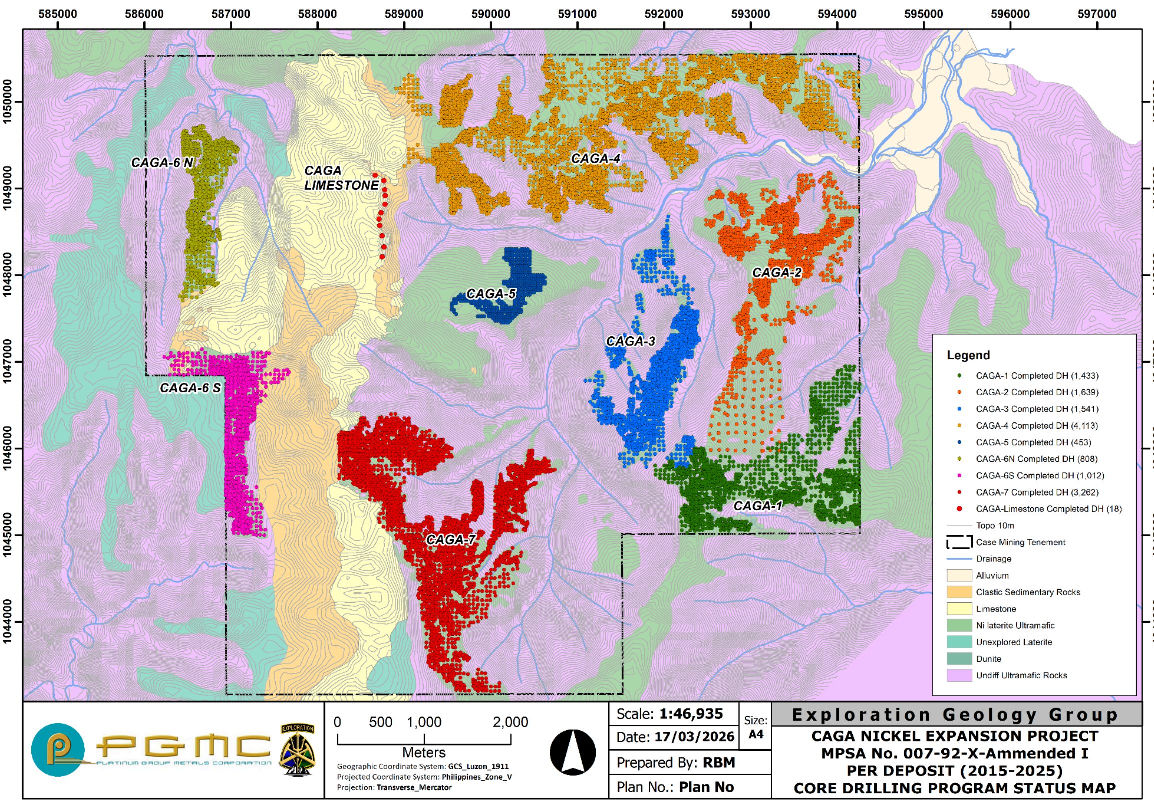
Source of Supplies

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.

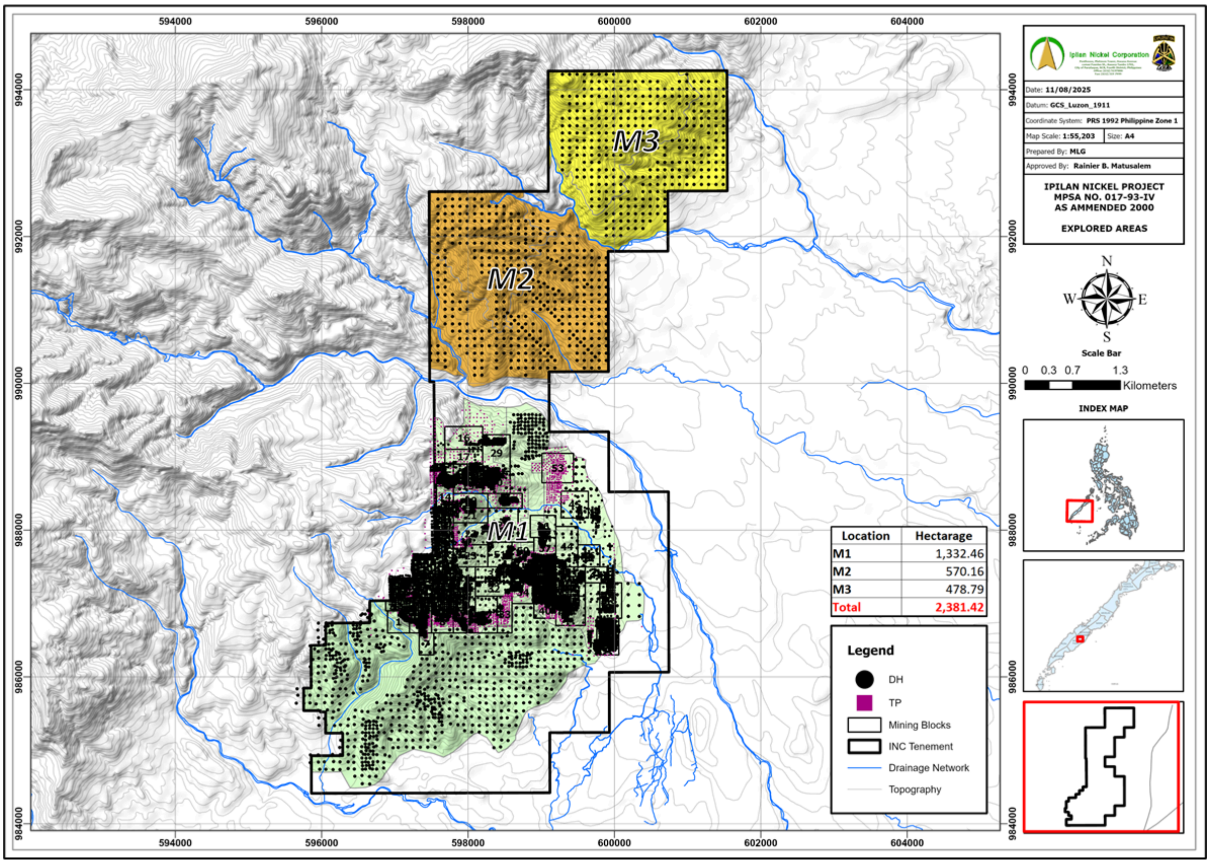
Exploration and Development

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**

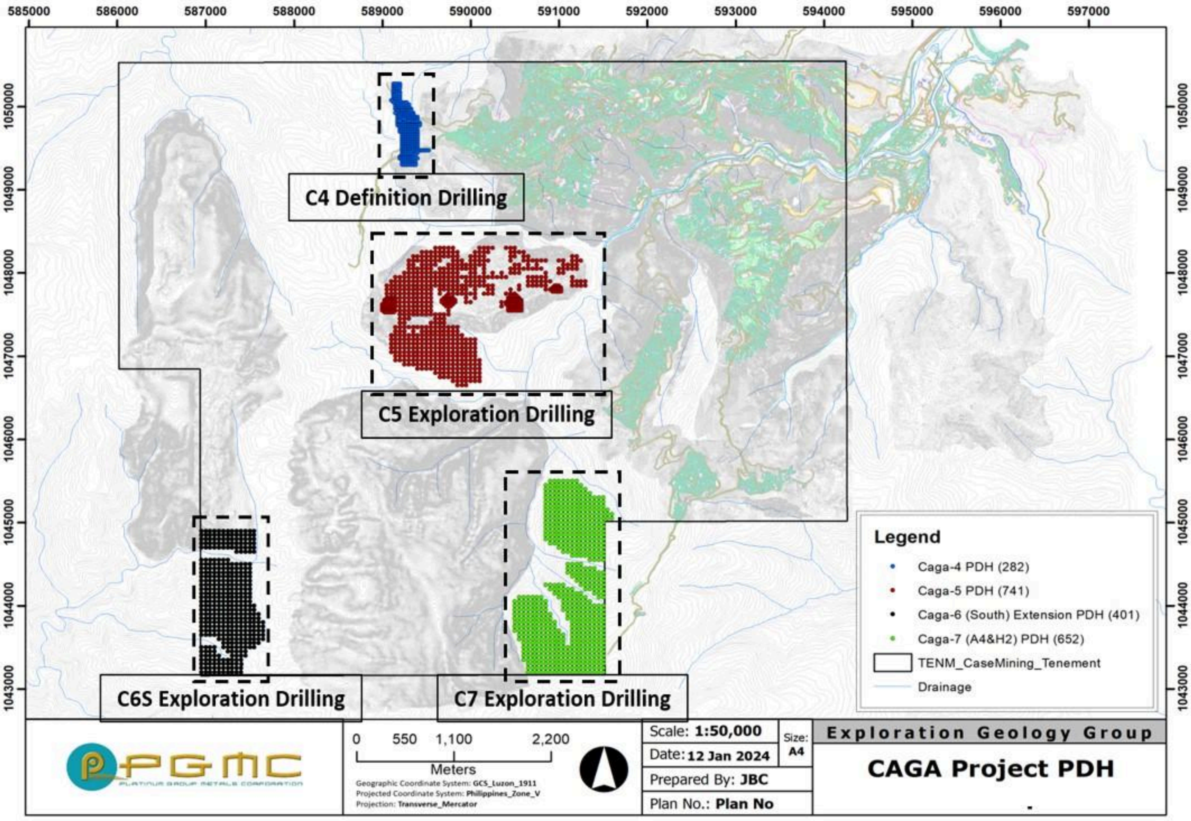
PGMC conducted extensive exploration drilling at its MPSA starting in 2015 covering CAGAs 1-4, 5-7, and extending further south into a new area (Higdon) which eventually was evaluated in June 2021 as the overall PGMC-CNEP. The various yearly drilling campaigns are used as the basis for updates on mineral 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.

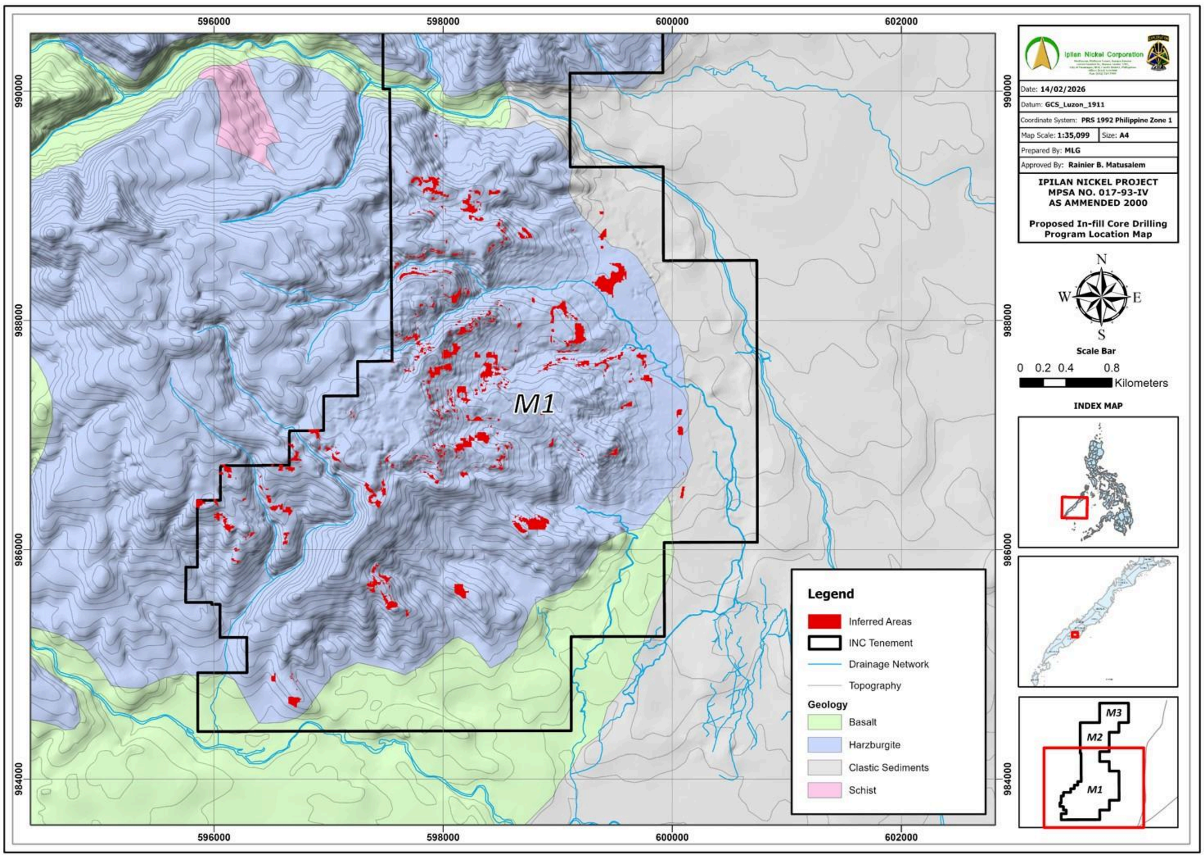
The Company launched an extensive exploration campaign at the M1 deposit within the Palawan mineral deposit areas to extend the mine's lifespan and boost its resource and reserve inventory last January 2022. This was done in line with recommendations contained in a technical report from 2014.

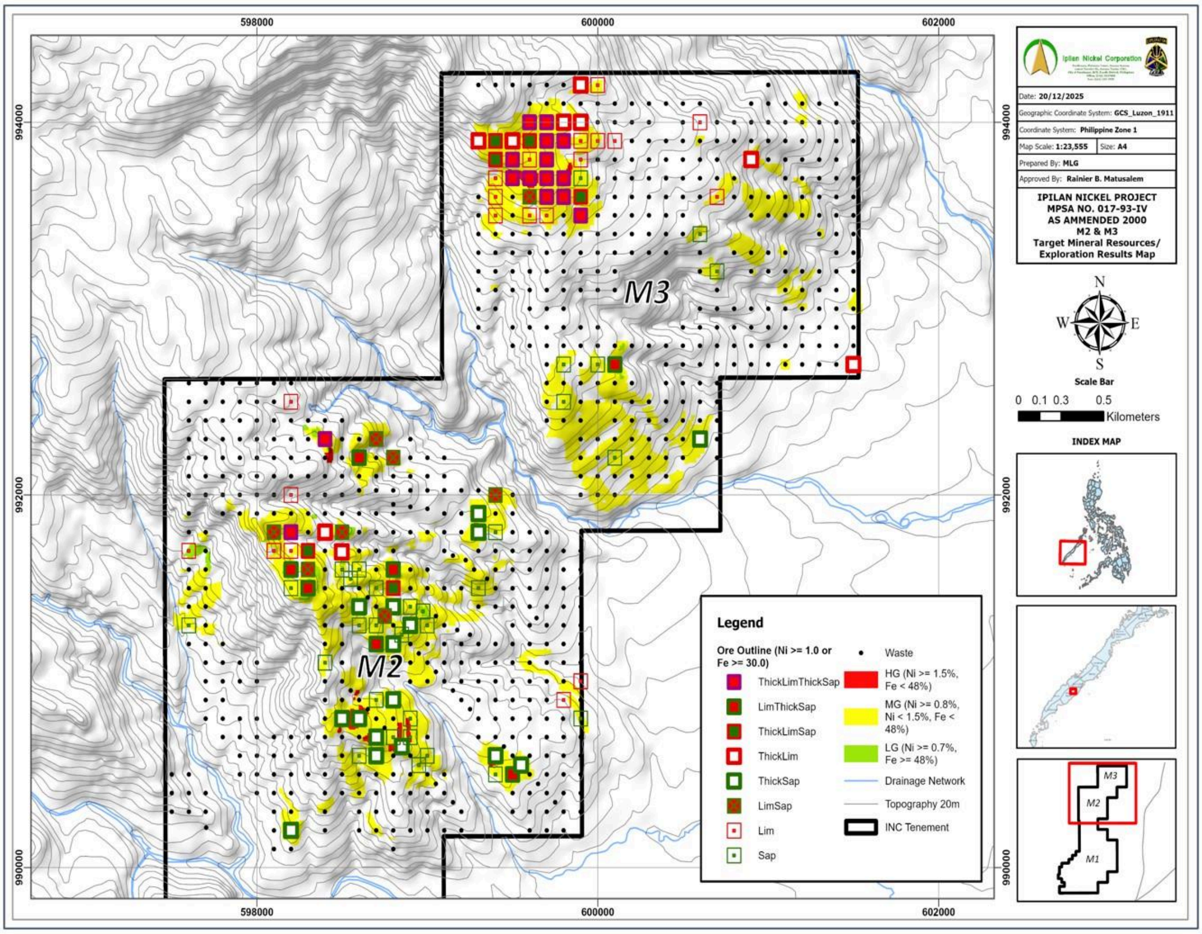
Additional Exploration

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.

Mineral Resources and Reserves

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:

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

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, 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,	
	2025 (Forvis Mazars)	2024 (SGV
	(₱ thousands)	
Audit and Audit-Related Fees[(1)]	5,000	12,373
Non-Audit Services [(2)]	-	2,590
Total	5,000	14,963

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

The fees presented above include out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 10.0% of the agreed-upon engagement fees.

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

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

Audit Committee Approval Policy and Procedure

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

Market Price of and Dividends

Market Information

The PSE is the principal market for the Company's shares. The closing price of the shares as of December 29, 2025 is at **₱1.35 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 1,721 shareholders as of December 31, 2025. 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
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)		Increase (Decrease)	
	In Thousand Pesos			2025 vs. 2024	%	2024 vs. 2023	%
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.

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.

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%

KPI	Formula	2025	2024	2023
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.